



CRANLEIGH FOUNDATION

A COMPANY LIMITED BY GUARANTEE

REGISTERED NUMBER 6452540

CHARITY NUMBER 1122918

ANNUAL REPORT AND ACCOUNTS 31 JULY 2011

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CRANLEIGH FOUNDATION
ANNUAL REPORT AND ACCOUNTS 2011
TRUSTEES, OFFICERS AND ADVISORS

The Trustees of Cranleigh Foundation

Revd Canon N Nicholson (Chairman)	Dr S Mockford
A S Cronk	Flt Lt Z R Sennett
C Dellière	N P Smith
Mrs B Graham-Rack	J A V Townsend
Mrs L Hampson	S Watkinson
D W A Lubbock	G J Williams
M J Meyer	

The Officers of Cranleigh Foundation

Foundation Director Mr DL Waters MBE (retired December 2010)
Company Secretary Mr P T Roberts MBE DChA

The Address of Cranleigh Foundation

Cranleigh Foundation
Cranleigh School
Horseshoe Lane
Cranleigh
Surrey
GU6 8QQ

Website www.cranleigh.org

Advisors

Bankers

Allied Irish Bank (GB)
201-203, The Broadway
London
SW19 1FF

Solicitors

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol,
BS1 5WS

Auditors

Crowe Clark Whitehill LLP
St Bride's House
10 Salisbury Square
London,
EC4Y 8EH

Investment Advisors

Brewin Dolphin Securities Limited
12 Smithfield Street
London,
EC1A 9BD

CRANLEIGH FOUNDATION
ANNUAL REPORT OF THE CRANLEIGH FOUNDATION TRUSTEES
FOR THE YEAR ENDED 31ST JULY 2011

The Cranleigh Foundation Trustees present the annual report for the year ended 31st July 2011 under the Charities Acts 1993 and 2006 and the Companies Act 2006, together with the audited accounts for the year. The Trustees confirm that the accounts comply with the requirements of the Acts, the Memorandum and Articles of Association and the Charities SORP 2005

REFERENCE AND ADMINISTRATIVE INFORMATION

Cranleigh Foundation (the Foundation) was incorporated on 13th December 2007, registered as a Charity under charity number 1122918 on 21st February 2008 and began operational activities at the start of 2008. The Foundation is a private company limited by guarantee and registered under the Companies Act, number 06452540. The Trustees of the Foundation, and those who acted during the year, are listed on page 1 together with details of the Charity's key staff and professional advisers

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Foundation is governed by Memorandum of Association and Articles of Association dated 13th December 2007

Recruitment and Appointment of Trustees

Foundation Trustees are appointed at meetings of the Board of Trustees on the basis of nominations received from the Governing Body of Cranleigh School ("the School") and other Trustees and those involved with Cranleigh Foundation, taking account of their experience, professional qualifications, skills, local knowledge and availability. The induction of new trustees is overseen by the Chairman and organised by the Head of the School and Company Secretary. The Head and Company Secretary brief new trustees on the objects, structure and working practices of the Foundation. Trustees are registered with Companies House and the Charity Commission and undergo checks in accordance with recruiting procedures. This includes a Criminal Records Bureau check. Trustees are covered for limited liability by the School's insurance.

Structure and Risk Management

The Foundation has three sub-committees

- The Foundationer Sub-Committee comprising Mrs B Graham-Rack, Mrs L Hampson, Mr S Watkinson, Mr G Williams. The work of this Committee is co-ordinated by the Head of the Senior School
- The Events Sub-Committee comprising Mrs B Graham-Rack, Mrs L Hampson, Mr D Lubbock. The work of this Committee is co-ordinated by the Deputy Bursar
- The Old Cranleighian Sub-Committee comprising Mr A Cronk, Mr C Delhère, Mr M Meyer, Mr N Smith, Mr S Watkinson. The work of this Committee is co-ordinated by the Project Director

Each sub-committee meets once every term before the full Trustees' meeting. The Foundation executive have delegated responsibility for the daily functioning of the Foundation and they attend sub-committee and full Trustee meetings, making reports at each on progress since the last meeting.

The primary method by which the Trustees manage risk is through sub-committees and full board meetings. These meetings have pre-agreed agendas and minutes are taken at each meeting. Trustees undergo a full check with the Criminal Records Bureau (CRB) and are covered by the School's Liability Insurance.

OBJECTIVES AND ACTIVITIES

The Foundation is established to promote and advance any charitable purpose directly connected with the School and in the event that the School ceases to exist to promote other educational charitable purposes for the benefit of the community. The Trustees have regard to the guidance promulgated by the Charity Commission in respect of the provision of public benefit. The Trustees are aware of the Charities Acts, particularly the 2006 Act, and the responsibility that these Acts place on the Foundation and Trustees.

