

**EWELL CASTLE SCHOOL LIMITED**

**REPORT AND ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2004**

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\*These pages do not form part of the statutory accounts of the Company.

Company Registration Number: 788782

Registered Charity Number: 312079

Registered Office: Church Street  
Ewell  
Surrey  
KT17 2AW



**EWELL CASTLE SCHOOL LIMITED  
A COMPANY LIMITED BY GUARANTEE**

**KEY PERSONNEL AND PROFESSIONAL ADVISERS**

Principal:	A.J. Tibble, BSc, NPQH
Head of Senior School:	M. Holder-Williams, MA
Head of Junior School:	Mrs. H.M. Crossley, MA
Company Secretary:	G.D. Holland, BSc, ACA
Auditors:	Helmores Grosvenor Gardens House 35/37 Grosvenor Gardens London SW1W 0BY
Bankers:	Barclays Bank PLC 64, High Street Ewell Surrey KT17 1RN
Solicitors:	A.J. Lutley Springfield Rookery Hill Ashted Park Ashted Surrey KT21 1HY

## **EWELL CASTLE SCHOOL LIMITED**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2004**

The Governors present their annual report and the audited financial statements of the company for the year ended 31 August 2004.

The financial statements comply with current statutory requirements, the Memorandum and Articles of Association and the Statement of Recommended Practice – Accounting and Reporting by Charities.

#### **Activity**

The principal activity of the company during the year was that of an independent school for boys and girls. There have been no changes in the company's objects or policies during the year.

#### **Constitution**

Ewell Castle School was established in 1926 and was incorporated on 22 January 1964 as a company limited by guarantee. It is governed by its Memorandum and Articles of Association. The company is a registered charity.

The company is organised with a Board of Governors, who are the trustees and members of the charity, to oversee planning, with a member of the Board being nominated as Chairman. A trustee may be appointed by invitation to become a member of the company and removed by a written request from all of the other Governors. The Principal and a small management team are responsible for the day-to-day running of the company.

The trustees are members of the charity but this entitles them only to voting rights. Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of a winding up. The total number of such guarantees at 31 August 2004 was 8 (2003 – 10).

#### **Financial Review**

The results of the company's activities for the year are set out on page 6. Fee income increased by 15.7% to £3.27 million as a result of higher fee levels and an increase in the number of pupils. Staff costs rose by 8.5% whilst average staff numbers rose by only 4.6%. The increase in staff costs reflects a full year of increased National Insurance costs and a 62% increase in the level of employer contributions to the Teachers' Pension scheme from April 2003. Net incoming resources for the year increased from £146,000 to £330,000. The cash flow statement on page 8 shows an increase in cash balances of £448,000 and a reduction of loans of £35,000 over the year.

#### **Review of Activities, Development and Achievements**

The number of pupils again rose in September 2003 to 511, representing a 5% increase. The figures reflect increases at the Senior School (4%) and at the Junior School (7%). Years 3 to 6 of the Junior School are now established at Glyn House with Senior School Music and the Drama Music School occupying the lower ground floor.

Record levels were again achieved in public examinations in 2004, this year at Key Stage 2 (11 years of age) and KS4 (14 years). The school was also placed sixth of all schools nationally for value added from KS3 to KS4 (16 years – GCSE). This latter statistic is a more valuable measure of achievement than the raw percentage figures and corresponding tables that reflect entry criteria as well as progress. Students were very successful in achieving the desired university placements in a variety of fields. The link with Greenacre Girls' School continues to flourish and benefits have been reaped in and outside the curriculum. A significant number of tours and trips took place to America, Europe and the UK.

## **EWELL CASTLE SCHOOL LIMITED**

### **REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2004 (continued)**

#### **Future Developments**

The initial phases of improvements at Glyn House were completed in 2003-04, including a Technology room. Planning discussions continue in relation to the proposed outdoor play area.

Our attention also turned to Chessington Lodge and internal refurbishment has incorporated new cloakroom facilities for pupils, enlarged classroom space, a designated library and improved access (new stairs) to the first floor. Work has also commenced upon an outdoor garden project.

Negotiations continue with the Landlord and it is hoped that an agreement will be reached regarding the longer lease. The major developments being considered at The Castle are dependent upon the outcome of lease negotiations.

The areas that remain under review at The Castle are in the Quad and behind the Sports Hall. Nevertheless we moved into the new Study Centre in September 2003 – an area previously occupied by the Music department. The Art Department accommodation has been increased and the play area in the Basin also enlarged. The cricket net area has been upgraded and new watering facilities on the Field have made an immediate impact.

