

Charity Registration No 1102588

Company Registration No 5010957 (England and Wales)

DENSTONE COLLEGE LIMITED
DIRECTORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31ST AUGUST 2010

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DENSTONE COLLEGE LIMITED

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DENSTONE COLLEGE LIMITED

COMPANY INFORMATION YEAR ENDED 31ST AUGUST 2010

Directors	Mrs P J Gee (Chairman) Revd Canon B D Clover MA FRSA LTCL (Provost) Mr R J Bokros Mr J S F Cash BSc MRICS Mr A D Coley Mr G Gregory MA BA Hons (Econ) Mrs B Hyde BA Hons, Dip MS, MBA Mr C J Lewis (appointed March 2010) Mr T J Marlow (appointed November 2009) Miss E M Mullenger BA CertEd FRSA His Honour Judge R T N Orme LLB (Hons) Mrs Z H Raybould BA Hons (appointed June 2010) Mr K P Threlfall Mr J B Vinecombe Mrs S Gouldstone (retired September 2009) Dr R J Meredith MBChB MRCP (retired May 2010) Sqn Ldr S Smith MHCIMA RAF (retired June 2010)
Secretary	D M Martin ACIB
Charity No	1102588
Company No	5010957
Principal address and Registered Office	Denstone College Uttoxeter Staffs ST14 5HN
Head	D M Derbyshire BA MSC
Bursar	D M Martin ACIB
Auditors	Grant Thornton UK LLP Grant Thornton House Kettering Parkway Kettering Venture Park Kettering NN15 6XR
Bankers	Lloyds TSB plc 1 Pride Hill Shrewsbury SY1 1DG
Solicitors	Lee Bolton & Lee 1 The Sanctuary Westminster London SW1P 3JT
Investment Advisers	UBS Wealth Management (UK) Limited W C House London EC1 3BY
Insurance Brokers	Zurich Municipal SFS Group Crossways House 54-60 South Street Dorking RH4 2HQ

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT YEAR ENDED 31ST AUGUST 2010

The directors present their report and financial statements for the year ended 31st August 2010, a year of further record results at both GCSE and A level, and confirm they comply with the requirements of the Charities Act 1993, as amended by the Charities Act 1996, and the Charities SORP 2005

REFERENCE AND ADMINISTRATIVE INFORMATION

The charity was formed in 2004 and is registered with the Charity Commission as charity number 1102588. The charity is a limited liability company and wholly owned subsidiary of The Woodard Corporation (charity number 1096270). Woodard schools strive for the best all round education of every aspect of each individual, they ensure high standards of religious education, and they see themselves as communities working together for the benefit of all members, and of the Church and the nation. They are strong Christian foundations which adhere to catholic belief as found in the Church, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain.

Denstone College helps to fund the central body of the Woodard Corporation whose owned schools, including Denstone, educate more than 9,000 pupils. The Woodard Corporation maintain and extend relationships with owned and affiliated schools with valuable support given to the maintained sector, not least the establishment of two new academies, thus providing significant public benefit.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The company is governed by Memorandum and Articles of Association dated 9 January 2004. The Memorandum and Articles of Association of the company forbid the distribution of any income, which is to be applied solely towards the promotion of the objects of the company.

Governing Body

The Governors are the directors of the company and comprise the governing body of Denstone College and are elected to hold office for five years. The College is governed by the governing body which operates using a number of committees. Membership of each committee is outlined below. The governing body met formally three times during the year along with a less formal strategy meeting in January. The governing body is referred to as the College Council.

Recruitment and Training of Governors

The Governing Body includes Fellows of the Woodard Corporation and Governors. Fellows and Governors have the same status on the Governing Body but Fellows are responsible for election of the Woodard Corporation Board. Governors are recruited on the basis of nominations from school contacts and from selection when a post becomes available. The Governing Body look to ensure a mix of experience and include Governors from the legal, financial and property professions as well as Governors with education and senior managerial or business experience. The Governing Body strives to ensure both genders are represented and welcomes experience of equal opportunities and disability needs. They select new governors on the basis of background, competence, both general and specialist skills and, in the case of Fellows, Christian commitment. Governors are provided with induction training by the Head, Bursars and staff and a wider programme of training events is organised by the Woodard Corporation. The College also encourages governors to attend events run by the Association of Governing Bodies of Independent Schools (AGBIS) and the Boarding Schools' Association.

Organisational Management

The Governing Body delegates work to a number of committees. Membership of each committee is outlined below. The directors determine the general policy of the company. The day to day management of the company is delegated to the Headmaster and Bursars, supported by the Senior Management Team, and is undertaken within the policies and procedures approved by the Governors. The Headmaster oversees the recruitment of academic staff, whilst under delegated authority the bursars oversee the recruitment of support staff. The Headmaster and Bursars are invited to attend Governors' meetings.

- 1 Finance Committee – this committee considers and approves revenue and capital budgets, cash flow information and financial reports, including financial statements. It approves financial policies and the financial regulations, and oversees the enterprise company. It makes recommendations to the Governing Body for approval. It met four times during the year.

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DIRECTORS' REPORT YEAR ENDED 31ST AUGUST 2010

- 2 Premises and Projects Committee – this committee develops the College's estates strategy, including capital developments and maintenance of the buildings and it makes recommendations to the governing body. It met formally three times during the year plus a number of informal meetings and conference calls during the successful completion of the new £2M Music School Project
- 3 Education Committee – formerly the Academic Committee, this committee is responsible for oversight of the academic performance of the College and for educational policy, as well as overseeing boarding and pastoral matters. It makes recommendations to the governing body. It met twice during the year
- 4 Marketing Committee – this committee oversees the College's considerable marketing activities and liaison with the local community, as well as setting strategy, agreeing marketing priorities and providing guidance to the College marketing team. It met twice during the year
- 5 Credit Committee – this committee is responsible for oversight of the collection of debts, principally College fees, and enforcing sanctions when fees remain unpaid. The Credit Committee reports to Council and reviews any outstanding current pupil fees immediately prior to each of the three half terms. It also reviews specific cases as the need arises
- 6 Health & Safety and Site Committee – this committee is responsible for oversight of the College's internal Health & Safety Committee which meets termly, ensuring that remedial action is carried out and reporting to the Council. The Committee also considers the general maintenance and standards of existing College buildings
- 7 Information and Communication Technology (ICT) Committee – this is a newly constituted committee responsible for overseeing the College's computer hardware, software and various IT networks and met once during the year
- 8 Personnel and Human Resources Committee – this Committee meets on an ad hoc basis with the Headmaster and Bursars as issues arise and reports to Council when necessary
- 9 Foundation Committee – this committee oversees both fund-raising and friend-raising initiatives, particularly amongst our alumni, and met twice during the year

The directors who served during the year, and the committees of which they are members, are

	1	2	3	4	5	6	7	8	9
Mrs P J Gee (Custos)	✓	✓	✓						
Revd B Clover (Provost)									
Mr R J Bokros					✓		✓		
Mr J S F Cash		✓				✓			
Mr A D Coley		✓							
Mrs S Gouldstone (retired)		✓							✓
Mr G Gregory	✓								
Mrs B Hyde		✓	✓	✓					
Mr C J Lewis	✓								
Mr T J Marlow				✓					
Dr R J Meredith (retired)						✓			
Miss E M Mullenger			✓						
Judge R T N Orme			✓						✓
Mrs Z H Raybould				✓					
Sqn Ldr S Smith (retired)		✓							
Mr K P Threlfall	✓			✓					✓
Mr J Vinecombe			✓					✓	

