

CHELTENHAM COLLEGE

CHARITABLE TRUST

ANNUAL REPORT

FOR THE YEAR ENDED 31ST AUGUST 2006

REGISTERED CHARITY NUMBER : 1006429

CHELTENHAM COLLEGE CHARITABLE TRUST

ANNUAL REPORT

FOR THE YEAR ENDED 31ST AUGUST 2006

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CHELTENHAM COLLEGE CHARITABLE TRUST**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31ST AUGUST 2006**

The Trustees present their annual report for the year ended 31st August 2006 under the Charities Act 1993, together with the audited financial statements for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP 2005.

Reference and Administrative Information

Cheltenham College Charitable Trust (The Trust) is a registered charity (number 1006429) established by means of a Trust Deed on 1st November 1991. The Trust's principal address is:

Cheltenham College Charitable Trust
C/o Cheltenham College
Bath Road
Cheltenham
Gloucestershire
GL53 7LD

Trustees

Those who served as Trustees during the year were:

President of the Council of Cheltenham College	- Lady Mynors
President of the Cheltonian Society	- E Hollingworth
Headmaster of Cheltenham College	- J S Richardson
Headmaster of Cheltenham College Junior School	- N I Archdale
Council Nominee	- Miss J C A Smith

Secretary

The following served as secretary during the year:

S M Friling

CHELTENHAM COLLEGE CHARITABLE TRUST**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31ST AUGUST 2006**

(continued)

Professional Advisors and Addresses**Investment Managers:**

Morgan Stanley Quilter
 Queens Quay
 33-35 Queen Square
 Bristol
 BS1 4LU

Bankers:

Lloyds TSB Bank Plc
 130 High Street
 Cheltenham
 Gloucestershire
 GL50 1EW

Solicitors:

Rickerbys
 Ellenborough House
 Wellington Street
 Cheltenham
 Gloucestershire
 GL50 1YD

Auditors:

Davies Mayers Barnett LLP
 Chartered Accountants
 Registered Auditor
 Pillar House
 113/115 Bath Road
 Cheltenham
 Gloucestershire
 GL53 7LS

STRUCTURE, GOVERNANCE AND MANAGEMENT**Governing Document**

The Trust is governed by the provisions of the Trust Deed, which was last amended in 2002.

Trustees

The Trust deed specified that the Trustees shall be a minimum of 5 and a maximum of 10:

- The President of the Council of Cheltenham College.
- The President of the Cheltonian Society.
- The Headmaster of Cheltenham College.
- The Headmaster of Cheltenham College Junior School.
- A member of the Council of Cheltenham College nominated by them.
- Up to 5 others.

Each of the first four of these becomes a Trustee automatically on assuming the office under which he/she is appointed, and retires as soon as he/she ceases to hold the office. The fifth of these would retire as soon as he/she ceases to be a member of the nominating body. The others would retire after three years unless reappointed.

CHELTENHAM COLLEGE CHARITABLE TRUST**REPORT OF THE TRUSTEES****FOR THE YEAR ENDED 31ST AUGUST 2006**

(continued)

Trustees (continued)

The President of the Council is the Chairman of the Trustees and has a casting vote at meetings.

Trustee-training

New Trustees are inducted into the workings of the Trust, including its Policy and Procedures, by the Secretary on appointment.

Organisational Management

The Trustees hold meetings at least once in every academic year to determine policy, grants and awards for the subsequent academic year, to review the performance of the Trust and approve the accounts.

Organisational Structure and Relationships

The Trust is financially independent of Cheltenham College but is reliant upon it administratively.

Risk Management

The Trustees have examined the principal areas of the Trust's operations and considered the major risks faced in each of these areas.

In the opinion of the Trustees, the Trust has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day to day operations.

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES**Objective and Policy**

The object of the Trust is the advancement of education at Cheltenham College and Cheltenham College Junior School.

Strategic Aim and Intended Effect

The Trust holds a number of funds, each with the donor's specific intended effect. The Trustees ensure that the expenditure of funds is in keeping with the constraints imposed, if any, of the donor. The Trustees will normally only make expenditure from a restricted fund when sufficient resources have accrued to fund such an award.