Drama courses were introduced in September 2003 at GCSE and AS levels. A support course was also introduced at GCSE. Preparations are under way for introducing an applied GCSE in Business Studies in September 2004.

#### **Public Benefit**

Ewell Castle is pleased to record continued public benefit offered in many respects beyond means tested bursaries. Some of these activities can be summarised as follows.

The school has an established partnership with Kingston University, NESCOL and SWELTEC which offer our services as a 'training' school for Initial Teacher Training (ITT).

Significant charitable works are undertaken by staff and pupils including support at the charity shop, developing links with a Special needs School and fund raising activities for local, national and international charitable organisations.

#### **Investment Policy**

There are no restrictions on the company's absolute powers of investment. The Board's policy continues to be to put any retained funds in higher-yielding deposit accounts.

#### **Reserves Policy**

The charity requires free reserves (that is those funds not tied up in fixed assets and restricted funds) in order to provide:

- an adequate level of working capital;
- a financial buffer to cover risks to which the charity is exposed;
- funds to enable the school to continue to invest to enhance the educational facilities it provides.

Free reserves at 31 August 2004 amounted to £291,000. The Board has determined that the appropriate level of free reserves should fall within the range of £400,000 to £600,000. The charity intends to retain future surpluses in order to establish the appropriate level of free reserves.

The Board will review the reserves policy on an annual basis.

#### **Risk Management**

The Board has a policy of continually reviewing major risks to which the company is exposed and the adequacy of systems in place to mitigate those risks.

**EWELL CASTLE SCHOOL LIMITED**

**REPORT OF THE GOVERNORS  
FOR THE YEAR ENDED 31 AUGUST 2004  
(continued)**

**Governors**

The Governors who served during the year were as follows:

D.C.M. Hill, Esq. (Chairman)

J.E.D. Cattermole, Esq.

(Resigned 20 April 2004)

A.J. Askew, Esq.

T.R. Drake, Esq.

Dr. H.H.B. Perkins

P.A. Laughton, B.A.

Prof. J.F. Levy, B.Sc., D.Sc, F.I.C.

(Resigned 26 April 2004)

C.E. Moyle, Esq.

G. Tobin, F.R.I.C.S.

P.M. Holland, Esq.

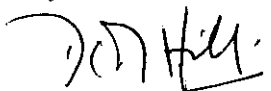
**Auditors**

The auditors, Helmores, have indicated their willingness to continue in office, and a resolution will be proposed at the Annual General Meeting for their re-appointment.

**Statement of Governors Responsibilities**

The Governors are required by law to prepare the financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of its financial activities for that period. In preparing those financial statements, they are required to select suitable accounting policies and then apply them consistently, make judgements and estimates that are reasonable and prudent, state whether applicable accounting standards have been followed, and prepare the financial statements on a going concern basis where appropriate. The Governors are also responsible for maintaining adequate accounting records, safeguarding the assets of the company, and for the prevention of fraud and other irregularities.

Approved by the Board of Governors on 12th January 2005 and signed on its behalf by

  
By Order of the Board  
D.C.M. Hill - Chairman

**EWELL CASTLE SCHOOL LIMITED  
A COMPANY LIMITED BY GUARANTEE**

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF EWELL CASTLE SCHOOL LIMITED**

We have audited the financial statements of Ewell Castle School Limited for the year ended 31 August 2004, which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the historical cost convention and the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members 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 company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

**Respective Responsibilities of Governors and Auditors**

The governors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards are set out in the Statement of Governors' Responsibilities on page 4. Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and United Kingdom Auditing Standards.

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 Companies Act 1985. We also report to you if, in our opinion, the Governors' Report is not consistent with the financial statements, if the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding governors' remuneration and transactions with the company is not disclosed.

We read the report of the Governors and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

**Basis of Audit Opinion**

We conducted our audit in accordance with United Kingdom Auditing Standards 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 judgments made by the Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company'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.

**Opinion**

In our opinion the financial statements give a true and fair view of the state of the company's affairs as at 31 August 2004 and of its net incoming resources and cash flows for the year then ended and have been properly prepared in accordance with the Companies Act 1985.