The College expressed its gratitude to Mrs Gouldstone, Dr Meredith and Sqn Ldr Smith who retired during the course of the year having given many years loyal service. None of the directors have any beneficial interest in the Company

DENSTONE COLLEGE LIMITED

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Risk Management

The Governing Body is responsible for the identification and management of risks. Detailed examination of the risks is delegated to the above committees with a formal Risk Analysis undertaken by the full Council on an annual basis to ensure that future planning takes account of these risks. For this purpose, the committee chairmen, along with the Senior Management Team, identify risks and establish controls to mitigate them before reporting through the Finance Bursar so that a formal review of risk management can be undertaken, usually at the Lent term Council Meeting. This process was again undertaken in February 2010. The key controls used include

- formal agendas and minutes for all meetings of the governing body and committees
- terms of reference for all committees
- comprehensive strategic planning, financial forecasting, budgeting and management accounting
- established and identifiable organisational structures and reporting lines
- comprehensive formal written policies
- clear authorisation limits
- vetting procedures as required by law, for protection of the vulnerable

Group Structure and Relationships

The College has a wholly owned non-charitable subsidiary, Denstone College Enterprises Limited, the activities and trading of which are described below. Note 30 provides details of connected charities.

In our ongoing endeavours to widen public access to the schooling we can provide, the College has developed links with a wide range of organisations to ensure the widest possible access to its cultural and sporting facilities and schooling. Through membership of HMC, BSA, AGBIS and ISBA, and through networking with peer groups, the College ensures that it is able to attain the highest standards of quality and performance inside and outside the classroom. The College encourages its pupils to develop an awareness of the social context of the all-round education they receive at the College and they are engaged in a wide range of activities to enhance their understanding. The College is grateful to the Friends of Denstone and to Old Denstonians who are generous in supporting the work of the College.

The recently established Denstone Association continues to further enhance the alumni relationship principally through its website www.denstoneassociation.org

CHARITABLE OBJECTS

The charity's objects, as set out in the Memorandum of Association, are to promote and extend education in accordance with the doctrines and principles of the Church by carrying on Denstone College Limited.

PUBLIC BENEFIT (see pages 7 – 9 for review of performance for the year)

In setting the College's objectives and planning its activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. Denstone College Limited is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the school and at a level that is consistent with our aim of providing a first class education to all pupils. Our charitable objectives are 'to promote and extend education', and these objectives are recognised as benefiting the public when pursued in the context of formal education in a body where all surplus funds are re-invested. The Woodard Corporation and all of the schools it owns are charitable bodies, with no external shareholders and no possibility of making distributions, including in the form of dividends. All surpluses are re-invested in education.

The College welcomes pupils from all backgrounds. To admit a prospective pupil the College needs to be satisfied that it will be able to educate and develop a prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes. Denstone College is an equal opportunity organisation committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

The College is a part of a wider community and we are keen that our staff and pupils participate. Our school also offers a resource to support a range of educational activities for the benefit of local children attending state schools and their teachers. The activities undertaken and the success of our programme

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DIRECTORS' REPORT YEAR ENDED 31ST AUGUST 2010

are explained in the 'review of achievements and performance for the year' section of this report

Access Policy

The Governing Body feels it is important that the education we offer is not restricted only to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives. Our concessions policies, including for bursaries, contribute to a widening of access to the education we offer and the facilities we enjoy.

Bursary Policy

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are usually made on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy. In assessing means we use the methodology promulgated by the Independent Schools' Bursars Association, which takes a number of factors into consideration including family income, investments and savings and family circumstances, for example dependant relatives and the number of siblings. In funding our awards we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

The bursary awards range typically from 5% to 50% remission of fees. However, we now award two 100% 6th form awards, or the equivalent spread across more than two students if more appropriate, the criteria being no past experience of private education. We will also consider help for ex-curricular activities and trips. Information about how to apply for fee assistance through bursaries is available to all applying to the school and on our website. The success of our bursary scheme is explained in our review of activities and achievements section of this report. Details of bursary awards are also set out in note 2 to the accounts.

Financial Planning and Fees in Advance

Financial planning is often key for many parents and indeed grand-parents. The Finance Bursar can help those who wish to fund educational costs through regular contributions and offer discounts for those wishing to pay lump sums into our Fees in Advance Scheme.

Sibling and Forces Remissions

To underline the value we place on continuity for families, we offer discounts where parents have or will have had more than two children at the College. A 25% remission is given against the fees of a third sibling, throughout their time here and regardless of whether elder siblings are still at Denstone. Where they themselves benefit, we will also consider awarding 5% remissions to Forces families.

Promoting High Academic Standards Scholarship policy

Scholarship awards recognise high academic potential or the ability to excel in extra-curricular activities. Our scholarships are awarded on the basis of the individual's potential or evidence of exceptional abilities. Scholarships are awarded with a fixed remission of fees of typically between 5% and 40%. Where further assistance is required, scholarship awards may be supplemented by a means tested bursary. We advertise the availability of scholarship awards each summer in local press and further details of our scholarship policy are available on our website at www.denstonecollege.org.

Assistance for our teaching staff

As part of our emphasis on attracting and retaining high calibre staff, we offer a discount scheme where staff members choose to educate their children at Denstone College.

General benefits to the public purse

The parents of our pupils often make significant sacrifices to pay the fees. In doing so they help to relieve the state of the financial burden of educating over 500 UK based children. The saving is estimated to have a value in the last year of £2.8M. The College is unable to recover the VAT on purchases it makes. During the past year, Denstone College has paid an estimated £300K in VAT on goods and services.

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DIRECTORS' REPORT YEAR ENDED 31ST AUGUST 2010

AIMS, OBJECTIVES AND ACTIVITIES

Public Benefit Aims and Intended Impact

Within the objects, and recognised in recent inspections, Denstone College aims to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. We provide a first class independent education, strong pastoral support and a wide range of sporting and artistic opportunities. The ethos of "Confidence, Happiness and Achievement" is at the heart of everything. Our public benefit aim is that pupils will be self-confident and desire to contribute to the wider community. In the furtherance of these aims the Governors, as the charity trustees, have complied with the duty in s 4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

Objectives for the Year

The new 'School Development Plan 2009-2014' was approved formally by the governing body at its Lent 2010 meeting. With pupil numbers having steadily increased from under 300 in the late 1990's to over 500 in recent years, the College has now agreed a pupil number range of 540 to 590. The target for boarding numbers for 2009/10 was 140.

The Plan includes many teaching, tutoring and pastoral initiatives. The immediate premises investment was to be the successful completion of the new Music School with its additional classroom and IT provision, along with the other associated works around the College.

A key objective for the year was to widen further access to the College by introducing two free means-tested places, or the equivalent spread across more than two students if more appropriate, the criteria being no past experience of private education. Also to make new Hignell Scholarship Award(s), again means tested and substantially discounted, for bright students with top sporting potential.

To continue the academic momentum, demanding public examination result targets of 65% A*A at GCSE and 70% AB at A Level were set. A staff/pupil ratio of 1/11 remained the objective but, if pupil numbers were to rise, the conscious decision was made not to increase staffing so that we have a cushion should this further increase in the pupil roll not be sustained.

As part of the financial planning for funding the new Music School and other future investments, an objective was set to achieve a year-end surplus, before depreciation and before the Music School project, of over 10% of net fee income. Notwithstanding this objective, we were committed to continuing the £1M maintenance investment programme and to resourcing and supporting the on-going development of teaching and learning.