The primary objectives of Cranleigh Foundation are to widen access to the School by providing support to local talented and gifted children through bursaries and to assist the School in developing new facilities or enhancing existing ones. These objectives are met through financial support to assist those parents who would not otherwise be able to afford the School's fees or by directly assisting the School with the development of facilities. The Foundation is grateful for the generosity of parents, Old Cranleighians, friends of the School and corporate sponsors.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The Foundation has had another successful year. The Foundation received £345k (2010 £255k) in donations during the year and with investment income and fund-raising events total income for the year was £568k (2010 £315k). The Trustees authorised charitable donations during the year of £341k (2010 £814k). The main fund-raising event of the year was the most successful Midsummer Ball held at Cranleigh Prep School and organised by the Events Committee. The Ball raised nearly £100k for the Foundation.

Funds were used to pay the fees for another Foundationer from September 2011 taking the total to three or one for each year that the Foundationer initiative has been running. The Foundation also contributed funds to three projects this year. The refurbishment of the Senior School Chapel is now over three quarters complete and has cost, to-date, £1.9m of which the Foundation has contributed a significant proportion. The Foundation is also contributing to the building of new sports pitches at the Senior School. These pitches have been named Bluetts in memory of David Bluett who died earlier this year. He was a charismatic Old Cranleighian who had a life-long interest in Cranleigh sport. The pitches comprise a splendid 1st XV rugby pitch which is irrigated, a second rugby pitch and a cricket square. The pitches will be available for use from early 2012 and will significantly enhance sporting opportunities at the School and, indeed, in the wider Cranleigh community. The majority of the cost of these pitches has been paid through charitable donations to the Foundation. The third project was the construction of an Indoor Cricket School on the site of the old rifle range. The Indoor Cricket School has two nets and with lights and heaters it will be used throughout the year by the School and local clubs, particularly those with active youth sections. The majority of the £95k cost has been donated by the Foundation.

FUTURE PLANS

The restructuring of the Foundation reported last year took place smoothly and by January 2011 the new procedures were in place. The Trustees commissioned a report into the structure of other Foundations and they will be considering this matter later in 2011 and during 2012. The

Foundation intends to assist the School in developing further links to the local community and, for this, it is hoped to build an artificial athletics track and further grass pitches to enable partnerships with local sports clubs. The Head is taking time early in 2012 to fund-raise in America and Australia for this venture that has attracted considerable local and some national interest. The Foundation continues to be committed to supporting Foundationers.

FINANCIAL REVIEW

The Foundation had free reserves of £215k at the end of the year. This is sufficient to meet existing commitments during the next year.

ACCOUNTING AND REPORTING RESPONSIBILITIES

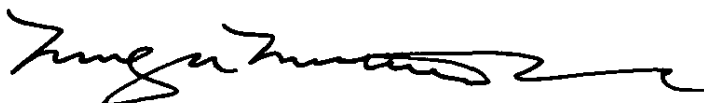
The Trustees are responsible for the preparation of the Trustees' Report and the financial statements in accordance with applicable law and regulations. Company law requires trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law. Under company law trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of its net incoming or outgoing resources for that period. In preparing these financial statements, the Trustees are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Trustees are responsible for keeping proper accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charity. These records must enable the Trustees to ensure that the financial statements comply with the Companies Act 2006. The Trustees are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the members of the Board of Trustees at the date of approval of this report is aware there is no relevant audit information (information needed by the Charity's Auditors in connection with preparing the audit report) of which the Charity's Auditors are unaware. Each member of the Board of Trustees has taken all of the steps that he or she should have taken as a member of the Board of Trustees in order to make himself or herself aware of the relevant audit information and to establish that the Charity's auditors are aware of that information.

Approved by the Foundation Board of Trustees on 7th November 2011 and signed on its behalf by



The Reverend Canon NP Nicholson DL (Chairman)

Independent Auditor's Report to the Members of Cranleigh Foundation

We have audited the financial statements of Cranleigh Foundation for the year ended 31 July 2011 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes numbered 1 to 5

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice)

This report is made solely to the charitable company's member, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's member those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the company's member for our audit work, for this report, or for the opinions we have formed

Respective responsibilities of trustees and auditor

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the directors, and the overall presentation of the financial statements

In addition, we read all the financial and non-financial information in the Annual Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2011 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006

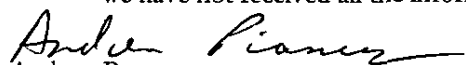
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Annual Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion

- adequate accounting records have not been kept, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit


Andrew Pianca

Senior Statutory Auditor

For and on behalf of Crowe Clark Whitehill LLP

Statutory Auditor

London

Date 26 January 2012

**CRANLEIGH FOUNDATION
STATEMENT OF ACCOUNTING POLICIES
31" JULY 2011**

Basis of preparation

The accounts have been prepared under the historical cost convention modified to include investments at market value. They comply with the Companies Act 2006, the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in February 2005, applicable accounting standards and the Foundation's constitution.

Donations

All donations are accounted for as income when the Trustees know with certainty that they will be received.

Resources expended

All expenditure is accounted for on an accruals basis and is classified under headings that aggregate all costs related to the category.