  
Helmores

Chartered Accountants and Registered Auditors

Grosvenor Gardens House  
35/37 Grosvenor Gardens  
London SW1W 0BY

*12 January 2005*

## EWELL CASTLE SCHOOL LIMITED

STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2004

	Notes	Unrestricted Funds	Restricted Funds	Total 2004	Total 2003
INCOMING RESOURCES		£	£	£	£
<b>Activities in Furtherance of the Charity's Objects:</b>					
Fees Receivable		3,275,169	-	3,275,169	2,831,305
School Lunches		111,349	-	111,349	93,486
<b>Appeals and Donations</b>		-	16,924	16,924	-
<b>Other Activities to Generate Funds:</b>					
Hire of Facilities and Accommodation Income		23,808	-	23,808	20,599
Registration Fees and Other Income		29,214	-	29,214	24,358
<b>Investment Income:</b>					
Bank Interest		29,122	-	29,122	13,264
<b>Total Incoming Resources</b>		<u>3,468,662</u>	<u>16,924</u>	<u>3,485,586</u>	<u>2,983,012</u>
<b>RESOURCES EXPENDED</b>					
<b>Charitable Expenditure in Furtherance of the Charity's Objects:</b>					
Education	2	3,122,035	16,684	3,138,719	2,820,409
Management and Administration	3	16,440	-	16,440	16,347
<b>Total Resources Expended</b>		<u>3,138,475</u>	<u>16,684</u>	<u>3,155,159</u>	<u>2,836,756</u>
<b>Net Incoming Resources before transfers</b>		330,187	240	330,427	146,256
Transfers between Funds	10	10,771	(10,771)	-	-
<b>Net Movement in Funds for the year</b>		340,958	(10,531)	330,427	146,256
<b>Fund balances at beginning of year</b>		1,550,867	78,983	1,629,850	1,483,594
<b>Fund balances at end of year</b>		<u>1,891,825</u>	<u>68,452</u>	<u>1,960,277</u>	<u>1,629,850</u>

All amounts relate to continuing activities.

The company made no recognised gains or losses in this or the preceding financial year other than the net incoming resources for the year.

The net incoming resources for the year are not materially different from those that would appear in an Income and Expenditure Account; therefore a separate statement has not been prepared.

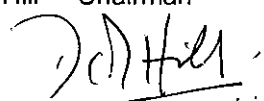
The notes on pages 9 to 13 form a part of these accounts.

## EWELL CASTLE SCHOOL LIMITED

BALANCE SHEET  
AT 31 AUGUST 2004

		2004		2003	
	Notes	£	£	£	£
<b>Fixed Assets</b>					
Tangible Assets	6		2,352,979		2,455,503
<b>Current Assets</b>					
Stocks		3,466		3,419	
Debtors	7	65,035		71,853	
Cash at Bank and in Hand		687,066		238,667	
		<u>755,567</u>		<u>313,939</u>	
<b>Creditors: Amounts falling due within one year</b>					
Bank Loan		37,811		35,444	
Fees Received in Advance		189,298		202,119	
Other Creditors		204,253		148,259	
Accruals and Deferred Income		33,006		32,165	
		<u>464,368</u>		<u>417,987</u>	
<b>Net Current Assets / (Liabilities)</b>			291,199		(104,048)
<b>Total Assets less Current Liabilities</b>			<u>2,644,178</u>		<u>2,351,455</u>
<b>Creditors: Amounts falling due after one year</b>	8		(683,901)		(721,605)
<b>Total Net Assets</b>			<u>1,960,277</u>		<u>1,629,850</u>
<b>Represented by:</b>					
Restricted Funds	10		68,452		78,983
Unrestricted Funds			1,891,825		1,550,867
<b>Total Funds</b>			<u>1,960,277</u>		<u>1,629,850</u>

Approved by the Board on 12 January 2005 and signed on its behalf by  
D.C.M. Hill - Chairman



The notes on pages 9 to 13 form a part of these accounts.



## EWELL CASTLE SCHOOL LIMITED

CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 AUGUST 2004

		2004		2003	
	Notes	£	£	£	£
<b>Net cash inflow from operating activities</b>	1		547,270		407,199
<b>Returns on Investments and Servicing of Finance</b>					
Interest Received		29,122		13,264	
Interest Paid		<u>(46,511)</u>		<u>(49,615)</u>	
			(17,389)		(36,351)
<b>Capital Expenditure</b>					
Payments to acquire tangible fixed assets			<u>(46,145)</u>		<u>(113,135)</u>
			483,736		257,713
<b>Financing</b>					
Bank Loan			(35,337)		(43,320)
<b>Increase (Decrease) in Cash</b>	2		<u>448,399</u>		<u>214,393</u>