Strategies to achieve this year's objectives

These were to include the ongoing review by the Senior Management Team of the curriculum, the quality of teaching and learning, and a series of selective marketing initiatives all aimed at pupil recruitment and retention. Continuous professional development for all staff was again to be given a high priority. The Operations and Finance Team were to continue to exercise close financial monitoring of all expenditure and the provision of good value for money.

Principal Activities of the Year

The principal activity continues to be the delivery of education to pupils from different social, economic and cultural backgrounds and aged from 11 to 18 years, with a wide range of activities within and outside College. The College also aims to host a number of external activities and ensure that facilities are available at other times for use by the local community.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

The Promotion of Education

During the year we educated over 570 children between the ages of 11 and 18. The College provides a very high standard of education and this is validated in review of the academic results, our measurements of added value and through external inspection. The College offers a broad curriculum and educates children with a wide range of ability. We continue to demonstrate particular excellence in Art, DT and drama, but with excellent results also in core subjects notably the sciences. However, our aim is to support children in reaching their potential in all areas of their activity. This may be in academic subjects but could just as easily be reflected in sport, music or a whole range of extra-curricular activities. We produce 'well rounded' individuals who are able to make a positive contribution to society.

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Operational Performance of the School

Despite the difficult economic climate, we are delighted to report that the new 2009/10 school year started with 574 pupils of which 138 were boarders, the latter figure rising to 140 in the Lent Term. A comparable analysis of pupil numbers at the start of the last four school years is as follows

	<u>2009/2010</u>	<u>2008/2009</u>	<u>2007/2008</u>	<u>2006/2007</u>
Year 7	70	79	71	50
Year 8	79	72	59	65
Year 9	87	77	80	79
Year 10	83	88	83	104
Year 11	90	79	97	82
Lower 6 th	89	87	69	76
Upper 6 th	76	62	65	68
Total	574	544	524	524

2010 produced another superb set of public examination results. The 2009 best ever GCSE achievement of 56% grades A*A was exceeded with a 63% achievement. 29% were A* grades. All 87 pupils achieved at least 5 A*-C grades. 58 pupils achieved at least 5 A*/A grades. These results put us as the top school in Staffordshire at GCSE. At A Level, 67% achieved what is now the A*/B grade target and there was an impressive 19% achievement at the newly introduced A* grade, out-performing a considerable number of competitor schools. Most 6th form leavers have gone on to a university of their choice with four students successfully heading for Oxford or Cambridge Universities.

To satisfy the objective of widening further access to the College, we successfully introduced 'Hignell' and 'Governor' Awards being free or substantially discounted means-tested 6th form places for highly able students, the latter specifically from the maintained sector. Five students received such awards which, spread across them, equated to almost four free places.

The exciting new Music School project was completed successfully on time and within budget and will enable us to develop further the outstanding music talents of so many of our pupils. The building also incorporates an impressive 3-room ICT suite for whole school use and new classrooms for History and Psychology. This £2M project has also included a number of associated works elsewhere around the College and has enabled us to expand and enhance further our IT facilities across the curriculum.

Other premises projects completed during the year have included further enhancement to our boarding facilities, further 6th form work space, the refurbishment of the library including new computer hardware and software and general furnishings, the complete redesign and refurbishment of our Social Sciences and Geography block, and refurbished toilet facilities not least in the Lodge reception area. We now have an impressive new electronic cricket scoreboard and new automatic pool covers for our swimming pool. Externally, much of the roadway has been resurfaced and considerable security improvements undertaken including CCTV installation.

We have also continued our rolling £1M programme of maintenance works that our impressive 140 year old buildings necessitate. Following on from the refurbishment of many areas of the North Wing last year, similar works have now been undertaken in the South Wing. A new water chlorination and sanitation system has been installed and work started on a new fire and smoke detection system. We continue to carry out more general rolling maintenance projects including rewiring, heating enhancements, window replacement and general redecoration.

Catering has continued to have been given a high priority as we concentrate on freshly prepared and healthy eating. Feedback has been particularly encouraging.

There were again numerous music and drama performances, and an increasing range of extra curricular activities, trips and visits many involving voluntary help.

One of the main highlights of 2009/10 was the huge sporting successes. The 1st X1 cricket team were undefeated with one Upper Sixth student being the only schoolboy to score three centuries against the touring MCC. At hockey, the boys were County champions. We had a student representing Britain in the Youth Olympics and returning with a bronze medal in windsurfing, and another winning the U14 County Golf Championship. The highlight for boys sport was an undefeated season for the 1st XV rugby team, the

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first time since 1966. They were also County champions and they reached the quarter finals of the Rosslyn 7's with some significant scalps along the way. Two boys have represented England and the 1st XV squad completed the year with a hugely successful three week tour to South Africa.

Girls' sport also had an outstanding year with the 1st X1 finishing third in the Midlands Championship and winning the Wrekin 7's. Again we had England representation, this time U21 Rounders.

Good Governance continues to receive a high priority using the Committee structure.

We continue to extend access to our facilities for the local community, including use in holiday periods, to put the facilities to good educational use when not otherwise needed.

Bursaries & Scholarships

Whilst the College keeps fees at a very competitive level, we aim to provide opportunities for a wide range of people to access the benefits from the charity. Remissions are, as detailed on page 5 above, awarded by means of bursaries, both to widen access and to pupils whose family circumstances would otherwise prevent them from attending or continuing at the College, particularly at key phases in their education, and these hardship bursaries are now means tested. Sibling and Forces remissions are also considered along with discounts to attract and retain high calibre staff. Scholarships and Exhibitions are also awarded to recognise excellent academic and extra curricular achievement and potential.

In 2009/2010, a total of 266 awards were made to no less than 240 pupils such that 42% of pupils received some form of remission. A total of £761,541 was provided for these awards (see note 2) being 10.6% of gross fee income.

Bursaries

This year over 7% of pupils received a means tested bursary with awards as high as 90%. A further 3% of pupils received hardship awards which were not necessarily means tested but, for example, made the academic and social benefits of boarding affordable.

Scholarships

Scholarships are used to ensure that we are able to maintain high standards in all areas of provision at the College. This year we awarded scholarships to 123 pupils, based on their educational merit and potential, totalling £213k and representing 3% of our gross fees. Of this number, 15 also qualified for means-tested bursary support and are included in the figures relating to bursary awards. The progress of pupils receiving scholarships is reviewed regularly to ensure their progress is in line with their abilities. No scholarships were withdrawn in the year as a result of reviews.

Review

The Governors keep the Bursary and Scholarship Awards policies under constant review to ensure that able children can accept offers of places at the College through the availability of means tested fee assistance. Our policy is designed to widen access. Details of remissions are given to parents making enquiries about possible entry to the College and we always strive to support families of existing pupils when there is a significant adverse change in circumstances.

Wider Education

The Woodard Corporation is involved in the development of academies as part of the government's initiative. In support of this project all Woodard schools have provided support, where asked, through provision of educational expertise, participation in governance and direct curriculum support. We are always prepared to provide opportunities for work experience places for pupils from our local comprehensive schools, and currently have two apprentices working here. We are also committed to providing opportunities for students at university to gain practical teaching experience as part of their PGCE teacher training course, with a further two students joining us this school year.

Community donation

We continue to make facilities available to the local community as detailed below. Our £10,000 donation last year to the local Parish Council has helped them to improve pedestrian safety particularly for village children and the village community generally.