The accounts of the Trust incorporate the following specific funds:

- A Scholarship Fund established by C H B Wadsworth Esq known as the Howard Wadsworth Bursary Fund. This is used to provide a bursary or bursaries for boys to attend Cheltenham College. The awards are made by the Headmaster of Cheltenham College according to criteria specified in the 1992 deed.
- A Scholarship Fund established by D George Esq known as the David George Memorial Fund. This is used to provide a scholarship for a day boy.
- A Scholarship Fund established by the Trustees of Selwyn School by means of a Deed on 22nd August 2003 known as the Selwyn Trust Fund. This is used to provide a scholarship for a day girl living within 15 miles of Gloucester Cathedral.
- A Bursary Fund established to assist financially with the education at Cheltenham College of the lineal descendants of military and civilian engineers who have died, or suffered serious injury or illness, as a result of war involving Great Britain.

CHELTENHAM COLLEGE CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST AUGUST 2006

(continued)

Strategic Aim and Intended Effect (continued)

- The Elmslie Prize Fund.
- The Paul S Clark Prize Fund.
- Performing Arts Building Fund.
- Scholarship General Fund.

Principal Activities

The Trustees supported one College pupil with the provision of a 20% scholarship. The Trust has continued to accumulate funds for the provision of improved Performing Arts facilities at the College.

REVIEW OF ACTIVITIES AND FINANCIAL RESULTS FOR THE YEAR

Endowed Fund

Investment gains resulted in a gain of £21,663 during the year.

Restricted Fund

Income from investments was used to fund a 20% scholarship for a boarding pupil at Cheltenham College in accordance with the Howard Wadsworth Trust Deed. At a meeting on 28th September 1996 the Trustees decided that, in order to sustain the capital value of the Fund, future awards should be at a maximum rate of 30% of the fees. After accounting for expenditure on the 20% scholarship and prizes, the net fund gain for the year was £11,727.

Unrestricted Appeal Fund

The Trustees agreed in 2006 to renew its policy of providing financial support to offset the administrative costs of raising the funds to support the Cheltenham College development plan appeal. The level of support is limited to a maximum of £50,000 per annum but not exceeding £250,000, or 10% of the funds raised whichever is the lower, over 5 years. However, no financial support was found to be necessary in this financial year.

A number of donations and bequests resulted in an excess of income over expenditure of £11,724. The Trustees have endeavoured to minimise unrestricted fund expenditure in order to support the 2007-2017 Cheltenham College development plan. However an award of £1,282 was made towards the cost of refurbishing the chapel kneelers. Investment gains of £3,516 in the year have led to an overall net fund gain for the year of £15,240.

Investment Policy and Objectives

The Trust's powers of investment of its trust funds are governed by the Trustee Act 2000. The Selwyn Trust Endowed Fund is required by the donors to be kept in high interest bank account. The Trustees keep under regular review the investment risks and performance of the Trust's investments. Having taken professional advice the Trustees policy is to place all available retained funds, other than those required for day-to-day cash management, with the Trust's investment managers. The target is to achieve a combined total of 10% income and capital growth. This year the combined income and growth was 9.5%. All investments held have been acquired in accordance with the powers available to the Trustees.

CHELTENHAM COLLEGE CHARITABLE TRUST

REPORT OF THE TRUSTEES

FOR THE YEAR ENDED 31ST AUGUST 2006

(continued)

Reserves Policy

The Endowed Funds are held to provide Restricted Income for the provision of financial support and prizes for pupils at Cheltenham College. There are sufficient reserves of income for each fund held to cover any awards made by the Trustees.

The Unrestricted Funds are retained to cover any fixed assets and provide working capital.

Trustees Financial Overview

The Trust's financial position at the balance sheet date is sound and it is able to meet its commitments.

FUTURE PLANS

The Trustees have agreed to assist with the funding of three pupils in the academic year 2006-07.

The Trustees expect to see additional funds raised over the next few years to enable it to provide substantial support to the Cheltenham College development plan initiative.