**1. Reconciliation of net incoming resources to net cash inflow from operating activities**

	2004	2003
	£	£
Net incoming resources	330,427	146,256
Interest Receivable	(29,122)	(13,264)
Interest Payable	46,511	49,615
Depreciation charges	148,669	155,521
Movement in stocks	(47)	741
Movement in debtors	6,818	(33,515)
Movement in creditors	44,014	101,845
<b>Net cash inflow from operating activities</b>	<u>547,270</u>	<u>407,199</u>

**2. Analysis of changes in net debt**

	At Beginning of Year	Cash Flows	At End of Year
	£	£	£
Cash at Bank	238,667	448,399	687,066
Bank Loan:			
Due within 1 year	(35,444)	(2,367)	(37,811)
Due after 1 year	(721,605)	37,704	(683,901)
<b>TOTAL</b>	<u>(518,382)</u>	<u>483,736</u>	<u>(34,646)</u>

# **EWELL CASTLE SCHOOL LIMITED**

## **NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2004**

### **ACCOUNTING POLICIES**

#### **a) Accounting convention**

The financial statements have been prepared under the historical cost convention and in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities', the Companies Act 1985 and applicable accounting standards.

#### **b) Fees and similar income**

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting discounts and bursaries.

#### **c) Donations and voluntary income**

Donations and voluntary income received for the general purposes of the charity are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are included in restricted funds.

#### **d) Expenditure is allocated as follows:**

##### **- Teaching**

All expenditure directly relating to the provision of educational services, including teaching staff costs, educational materials, depreciation and related equipment.

##### **- Premises**

All expenditure incurred in the running costs and maintenance of the school buildings and grounds and depreciation of freehold buildings and leasehold improvements.

##### **- Other costs**

Costs incurred directly on the objects of the school including functions such as Human Resources, Information Technology, Quality Control, School Cafeteria and Health and Safety.

##### **- Management and administration costs**

This comprises the costs of managing and administering the charity and includes related legal and professional fees, audit fees, costs of Governors' meetings and an apportionment of relevant staff costs.

**EWELL CASTLE SCHOOL LIMITED**
**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2004**  
**(Continued)**
**e) School buildings and equipment**

Part of the school buildings and grounds are subject to leases, which expire in December 2020. Improvements to leasehold property include the costs incurred in building the sports hall and the science laboratory. Building improvements and extensions costing more than £5,000, together with furniture and equipment costing more than £1,500 are capitalised and depreciated.

Depreciation is provided on a straight line basis so as to write off the cost of the tangible fixed assets over their estimated useful lives as follows:

Freehold Buildings	- 2% per annum
Improvements to Leasehold Property	- over the lease term
Furniture and Equipment	- 15% and 25% per annum
Motor Vehicles	- 25% per annum

**f) Stocks**

Stocks of foodstuffs and sports clothing are valued at the lower of cost and net realisable value.

**g) Funds**

Unrestricted funds are available for use for the general purposes of the charity. Restricted funds are subject to donor-imposed restrictions and are shown separately in the Statement of Financial Activities.

**h) Pension schemes**

The company contributes to the Teachers Pension Agency Pension Scheme in respect of staff who are eligible and have not opted out of the scheme. Employers' contributions, which are set by the Scheme Trustees, are currently 13.5% of pensionable earnings.

The company also runs a Stakeholder Pension Scheme for staff who are not eligible to join the Teachers Pension Agency Scheme. The company currently contributes 5% of pensionable earnings for those employees participating in the scheme.

Pension costs are charged to the Statement of Financial Activities as incurred.

**i) Operating leases**

The rentals payable under operating leases for equipment are charged to the Statement of Financial Activities on a straight-line basis over the lease term. Rent payable in respect of operating leases for school premises is based on a percentage of school fees receivable in the year.

## EWELL CASTLE SCHOOL LIMITED

**NOTES TO THE ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2004**  
(Continued)

**2. Education**

	Staff Costs £	Other Costs £	Depreciation £	Total 2004 £	Total 2003 £
Teaching	1,776,960	97,800	50,734	1,925,494	1,800,927
Premises	84,669	586,316	96,900	767,885	630,285
Other costs	202,820	241,485	1,035	445,340	389,197
	<u>2,064,449</u>	<u>925,601</u>	<u>148,669</u>	<u>3,138,719</u>	<u>2,820,409</u>

Other costs include: interest on bank loan of £46,517 (2003 - £49,615) and the hire of equipment of £44,300 (2003 - £29,532).