Use by the Community

Through development of, and provision of, access to new and refurbished facilities, we remain at the heart of the community and our facilities are often offered at rates below commercial levels.

- The school swimming pool is made available to local swimming clubs and organised bodies as well as to local comprehensive schools and a special needs school.

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- The Sports Hall is made available for local groups
- The College allows 75 associate members from the local community to use the golf facilities
- Our music and theatre facilities are made available to a wide range of local societies
- Our grass and all-weather sports pitches are recognised as being of particular quality and there are regularly school matches against local schools in a variety of sports, with the outside community also able to use these facilities
- Local primary and prep schools make use of our classroom and science blocks together with our teaching resource as part of their own curriculum development
- Through our Enterprise company, we provided our facilities to the Manchester United Soccer School over the 7 weeks in the summer, as well as various other groups through the year

Other Activities undertaken in the Community

These include the many who benefit from the fundraising efforts of our pupils and staff, and from volunteer work locally and further afield. The Chaplain helps with weekly parish services at local churches as well as services at the village primary school. The Swing and Jazz Bands play at local charity and fund raising events. Members of the College CCF contingent meet with local Army, Air Training and Sea Cadets in competition. Local cadet forces and Uttrother Rife Club use the outdoor range. The Design & Technology Department regularly enters "Young Innovator" competitions in conjunction with local Rotary Clubs. The College Duke of Edinburgh members visit the elderly and help with local projects. The Director of Rugby is a County Coach and in regular contact with local rugby clubs, the referees society and local schools.

Wider Charitable Activity

Our community takes part in a wide range of sponsored events and fundraising activities and, this year, students have been given the opportunity to nominate beneficiaries. As well as supporting the local community, pupils and staff support schools in South Africa where a number of our pupils have been to help in development of educational projects. Two groups of students went on World Challenge trips to Vietnam and Madagascar in the summer.

Volunteers

We have a number of volunteer groups helping the school to raise funds, assisting in school events and providing other help where required. The governing body would like to thank all of the volunteers for their help and acknowledge the assistance given.

Fundraising Performance

Given the current economic climate, no major fundraising initiatives were undertaken this year. However, following a hugely successful 'friendraising' reunion event for pre-1960 alumni, some modest donations have been forthcoming.

Investment Policy, and Performance against Objectives

The company's memorandum and articles of association permit funds to be invested in such manner as the directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. Notwithstanding the current low level of interest returns, in practice the College does not undertake any investment in quoted securities either for unrestricted funds or for the Fees in Advance Scheme.

Investment in quoted securities is limited to our restricted and endowed funds, and these are managed through the Woodard Corporation whose investment policy is to preserve the capital value of investments and maximise the return and income on all investments. These are currently managed by UBS Wealth Management (UK) Limited. None of the directors has any beneficial interest in that company.

The unrealised gain of £7k is pleasing given the economic downturn and the falling value of equities.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The net incoming resources from College activities for the year, excluding restricted fund revaluations and before depreciation, amounted to £850k which was in line with budget. This represents 13% (2009 - 12%) of net fee income against our target for the year of 10% and our on-going benchmark of 5%.

The Fees in Advance Scheme has had a positive effect on cashflow such that we have been able to complete the £2M Music School Project without any borrowing from the bank. We close the accounting year with a positive cash position of £876,181 and with zero bank borrowing as at 31st August 2010.

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Including accruals for project retentions, the new Music School project has come in at £1.950M against an actual budget of £2.030M, a saving of £80k. For accounting purposes, this is being treated as an addition to Fixed Assets (£238,592 in 2008/9 and £1,711,408 in 2009/10).

We have successfully avoided the above-average fee increase that was originally proposed in order to fund this project and, with prices within the construction industry particularly competitive, planning permission is already being submitted, and tender documentation prepared, for the next major project in the School Development Plan and which is detailed in the 'Future Plans' section below.

Banking facilities were reviewed formally in 2009 with five banks invited to tender for supporting borrowing facilities initially of £1M. In practice, facilities to this extent were not needed although we did have a £300k loan facility in place should we have needed it from our current bankers on an unsecured basis.

Despite the focus on maximizing cash-flow to enable this Music School project to be paid for in just two years, we have continued to achieve a considerable volume of other projects and routine maintenance work as referred to earlier in this Report, our desire to control spending has not meant the curtailment either of planned projects or reactive maintenance.

The College's trading company enjoyed another successful year in terms of the hiring out of the College facilities during vacations and out of school hours, as well as undertaking commercial activity on behalf of the College and externally. The bringing back 'in-house' of the School Shop has proved a tremendous success both in terms of uniform provision and as a social venue for the whole student community. Despite the costs of CCTV and other security improvements required by the principle lettings groups, the Enterprise Company was still able to make a gift aid payment of approaching £110k to the College.

In the circumstances, the College considers this to be a highly satisfactory financial performance.

RESERVES POLICY

In common with other independent schools, the Governors have invested substantial sums into school buildings in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. Having to fund our own capital investment plans, free reserves are at a negative balance illustrating the extent of the investment in our school. Further details are given in note 23 to the accounts. The Governors consider that given the strength of our balance sheet, the stable cash flow from full student rolls, the ongoing popularity of our school and the available banking facility that can be called upon if need arises, there is no need to build up a free reserve.

The company's unrestricted reserves are primarily invested in tangible fixed assets which are all used for its direct charitable activities. It has been our policy to utilise funds to ensure that high quality up-to-date facilities are provided for the benefit of pupils. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the College without the requirement to have recourse to sales of tangible fixed assets.

Unrestricted funds total £2,997,742 as shown in note 23. The on-going aim is to plan for surpluses before depreciation and before special projects of a minimum of 5% of net fee income.

FUTURE PLANS

The College's immediate objective is to prepare thoroughly for the imminent Independent Schools Inspection that is now due and which is now short-notice. With the new School Development Plan now in place, the key objectives for the forthcoming year are,

1. Anticipating the necessary Planning and Corporation permissions, to start construction of a new classroom block at the front of school and a new pavilion on 'Addies', the two projects to run concurrently to save duplicating some of the costs.
2. Conscious of the current economic climate, to maintain pupil numbers towards the top end of the agreed 540-590 pupil number range, and to strive for 150 boarders.
3. To continue to widen further access to the College by providing two additional free means-tested places, or the equivalent spread across more than two students if more appropriate, the criteria being no past experience of private education. Also to make further new Hignell Scholarship Award(s), again means tested and substantially discounted, for bright students with top sporting potential.
4. To continue the academic momentum with public examination result targets to 65% A*A at GCSE and 70% A*B at A Level.