AUDITORS

Statement as to Disclosure of Information to Auditors

So far as the Trustees are aware, there is no relevant audit information of which the Trust's auditors are unaware, and each Trustee has taken all the steps that he or she ought to have taken as a Trustee in order to make himself or herself aware of any relevant audit information and to establish that the Trust's auditors are aware of that information.

Auditors

A resolution to reappoint Davies Mayers Barnett LLP as the Trust's auditors will be put to the Trustees at the forthcoming Trustees' General Meeting.

Approved by the Trustees on 11th May 2007 and signed on their behalf by:

.....
Trustee

CHELTENHAM COLLEGE CHARITABLE TRUST**STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Charities Act 1993 requires the Trustees of the Trust to prepare accounts for each financial year which give a true and fair view of its financial activities of the Trust during the year and of its financial activities at the end of the year. In preparing the accounts the Trustees should follow best practice, and:-

- select suitable accounting policies and apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- follow applicable accounting standards and the Charities SORP, disclosing any departures in the accounts ;
and
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the Trust will continue in operation.

The Trustees are responsible for keeping accounting records which are such as to disclose, with reasonable accuracy, the financial position of the Trust at any time, and to enable them as Trustees to ensure that the accounts comply with the charity law. They are also responsible for safeguarding the Trust's assets and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of error, fraud or other irregularities.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF
CHELTENHAM COLLEGE CHARITABLE TRUST

We have audited the financial statements of Cheltenham College Charitable Trust for the year ended 31st August 2006 on pages 9 to 15. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the Trustees, as a body, in accordance with section 43 of the Charities Act 1993 and regulations made under section 44 of that Act. Our audit work has been undertaken so that we might state to the Trustees 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 Trust and its Trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of the Trustees and Auditors

The responsibilities of the trustees for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Trustees' Responsibilities.

We have been appointed as auditors under section 43 of the Charities Act 1993 and report in accordance with regulations made under section 44 of that Act. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Charities Act 1993. We also report to you if, in our opinion, the Trustees' Report is not consistent with the financial statements, if the Trust has not kept proper accounting records, or if we have not received all the information and explanations we require for our audit.

We read the other information contained in the Trustees' Report and consider whether it is consistent with the audited financial statements. The other information comprises only the Trustees' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Trustees in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF**CHELTENHAM COLLEGE CHARITABLE TRUST**

(continued)

Opinion

In our opinion the financial statements:

- give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the Trust's affairs as at 31st August 2006 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended; and
- have been properly prepared in accordance with the Charities Act 1993.

DAVIES MAYERS BARNETT LLP

Chartered Accountants

Registered Auditors

Pillar House

113/115 Bath Road

Cheltenham

Gloucestershire

GL53 7LS

Dated: 11th May 2007

CHELTENHAM COLLEGE CHARITABLE TRUST**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31ST AUGUST 2006**

	General Appeal Fund <u>2006</u> £	Restricted Fund <u>2006</u> £	Endowed Capital Fund <u>2006</u> £	Total <u>2006</u> £	Total <u>2005</u> £
<u>Note</u>					
Incoming resources					
<i>Income from generated funds:</i>					
<i>Voluntary Income:</i>					
Covenants	39	-	-	39	42
Gift Aid donations	1,195	794	-	1,989	13,530
Donations	1,083	-	-	1,083	83,480
Bequests	10,089	1,787	-	11,876	17,093
<i>Sub total voluntary income</i>	<u>12,406</u>	<u>2,581</u>	-	<u>14,987</u>	114,145
Investment income	2	2,092	8,111	-	10,203
Total Incoming resources	<u>14,498</u>	<u>10,692</u>	-	<u>25,190</u>	125,517
Resources expended					
<i>Charitable Activities:</i>					
- Grants	3	-	-	-	8,000
- Bursary	-	6,984	-	6,984	4,290
- Prize	-	35	-	35	60
- Donation	1,282	-	-	1,282	-
<i>Sub total charitable activities</i>	<u>1,282</u>	<u>7,019</u>	-	<u>8,301</u>	12,350
Governance costs	5	1,492	-	-	1,492
Total Resources expended	<u>2,774</u>	<u>7,019</u>	-	<u>9,793</u>	11,025
Net Incoming resources	<u>11,724</u>	<u>3,673</u>	-	<u>15,397</u>	114,492
Inter Fund Transfers:					
The Cheltenham College Fund for Educating Sons of Engineers					
	-	-	-	-	20,325
Gains on investment assets					
- Realised	1,951	4,469	12,020	18,439	2,293
- Unrealised	6	1,565	3,585	9,643	14,794
Net movement in funds	<u>15,240</u>	<u>11,727</u>	<u>21,663</u>	<u>48,630</u>	188,084
Fund balances brought forward at 1st September 2005	140,443	156,855	319,295	616,593	428,509
Fund balances carried forward at 31st August 2006	<u>155,683</u>	<u>168,582</u>	<u>340,958</u>	<u>665,223</u>	616,593