**3. Management and Administration**

	2004 £	2003 £
Auditors Remuneration		
- as auditors	6,825	6,933
- other services	4,897	4,989
Staff costs	4,718	4,425
	<u>16,440</u>	<u>16,347</u>

**4. Staff Costs**

	2004 £	2003 £
Wages and Salaries	1,753,312	1,648,696
Social Security Costs	141,453	125,366
Pension Costs	174,402	133,649
	<u>2,069,167</u>	<u>1,907,711</u>

**5. Staff Particulars**

The average number of employees (full time equivalent) during the year was as follows:

	2004	2003
Administrative Staff	9	7
Teaching Staff	50	50
Domestic Staff	9	8
	<u>68</u>	<u>65</u>

Employees receiving emoluments in excess of £50,000 were as follows:

£50,001 - £60,000	nil	one
£60,001 - £70,000	one	one

The above employees are members of the Teacher's Pension Agency pension scheme.

Pension costs for higher paid employees	£9,098	£11,965
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## EWELL CASTLE SCHOOL LIMITED

NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2004  
(Continued)

## 6. Tangible Fixed Assets

	Freehold Land and Buildings £	Leasehold Building Improvements £	Furniture and Equipment £	Motor Vehicles £	Total £
Cost					
Opening Balance	1,720,563	1,364,825	526,685	72,301	3,684,374
Additions	7,575	-	38,570	-	46,145
	<u>1,728,138</u>	<u>1,364,825</u>	<u>565,255</u>	<u>72,301</u>	<u>3,730,519</u>
Depreciation					
Opening Balance	34,408	737,863	394,701	61,899	1,228,871
Charge for the Year	34,559	62,341	48,303	3,466	148,669
	<u>68,967</u>	<u>800,204</u>	<u>443,004</u>	<u>65,365</u>	<u>1,377,540</u>
Net Book Value - 2004	<u>1,659,171</u>	<u>564,621</u>	<u>122,251</u>	<u>6,936</u>	<u>2,352,979</u>
Net Book Value - 2003	<u>1,686,155</u>	<u>626,962</u>	<u>131,984</u>	<u>10,402</u>	<u>2,455,503</u>

The lease on the property expires in December 2020.

## 7. Debtors

	2004 £	2003 £
Fees Receivable	15,246	19,800
Others	516	4,598
Prepayments and Accrued Income	49,273	47,455
	<u>65,035</u>	<u>71,853</u>

## 8. Creditors: Amounts Falling Due After One Year

	2004 £	2003 £
Bank Loan:		
Due Between Two and Five Years	170,979	166,936
Due After Five Years	512,922	554,669
	<u>683,901</u>	<u>721,605</u>

The bank loan is secured under a Mortgage Debenture incorporating a fixed charge over the freehold property of Glyn House. The loan represents capital only and is fully repayable over 13 years to 2017. Interest is payable at 6.45% per annum fixed for 5 years from the date the loan was taken out. The proportion of the loan to the value of the asset mortgaged is 43%.

**EWELL CASTLE SCHOOL LIMITED****NOTES TO THE ACCOUNTS  
FOR THE YEAR ENDED 31 AUGUST 2004  
(Continued)****9. Operating Leases**

	2004 £	2003 £
Rentals Charged in the Year:		
Land and Buildings	170,851	155,678
Computer Equipment	44,300	29,532

Payments under operating leases due in the next year are as follows:

	Land and Buildings £	Computer Equipment £
Leases expiring within one year	-	11,127
Leases expiring within two to five years	-	15,638
Leases expiring after more than five years	183,000	-
	<u>183,000</u>	<u>26,765</u>

**10. Restricted Funds**

The restricted funds principally comprise the Appeal Fund, which was set up to raise funds for major building projects. The income of the fund is covenanted donations and tax recoverable thereon. The transfer to unrestricted funds represents a relevant proportion of the depreciation charge for the year in respect of buildings partly financed by Appeal income. The appeal fund value carried forward is represented by the net book value of leasehold improvements partly financed by Appeal income (2004 - £68,212; 2003 - £78,983).

Restricted donations of £16,924 were received in the year. Unspent restricted donations carried forward of £240 comprise a fund to provide prizes in future years.

**11. Connected Parties**

G Tobin is a Governor and a Partner in Andrews & Robertson, Chartered Surveyors. Andrews & Robertson received professional fees from the company totalling £3,196 during the financial year (2003: £3,753). No emoluments, reimbursed expenses or indemnity insurances were paid to or received by any of the Governors in respect of qualifying services as a governor of the company during the year.

**12. Capital Commitments**

Contracted for but not provided in these accounts - nil (2003 - nil)  
Authorised but not contracted for - £nil (2003 - nil)

**13. Taxation**

The School is exempt from Corporation Tax on its charitable activities.