DENSTONE COLLEGE LIMITED

DIRECTORS' REPORT YEAR ENDED 31ST AUGUST 2010

- 5 To maximise the benefits of the now completed New Music School in terms of pupil recruitment, income generation and community use, and to expand and enhance further IT facilities across the curriculum
- 6 We plan again to achieve a year-end surplus, before depreciation and before major projects, a surplus of 10% of net fee income. Notwithstanding this objective, we will continue the £1M maintenance investment programme, phases 3 and 4 of our North Wing en-suite bedroom refurbishment and continue to resource the on-going development of teaching and learning

ACCOUNTING AND REPORTING RESPONSIBILITIES

The trustees (who are also directors of Denstone College Limited for the purposes of company law) are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the trustees to prepare financial statements for each financial year. Under that law, the trustees have elected to prepare financial statements in accordance with United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently
- observe the methods and principles in the Charities SORP
- make judgements 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 charitable company will continue in business

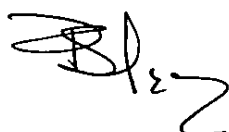
The trustees are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as each of the trustees is aware

- there is no relevant audit information of which the charitable company's auditors are unaware, and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information

The trustees are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the board of directors of Denstone College Limited on the 16th November 2010 and signed on their behalf



Mrs P J Gee
Chairman

16 November 2010

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2010

We have audited the group and charitable parent company financial statements (the 'financial statements') of Denstone College Limited for the year ended 31 August 2010 which comprise the principal accounting policies, the consolidated statement of financial activities, the charitable company statement of financial activities, the consolidated and charitable company balance sheets and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, 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 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 charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

The trustees' (who are also the directors of Denstone College Limited for the purposes of company law) responsibilities for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Trustees' Responsibilities.

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, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether the information given in the Directors' Report is consistent with those financial statements.

In addition we report to you if, in our opinion, the charitable company has not kept adequate accounting records, if the charitable company's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of trustees' remuneration specified by law are not made.

We read the Directors' Report and consider the implications for our report if we become aware of any apparent misstatements within it.

Basis of audit 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 group's and charitable 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.

DENSTONE COLLEGE LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF DENSTONE COLLEGE LIMITED YEAR ENDED 31ST AUGUST 2010

Opinion

In our opinion

- the financial statements give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2010 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice,
- the financial statements have been prepared in accordance with the Companies Act 2006, and
- the information given in the Directors' Report is consistent with the financial statements for the year ended 31 August 2010



Steve Robinson

Senior Statutory Auditor

for and on behalf of Grant Thornton UK LLP

Statutory Auditor, Chartered Accountants

Grant Thornton House
Kettering Parkway
Kettering Venture Park
Kettering
NN15 6XR

19 November 2010

DENSTONE COLLEGE LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 AUGUST 2010

	Notes	Unrestricted Funds £	Restricted Funds £	Endowed Funds £	Total 2010 £	Total 2009 £
INCOMING RESOURCES						
Income from Charitable Activities						
School fees	2	6,442,308	-	-	6,442,308	5,878,253
Other educational income	5	39,324	-	-	39,324	58,951
Other ancillary trading income	5	494,439	-	-	494,439	468,245
Incoming Activities from Generated Funds						
Activities for generating funds						
Trading income	3(a)	443,868	-	-	443,868	546,127
Investment income	13	13,781	6,507	5,940	26,228	37,211
Appeal income and donations	6	79,020	-	-	79,020	65,252
Other incoming resources	5	3,092	-	-	3,092	4,318
TOTAL INCOMING RESOURCES		7,515,832	6,507	5,940	7,528,279	7,058,357
RESOURCES EXPENDED						
Costs of generating funds						
Fundraising trading	3(a)	334,290	-	-	334,290	355,874
Fundraising for voluntary resources		26,052	-	-	26,052	22,334
Financing costs under Advance Fee Contracts		-	-	-	-	-
Bank interest		-	-	-	-	-
Investment management		-	935	715	1,650	-
		360,342	935	715	361,992	378,208
Charitable Activities						
Schools and grantmaking		6,415,816	33,140	9,565	6,458,521	6,102,936
Governance costs		11,524	-	-	11,524	15,889
TOTAL RESOURCES EXPENDED	10	6,787,682	34,075	10,280	6,832,037	6,497,033
NET INCOMING RESOURCES BEFORE TRANSFERS						
Transfers between funds	3(b)	728,150	(27,568)	(4,340)	696,242	561,324
NET INCOMING RESOURCES		728,150	(27,568)	(4,340)	696,242	561,324
Realised gains on investment assets	13	-	2,070	18,624	20,694	7,947
SURPLUS/(DEFICIT) FOR THE YEAR		728,150	(25,498)	14,284	716,936	569,271
Unrealised gains/(losses) on investment assets	13	-	20,640	(13,491)	7,149	(86,348)
NET MOVEMENT IN FUNDS		728,150	(4,858)	793	724,085	482,923
Fund balances at 1 September 2009		2,269,592	307,625	223,988	2,801,205	2,318,282
FUND BALANCES AS AT 31 AUGUST 2010		2,997,742	302,767	224,781	3,525,290	2,801,205

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the statement of financial activities

The notes on pages 18 to 33 form part of these financial statements

DENSTONE COLLEGE LIMITED

COMPANY STATEMENT OF FINANCIAL ACTIVITIES YEAR ENDED 31 AUGUST 2010

	Notes	Unrestricted School £	Restricted Funds £	Endowed Funds £	Total 2010 £	Total 2009 £
INCOMING RESOURCES						
Income from Charitable Activities						
School fees	2	6,442,308	-	-	6,442,308	5,878,253
Other educational income	5	39,324	-	-	39,324	58,951
Other ancillary trading income	5	494,439	-	-	494,439	468,245
Incoming Activities from Generated Funds						
Activities for generating funds						
Investment income						
- Fundraising - subsidiary trading	3(a)	109,809	-	-	109,809	191,217
- Other	13	13,550	6,507	5,940	25,997	36,247
Appeal income and donations	6	79,020	-	-	79,020	65,252
Other Incoming resources	5	3,092	-	-	3,092	4,318
TOTAL INCOMING RESOURCES		7,181,542	6,507	5,940	7,193,989	6,702,483
RESOURCES EXPENDED						
Costs of generating funds						
Fundraising for voluntary resources		26,052	-	-	26,052	22,334
Financing costs under Advance Fee Contracts		-	-	-	-	-
Bank interest		-	-	-	-	-
Investment management		-	935	715	1,650	-
		26,052	935	715	27,702	22,334
Charitable Activities						
Schools and grantmaking		6,415,816	33,140	9,565	6,458,521	6,102,936
Governance costs		11,524	-	-	11,524	15,889
TOTAL RESOURCES EXPENDED	10	6,453,392	34,075	10,280	6,497,747	6,141,159
Net Incoming resources before transfers						
		728,150	(27,568)	(4,340)	696,242	561,324
Transfers between funds	3(b)	-	-	-	-	-
NET INCOMING RESOURCES		728,150	(27,568)	(4,340)	696,242	561,324
Realised gains on investment assets	13	-	2,070	18,624	20,694	7,947
SURPLUS/(DEFICIT) FOR THE YEAR		728,150	(25,498)	14,284	716,936	569,271
Unrealised gains/(losses) on investment assets	13	-	20,640	(13,491)	7,149	(86,348)
NET MOVEMENT IN FUNDS		728,150	(4,858)	793	724,085	482,923
Fund balances at 1 September 2009		2,269,692	307,625	223,988	2,801,305	2,318,382
FUND BALANCES AS AT 31 AUGUST 2010		2,997,842	302,767	224,781	3,525,390	2,801,305

All amounts relate to continuing activities

All recognised gains and losses in the current and prior year are included in the statement of financial activities