CHELTENHAM COLLEGE CHARITABLE TRUST**STATEMENT OF FINANCIAL ACTIVITIES****FOR THE YEAR ENDED 31ST AUGUST 2006****(continued)**

All the above results are derived from continuing operations of the Trust. All of the prior year's results are derived from continuing operations of the Trust except for the Inter Fund Transfers relating to the amalgamation of the assets of The Cheltenham College Fund for Educating Sons of Engineers into the Trust.

There is no difference between the amount transferred to accumulated funds and the historical cost equivalent.

The Trust has no recognised gains and losses other than as shown above and therefore no separate statement of total recognised gains and losses has been presented.

CHELTENHAM COLLEGE CHARITABLE TRUST**BALANCE SHEET****AT 31ST AUGUST 2006**

	<u>Notes</u>	<u>31st August 2006</u> £	<u>31st August 2005</u> £
Fixed assets			
Investments	6	509,885	467,639
		-----	-----
Current assets			
Other debtors		54,269	66,300
Bank balance		101,069	82,654
		-----	-----
		155,338	148,954
Creditors: amounts falling due within one year			
Accruals and other creditors		-	-
		-----	-----
Net current assets		155,338	148,954
		-----	-----
Net assets		665,223	616,593
		=====	=====
Financed by:	9		
General Appeal Fund		155,683	140,443
Restricted funds		168,582	156,855
Endowed Capital fund		340,958	319,295
		-----	-----
		665,223	616,593
		=====	=====

The financial statements were approved by the Trustees on 11th May 2007 and signed on their behalf by:-

.....
Trustee

.....
Trustee

CHELTENHAM COLLEGE CHARITABLE TRUST**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST AUGUST 2006****1. Principal Accounting Policies**

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the Charity's financial statements.

a) Presentation of Accounts

The financial statements have been prepared in accordance with: -

- Applicable Accounting Standards in the United Kingdom (United Kingdom Generally Accepted Accounting Practice).
- Accounting regulations issued under the Charities Act 1993.
- The Statement of Recommended Practice on Accounting and Reporting by Charities: the Charities SORP 2005.

b) Income

Covenants, pledges, donations, bequests and gifts are included in the Statement of Financial Activities as they are received.

c) Grants and Bursaries

Grants and bursaries payable are accounted for when paid to recipients. Details of grants payable are given in the notes to the accounts.

d) Governance costs

Governance costs comprise all costs involving the public accountability of the trust and its compliance with regulation and good practice. These costs include costs related to the statutory audit and legal fees together with an apportionment of overhead and support costs.

e) Investments

Investments are stated at market value in the balance sheet.

Investment income is accounted for when it is received.

Gains and losses arising on investment assets are disclosed in a section of the Statement of Financial Activities distinguishing between realised gains where the investments have been sold and unrealised where they are still held at the balance sheet date. In both cases the gain is calculated with regard to the market value at the beginning of the year.