Charitable expenditure comprises grants and other payments made by the trustees in accordance with the charitable objects as set out in the trust deed. Grants are charged to the Statement of Financial Activities when the awards have been approved by the trustees, the relevant recipients have been notified of the awards and any related conditions prior to payment have been met.

Governance costs are those incurred in connection with the charity's compliance with constitutional and statutory requirements.

Investments

Investments are stated at their market value at the balance sheet date. Investment income is accounted for in the period in which the school is entitled to receipt.

Funds structure

Restricted funds are funds to be used in accordance with the specific restrictions imposed by the donors or for the specific purposes specified when requesting donations.

Unrestricted funds comprise those funds which the trustees are free to use for any purpose in furtherance of the charitable objects.

Taxation

The Foundation, as a registered charity, is able to take advantage of the tax exemptions available to charities. Accordingly, there is no corporation tax payable on the net incoming resources.

CRANLEIGH FOUNDATION

STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2011

	Note	Unrestricted Funds £'000	Restricted Funds £'000	2011 £'000	2010 £'000
INCOMING RESOURCES					
Activities to generate funds		223	-	223	60
Donations/Legacies		96	249	345	255
Total Incoming Resources		319	249	568	315
RESOURCES EXPENDED					
Cost of generating funds		180	-	180	132
Charitable activities		141	200	341	814
Governance		4	-	4	3
Total resources expended	1	325	200	525	949
NET INCOMING/(OUTGOING) RESOURCES BEING THE NET SURPLUS/(DEFICIT) FOR THE YEAR		(6)	49	43	(634)
NET MOVEMENT IN FUNDS		(6)	49	43	(634)
Balances brought forward at 1 August 2010		110	62	172	806
BALANCES CARRIED FORWARD 31 JULY 2011		104	111	215	172

CRANLEIGH FOUNDATION

BALANCE SHEET AS AT 31 JULY 2011

	Note	2011 £'000	2010 £'000
CURRENT ASSETS			
Debtors - due within one year - Cranleigh School		-	-
Gift Aid		7	3
Cash - at bank		<u>240</u>	<u>171</u>
		247	174
CREDITORS - Due within one year		(32)	(2)
NET CURRENT ASSETS		<u>215</u>	<u>172</u>
 RESTRICTED FUNDS	2	111	62
 UNRESTRICTED FUNDS		<u>104</u>	<u>110</u>
 TOTAL FUNDS		<u>215</u>	<u>172</u>

Approved and authorised for issue by the Trustees on 7th November 2011
and signed on their behalf by



Canon Reverend Nigel Nicholson - (Chairman)

The notes on pages 10 and 11 form part of these accounts

CRANLEIGH FOUNDATION
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2011

1. RESOURCES EXPENDED		2011	2010
		£'000	£'000
Cost of generating funds			
Fundraising events		139	20
Staff costs		28	85
Administration		13	27
		180	132
Donations to Cranleigh School		341	814
Governance costs comprises the statutory audit fee		4	3
Total resources expended		525	949
Total staff costs			
	Wages and salaries	23	69
	Social security costs	2	5
	Pension costs	3	11

The average number of employees in the year was NIL (2010 2) Neither the Trustees nor persons connected with them received any remuneration, benefits or expenses from the Foundation or any connected organisation

CRANLEIGH FOUNDATION

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 JULY 2011

2. STATEMENT OF FUNDS

	Balance 01/08/10 £'000	Income £'000	Expenditure £'000	Transfers £'000	Balance 31/07/11 £'000
Bursary Fund	38	24	(12)	-	50
Loveday Scholarship Fund	-	22	-	-	22
Chapel Refurbishment	-	2	(2)	-	-
Other	24	201	(186)	-	39
Total Restricted Funds	62	249	(200)	-	111
Total Unrestricted Funds	110	319	(325)	-	104
Total Funds	172	568	(525)	-	215

Allocation of Net Assets to Funds

The total of the funds is held as current assets

3. PARENT ENTITY

The charitable company is a wholly owned subsidiary of Cranleigh School, a charitable company incorporated in England. Copies of the annual accounts of Cranleigh School are available from the Company Secretary, Cranleigh School, Cranleigh, Surrey, GU6 8QQ

4. RELATED PARTY TRANSACTIONS

The Charity has taken advantage of the exemptions in paragraph 3 (c) of FRS8 on the disclosure of transactions with its parent charity, Cranleigh School

5. PENSIONS

The Charity participates in a multi-employer defined benefits pension scheme, The Cranleigh School Pension Scheme. The most recent valuation of this scheme was as at 6th April 2009 using the projected unit method and showed that the asset value of the scheme was £7.596m and the liabilities £9.967m, resulting in a 79% funding level. Based on this valuation, the Trustees of the scheme have instituted a recovery plan with effect from 6th July 2010, details of which can be found in the accounts of the School. The employer contribution rate has been set at 13.8% of relevant earnings with a further 5% contribution by employees. The FRS17 valuation for 31/07/10 shows a deficit on the scheme of £505K.