The notes on pages 18 to 33 form part of these financial statements

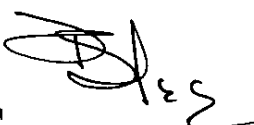
DENSTONE COLLEGE LIMITED

CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2010

	Notes	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible assets	12		4,078,495		2,492,050
Investments	13		523,086		497,283
			<u>4,601,581</u>		<u>2,989,333</u>
CURRENT ASSETS					
Stocks		67,245		72,208	
Debtors	14	492,087		500,171	
Cash		902,592		1,193,253	
			<u>1,461,924</u>	<u>1,765,632</u>	
CREDITORS' due within one year	15		<u>(1,574,018)</u>	<u>(1,148,996)</u>	
NET CURRENT (LIABILITIES)/ASSETS			<u>(112,094)</u>	<u>616,636</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>4,489,487</u>	<u>3,605,969</u>	
CREDITORS' due after more than one year	16		<u>(964,097)</u>	<u>(804,664)</u>	
TOTAL NET ASSETS			<u>3,525,390</u>	<u>2,801,305</u>	
CAPITAL AND RESERVES					
Called up share capital	20		100		100
FUNDS					
Endowed funds	21		224,781		223,988
Restricted funds	22		302,767		307,625
Unrestricted funds	23		2,997,742		2,269,592
			<u>3,525,390</u>	<u>2,801,305</u>	
EQUITY SHAREHOLDERS' FUNDS			<u>3,525,390</u>	<u>2,801,305</u>	

Approved by the Board on
and signed on its behalf by

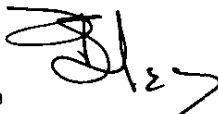

 P J Gee
 Chairman
 Company registration number 5010957
 16 Nov. 2010

DENSTONE COLLEGE LIMITED

COMPANY BALANCE SHEET AS AT 31 AUGUST 2010

	Notes	£	2010 £	£	2009 £
FIXED ASSETS					
Tangible assets	12		4,078,495		2,488,700
Investments	13		523,186		497,383
			<u>4,601,681</u>		<u>2,986,083</u>
CURRENT ASSETS					
Stocks		14,681		8,437	
Debtors	14	539,067		663,079	
Cash		876,181		1,049,981	
			<u>1,429,929</u>	<u>1,721,497</u>	
CREDITORS due within one year	15	(1,542,023)		(1,101,511)	
			<u>(112,094)</u>	<u>619,986</u>	
NET CURRENT (LIABILITIES)/ASSETS					
			<u>4,489,587</u>	<u>3,606,069</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES					
CREDITORS due after more than one one year	16		(964,097)		(804,664)
			<u>3,525,490</u>	<u>2,801,405</u>	
TOTAL NET ASSETS					
CAPITAL AND RESERVES					
Called up share capital	20		100		100
FUNDS					
Endowed funds	21		224,781		223,988
Restricted funds	22		302,767		307,625
Unrestricted funds			-		-
Designated funds	23		-		-
General reserve	23		2,997,842		2,269,692
			<u>3,525,490</u>	<u>2,801,405</u>	
EQUITY SHAREHOLDERS' FUNDS					

Approved by the Board on
and signed on its behalf by


P J Gee
Chairman
Company registration number 5010957
16 November 2010

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31ST AUGUST 2010

1 ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are

a) Basis of Accounting

The accounts of the Group have been prepared in accordance with the Statement of Recommended Practice 'Accounting and Reporting by Charities' and with applicable accounting standards. They are drawn up on the historical cost accounting basis except that investments held as fixed assets are carried at market value.

b) Group Accounts

The financial statements consolidate the financial statements of the company, and all its subsidiary companies, all inter-company balances being eliminated.

c) Fees and Similar Income

Fees receivable are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school, but include contributions received from Restricted Funds for Scholarships, Bursaries and other grants.

d) Donations

Donations subject to specific wishes of the donors are credited to relevant restricted funds or to endowed funds where the amount is required to be held as permanent capital. Donations received for the general purposes of the school are credited to other unrestricted funds, to distinguish them from direct school income.

e) Appeals

On occasions the school may set up appeals to raise finance at times when particular building projects are being undertaken. Monies received are treated as Designated funds and shown under 'Other Unrestricted Funds' in the Statement of Financial Activities (SOFA), rather than as Restricted Funds, as Appeal documentation explains that monies can be used for the general purposes of the school.

f) Expenditure

Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred.

g) Governance costs

Governance costs include the costs attributable to Denstone College's compliance with constitutional and statutory requirements, including audit, strategic management and governors' meetings and reimbursed expenses. Such costs include both direct and allocated support costs.

h) Finance and Other Costs

Other costs include amounts accrued in accordance with the terms of Advance Fee Contracts.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31ST AUGUST 2010

i) Pension Costs

The company participates in the Teachers' Pensions scheme and The Pensions Trust schemes which provide benefits based on final pensionable pay. The funds of the schemes are separate from the company, although the company share of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for on the basis of contributions payable. The company also contributes to other defined contribution pension schemes for non-teaching staff.

The company offers membership of the Pensions Trust Growth Plan to employees other than the full-time academic staff. The Pensions Trust Growth Plan is a multi-employer pension scheme where the scheme assets are co-mingled for investment purposes, and benefits are paid from the total scheme assets. It is in most respects a money purchase arrangement, but has some guarantees. Growth Plan is a multi-employer scheme. As a result it is not possible or appropriate to identify the assets and liabilities of the scheme which are attributable to the company, though due to the guarantees inherent in the scheme the company remains potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard 17 (FRS) therefore, the scheme is accounted for in a fashion which is similar to a defined benefit scheme. More detail is given in notes 28 and 29.

j) Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings	with an expected life over 50 years	- Nil
	with an expected life under 50 years	- Variable according to the building

Computer equipment	- 33.33% on cost
Telephone system	- 10% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

The company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. Where the directors consider that the expected useful life is in excess of 50 years and the carrying value in the financial statements is not more than the estimated recoverable amount, no depreciation is charged and, in accordance with FRS11, the directors have and will continue to carry out annual reviews of impairment.

k) Stocks

Stocks comprise raw materials, consumable stores and goods held for resale. They are valued at the lower of cost and net realisable value.

l) Investments

Investments are carried at market value in accordance with the Charities (Accounts and Reports) Regulations 2005 and The Statement of Recommended Practice 'Accounting and Reporting by Charities'.

Realised gains are the difference between sales proceeds and opening market value where the investment was held at the beginning of the year, or sales proceeds less cost of purchase where the investment was acquired in the year.

Unrealised gains are the change in value of investments after taking into account any movements in investment holdings such as purchases and disposals of investments.

m) Taxation

Denstone College is a registered charity and as such is exempt from income tax and corporation tax under the provisions of the Income and Corporation Taxes Act 1988.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 AUGUST 2010

1 Accounting Policies (Continued)

Realised and unrealised gains are accounted for within the SOFAs on pages 14 to 15

l) Leasing Commitments

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the SOFA over the period of the lease. Rentals paid under operating leases are charged to expenditure as incurred.

m) Accumulated Funds

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

2 SCHOOL FEES

a) The School fees income comprises

	2010 £	2009 £
Gross fees	7,170,709	6,508,549
Less Total scholarships, bursaries, etc	(761,541)	(668,814)
	6,409,168	5,839,735
Add back Scholarships, Grants etc paid for by Restricted Funds	33,140	38,518
	6,442,308	5,878,253

In addition, outside bodies, namely Thornton Smith & Plevins, Emmott Foundation and Eleanor Hamilton, contributed a total of £9,260 towards pupils' fees, included above.

b) Grants, awards and prizes paid for by Restricted and Endowed funds comprise

	2010 £	2009 £
Scholarships, grants etc	33,140	38,518
Prizes and leaving awards	9,565	8,452
	42,705	46,970

The above educational awards were made to 15 individuals (2009: 14)