CHELTENHAM COLLEGE CHARITABLE TRUST**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST AUGUST 2006**

(continued)

2. Investment income

	31st August <u>2006</u> £	31st August <u>2005</u> £
Dividends – UK equities	1,190	5,870
Interest on cash deposits	9,013	5,502
	<u>10,203</u>	<u>11,372</u>

3. Grants

	31st August <u>2006</u> £	31st August <u>2005</u> £
During the year the Trust made the following grants:-		
Cheltenham College Boat Club Trust	-	8,000
	<u>-</u>	<u>8,000</u>

4. Trustees Remuneration

The Trustees received no remuneration (2005: £Nil) and were not reimbursed for any of their expenses in the year (2005: £Nil).

5. Analysis of Governance costs

	31st August <u>2006</u> £	31st August <u>2005</u> £
Auditor's remuneration	1,040	987
Legal and professional fees	452	-
Provision of fundraising expenses of Cheltenham College not utilised	-	(2,312)
	<u>1,492</u>	<u>(1,325)</u>

CHELTENHAM COLLEGE CHARITABLE TRUST**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST AUGUST 2006**

(continued)

6. Investments

	31st August <u>2006</u> £	31st August <u>2005</u> £
Quoted investments		
Market value at 1st September 2005	467,639	282,793
Additions	95,402	169,610
Disposals at opening market value	(67,950)	(35,738)
Unrealised gains on revaluation	14,794	50,974
Market value at 31st August 2006	<u>509,885</u>	<u>467,639</u>
 Analysis of Investments		
Wider range held by managers	491,276	438,941
Cash deposits	18,609	28,698
	<u>509,885</u>	<u>467,639</u>

These funds represent investments on behalf of the Howard Wadsworth Trust Fund in accordance with the Fund trust deed, the David George Memorial Fund, the Elmslie Prize Fund, the Buildings Fund, the Scholarship Fund and the General Fund.

The market value of the following investments at 31st August 2006 exceeded 5% of the market value of the portfolio at that date:-

	31st August <u>2006</u> £	31st August <u>2005</u> £
Cash on Deposit	-	28,698
Treasury 2½% Index Linked	27,191	26,914
Treasury 4¼% Stock	25,550	25,482
Treasury 4¾% Stock	30,450	31,431
Treasury 5% Bond	59,444	61,398
	<u>142,635</u>	<u>173,923</u>

The historical cost of investments at the balance sheet date was £433,357 (2005: £406,736). All investments are held inside the United Kingdom.

CHELTENHAM COLLEGE CHARITABLE TRUST**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31ST AUGUST 2006**

(continued)

7. Taxation Status

The Trust is a registered charity and hence no provision for taxation is included in the accounts as it benefits from the exemptions offered by Section 505 of Income and Corporation Taxes Act 1988.

8. Howard Wadsworth Trust Fund

In accordance with the Trust Deed dated 28th September 1992, the Howard Wadsworth Trust Fund is incorporated within the accounts of the Cheltenham College Charitable Trust.

9. Analysis of Net Assets between Funds

	<u>Investments</u>	<u>Debtors</u>	<u>Bank</u>	<u>Current Liabilities</u>	<u>Total</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
<u>General Appeal fund</u>	53,936	49,259	52,488	-	155,683

<u>Restricted Funds:-</u>					
- Howard Wadsworth Trust Fund	21,697	-	-	-	21,697
- David George Memorial Fund	9,122	-	-	-	9,122
- Selwyn Trust Fund	-	-	6,177	-	6,177
- Elmslie Prize Fund	137	-	23	-	160
- Scholarship Fund	1,239	-	203	-	1,442
- Buildings Fund	122,290	5,370	2,178	-	129,838
- Sons of Engineers Fund	146	-	-	-	146
					168,582

<u>Endowed Capital Funds:-</u>					
- Howard Wadsworth Trust Fund	107,754	-	-	-	107,754
- David George Memorial Fund	153,104	-	-	-	153,104
- Selwyn Trust Fund	-	-	40,000	-	40,000
- Elmslie Prize Fund	1,206	-	-	-	1,206
- Sons of Engineers Fund	22,861	(360)	-	-	22,501
- Paul S Clark Prize Fund	16,393	-	-	-	16,393
					340,958

	509,885	54,269	101,069	-	665,223
	=====	=====	=====	=====	=====

10. Related Party Transactions

The details of transactions with Cheltenham College are disclosed in the Report of the Trustees.