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 AUGUST 2010

3 INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES

The company owns the whole of the share capital of Denstone College Enterprises Ltd, which lets the school premises and facilities

a) Its trading results for the year, as extracted from the audited accounts, are summarised below

	2010 £	2009 £
Turnover	443,868	546,127
Cost of sales	(329,904)	(351,312)
Gross profit	113,964	194,815
Administration	(4,288)	(4,287)
Other operating income	-	-
Operating profit	109,676	190,528
GiftAid donation	(109,809)	(191,217)
Loss on ordinary activities before interest	(133)	(689)
Other interest receivable and similar income	231	964
Retained profit before taxation	98	275
Tax on profit/(loss) on ordinary activities	(98)	(275)
Retained profit after taxation	-	-

(b) The subsidiary donates its taxable profits to the company each year under the GiftAid scheme
The transfer to 'School' from 'Other' Unrestricted Funds represents the amount of this donation

4 INCOME FROM SUBSIDIARY CHARITY

The company has no subsidiary charities

5 OTHER INCOME

	2010 £	2009 £
Other educational charitable activities		
Entrance and registration fees	20,671	20,568
Fees in lieu of notice	18,653	38,383
	39,324	58,951
Other ancillary trading activities		
Extra Subjects	163,077	145,495
Sundry income	47,861	48,847
Pupil Bussing	283,501	273,903
	494,439	468,245

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 AUGUST 2010

	2010	2009
Other incoming resources		
Interest received on pupils bills	3,092	2,942
Sale of fixed assets	-	1,376
	<u>3,092</u>	<u>4,318</u>
6 APPEAL INCOME AND DONATIONS		
	2010 £	2009 £
Appeal income and donations includes the following Group.		
Unrestricted		
Other Donations	79,020	65,252
	<u>79,020</u>	<u>65,252</u>
Company.		
Unrestricted		
Other Donations	79,020	65,252
	<u>79,020</u>	<u>65,252</u>
Restricted		
Donations	-	-
	<u>-</u>	<u>-</u>
Endowed		
Appeal Income	-	-
	<u>-</u>	<u>-</u>
7 EXPENDITURE		
	2010	2009
Charitable activity expenditure includes		
Company		
Refurbishment expenditure	339,000	225,142
Profit on disposal of fixed assets	-	(1,376)
Auditors' remuneration - audit fees	8,636	9,214
- non audit fees	-	-
	<u>339,000</u>	<u>225,142</u>
Group		
Refurbishment expenditure	339,000	225,232
Profit on disposal of fixed assets	-	(1,376)
Auditors' remuneration - audit fees	10,107	10,920
- non audit fees	-	-
	<u>339,000</u>	<u>225,232</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 AUGUST 2010

8 STAFF COSTS

	2010 £	2009 £
Company total staff costs comprises		
Wages and salaries	3,550,775	3,410,270
Social security costs	269,558	259,654
Pension contributions	332,921	319,765
Private Medical	2,683	3,304
	<u>4,155,937</u>	<u>3,992,993</u>

Group total staff costs comprises

Wages and salaries	3,669,740	3,537,889
Social security costs	274,588	269,864
Pension contributions	334,669	322,321
Private Medical	2,683	3,304
	<u>4,281,680</u>	<u>4,133,378</u>

Number of employees

The average monthly number of employees during the year was

	2010 Number	2009 Number
Teaching staff	59	55
Others	97	98
	<u>156</u>	<u>153</u>

The number of employees whose annual emoluments were £60,000 or more was

	2010 Number	2009 Number
£110,001 - £120,000	<u>1</u>	<u>1</u>

Contributions were made to the Teachers' Superannuation Scheme, which is a defined benefits scheme, for 1 higher paid employee amounting to £16,920 (2009 - £16,215)

9 DIRECTORS

None of the directors (or any persons connected with them) received any remuneration during the year (2009 - £0)

Scholarships and bursaries totalling £22,688 were awarded to children of directors attending the College (2009 - £19,570) Travel expenses of £320 were re-imbursed (2009 - £490)

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 AUGUST 2010

10 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other Costs £	Depreciation £	Total £
Costs of generating funds				
Fundraising for voluntary resources	20,032	6,020	-	26,052
Financing costs- Advance fee scheme	-	-	-	-
Bank interest	-	-	-	-
Investment management	-	1,650	-	1,650
Total for Charity	20,032	7,670	-	27,702
Trading costs of subsidiary	125,743	205,197	3,350	334,290
Total for Group	145,775	212,867	3,350	361,992
Charitable activities				
Teaching	2,855,439	308,098	37,344	3,200,881
Welfare	380,678	329,484	22,035	732,197
Premises	573,964	998,785	60,434	1,633,183
Support cost of schooling	326,706	520,894	1,800	849,400
School operating costs	4,136,787	2,157,261	121,613	6,415,661
Grants, awards and prizes	-	42,860	-	42,860
	4,136,787	2,200,121	121,613	6,458,521
Governance costs	-	11,524	-	11,524
Total resources expended				
- Charity	4,156,819	2,219,315	121,613	6,497,747
- Group	4,282,562	2,424,512	124,963	6,832,037

11 TAXATION

The company is a registered charity and therefore no liability to taxation arises on its charitable activities

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 AUGUST 2010

12 TANGIBLE FIXED ASSETS

Group	Land and Buildings Freehold £	Motor Vehicles £	Computer Equipment £	Furniture and Fittings £	Plant and Equipment £	Total £
Cost						
At 1 September 2009	2,570,106	30,638	165,809	82,813	220,879	3,070,245
Additions	1,560,152	-	105,208	46,048	-	1,711,408
Disposals	-	-	-	-	-	-
As 31 August 2010	4,130,258	30,638	271,017	128,861	220,879	4,781,653
Depreciation						
At 1 September 2009	204,685	12,339	129,625	59,813	171,733	578,195
Charge for the year	52,106	7,662	24,517	11,500	29,178	124,963
On disposals	-	-	-	-	-	-
At 31 August 2010	256,791	20,001	154,142	71,313	200,911	703,158
Net book value at 31 August 2010	3,873,467	10,637	116,875	57,548	19,968	4,078,495
Net book value at 31 August 2009	2,365,421	18,299	36,184	23,000	49,146	2,492,050

Company	Land and Buildings Freehold £	Motor Vehicles £	Computer Equipment £	Furniture and Fittings £	Plant and Equipment £	Total £
Cost						
At 1 September 2009	2,570,106	30,638	155,769	82,813	220,879	3,060,205
Additions	1,560,152	-	105,208	46,048	-	1,711,408
Disposals	-	-	-	-	-	-
As 31 August 2010	4,130,258	30,638	260,977	128,861	220,879	4,771,613
Depreciation						
At 1 September 2009	204,685	12,339	122,935	59,813	171,733	571,505
Charge for the year	52,106	7,662	21,167	11,500	29,178	121,613
On disposals	-	-	-	-	-	-
At 31 August 2010	256,791	20,001	144,102	71,313	200,911	693,118
Net book value at 31 August 2010	3,873,467	10,637	116,875	57,548	19,968	4,078,495
Net book value at 31 August 2009	2,365,421	18,299	32,834	23,000	49,146	2,488,700

All assets are used for charitable purposes

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 AUGUST 2010

13 INVESTMENTS

Group	Endowed Fund 2010	Restricted Fund 2010	Total 2010	Total 2009
	£	£	£	£
Valuation				
At 1 September 2009	169,027	228,075	397,102	511,618
Additions	62,806	86,708	149,514	-
Disposals	(44,510)	(23,228)	(67,738)	(36,115)
Realised gains	18,624	2,070	20,694	7,947
Unrealised gains/(losses)	(13,460)	20,640	7,180	(86,348)
	<u>192,487</u>	<u>314,265</u>	<u>506,752</u>	<u>397,102</u>
Uninvested cash	5,423	10,911	16,334	100,181
	<u>197,910</u>	<u>325,176</u>	<u>523,086</u>	<u>497,283</u>

Quoted investments

UK - fixed interest	172,191
UK - equity	175,430
Non UK - fixed interest	-
Non UK - equity	175,465
At 31 August 2010	<u>523,086</u>

At the 31 August 2010 7 investments (2009 7) had a carrying value equal to 5% or more

Bankers Investment Trust	58,739	11.2%
Blackrock Asset Management	57,425	11.0%
City of London Investment Trust	45,071	8.6%
SVM Global Fund	43,564	8.3%
M&G Securities Corporate	52,333	10.0%
United Kingdom Treasury Stock 4% 7/3/22	26,499	5.1%
United Kingdom Treasury Stock 4.75% 7/9/15	29,224	5.6%
Original cost	<u>313,815</u>	

Investment income of £14,971 (2009 £19,249) arose from UK quoted investments and £367 (2009 £0) from Non UK quoted investments. All other amounts arose from cash deposits.

Company Investments

Investment in subsidiary company (see note 3)
at 1 September 2009 & 31 August 2010

£100

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 AUGUST 2010

14 DEBTORS

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Fee debtors	164,424	296,151	164,424	296,151
Trade debtors	91,478	921	-	-
Amounts owed by group undertakings	-	-	142,836	283,568
Other debtors	8,008	10,403	3,655	10,175
Prepayments and accrued income	228,177	192,696	228,152	73,185
	<u>492,087</u>	<u>500,171</u>	<u>539,067</u>	<u>663,079</u>

15 CREDITORS DUE WITHIN ONE YEAR

	Group		Company	
	2010 £	2009 £	2010 £	2009 £
Bank loans and overdrafts (Note 17)	-	-	-	-
Net obligations under finance leases (Note 19)	-	-	-	-
Trade creditors	226,534	180,226	209,629	153,024
Amounts owed to group undertakings	576	36	576	36
Taxes and social security costs	86,917	87,613	86,917	87,613
Other creditors	101,110	116,484	101,110	116,484
Accruals	197,577	68,875	182,487	48,592
Deferred income - fees received in advance (Note 18)	933,397	638,167	933,397	638,167
Deferred income - deposits	27,907	57,595	27,907	57,595
	<u>1,574,018</u>	<u>1,148,996</u>	<u>1,542,023</u>	<u>1,101,511</u>

The company had agreed with the bank a term loan of up to £300,000, to be drawn if needed, in respect of the building of the new music room. In practice this was not required.

16 CREDITORS DUE AFTER MORE THAN ONE YEAR

	Group and Company	
	2010 £	2009 £
Deferred income - deposits	239,191	193,330
Deferred income - fees received in advance (Note 18)	724,906	611,334
	<u>964,097</u>	<u>804,664</u>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 AUGUST 2010

17 BANK LOAN

The College had no bank loans

18 ADVANCE FEES

	Group and Company 2010	2009
More than 5 years	54,733	89,301
Within 2 to 5 years	220,724	355,173
Within 1 to 2 years	449,449	166,860
	<hr/>	<hr/>
	724,906	611,334
Within 1 year	933,397	638,167
	<hr/>	<hr/>
	1,658,303	1,249,501
	<hr/>	<hr/>

The balance represents the accrued liability under the contracts
The movements during the year were

	Group and Company 2010	2009
At 1 September 2009	1,249,501	451,874
Income from new contracts	1,210,100	1,205,668
Amounts accrued to contracts(discount)	-	-
	<hr/>	<hr/>
	2,459,601	1,657,542
Amounts utilised in payment of school fees	(801,298)	(408,041)
	<hr/>	<hr/>
Balance at 31 August 2010	1,658,303	1,249,501
	<hr/>	<hr/>

19 FINANCE LEASE OBLIGATIONS

The College had no finance lease obligations

20 SHARE CAPITAL

	Company 2010 £	2009 £
Authorised		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>
Allotted, called up and fully paid		
100 Ordinary shares of £1 each	100	100
	<hr/>	<hr/>

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 AUGUST 2010

21 ENDOWED FUNDS

The endowed funds of the company include a number of individual trust and prize funds set up by donors as permanent capital. The income generated is restricted to funding scholarships, bursaries, grants and prizes.

Company & Group	Movement in funds				Balance at 31 August 2010 £
	Balance at 1 September 2009 £	Incoming resources £	Resources expended £	Transfers gains and losses £	
Special Endowment Fund	200,559	5,909	(10,280)	18,624	214,812
Revaluation Reserve	23,429	31	-	(13,491)	9,969
	<u>223,988</u>	<u>5,940</u>	<u>(10,280)</u>	<u>5,133</u>	<u>224,781</u>

The Special Endowment Fund represents undistributed income arising from Endowed Funds. The College Endowment Fund was established with donations from parents. The purpose is to accumulate a fund that will be used to provide financial support to talented pupils whose family circumstances would otherwise prevent them from attending the school.

22 RESTRICTED FUNDS

The income funds of the company include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes.

	Movement in funds				Balance at 31 August 2009 £
	Balance at 1 September 2008 £	Incoming resources £	Resources expended £	Transfers gains and losses £	
Revaluation Reserve	5,803	-	-	37,201	43,004
Benefit Fund	266,988	4,354	(30,536)	2,217	243,023
John Fisher Fund	34,834	2,153	(3,539)	(16,708)	16,740
Company	<u>307,625</u>	<u>6,507</u>	<u>(34,075)</u>	<u>22,710</u>	<u>302,767</u>
Subsidiary Company	-	-	-	-	-
Group	<u>307,625</u>	<u>6,507</u>	<u>(34,075)</u>	<u>22,710</u>	<u>302,767</u>

The John Fisher Fund will be used to provide financial support to talented pupils whose family circumstances would otherwise prevent them from attending the College.

The Benefit Fund is held in trust by The Woodard Schools (Midland Division) Limited under a Declaration of Trust dated 22nd March 1960 and Amended Rules dated 5th December 1975 to assist former pupils by contributing towards the school fees of their children or dependents in such manner (being exclusively charitable) as the trustees consider for their benefit. The fund has been built up by voluntary contributions. The College Council has power to determine on behalf of the Trustees which pupils shall receive benefit and the nature and extent of such benefit.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 AUGUST 2010

23 UNRESTRICTED FUNDS

The income funds of the company include the following designated funds which have been set aside

	Movement in funds				Balance at 31 August 2010 £
	Balance at 1 September 2009 £	Incoming resources £	Resources expended £	Transfers £	
Free reserves	2,269,692	7,181,542	(6,453,392)	-	2,997,842
Company	2,269,692	7,181,542	(6,453,392)	-	2,997,842
Trading subsidiary	(100)	334,290	(334,290)	-	(100)
Group	2,269,592	7,515,832	(6,787,682)	-	2,997,742

The Free Reserves are retained to provide working capital

24 ANALYSIS OF NET ASSETS BETWEEN FUNDS

The company's net assets belong to the various funds as follows

	Fixed assets £	Investments £	Net current Assets/ (Liabilities) £	Long term (Liabilities) £	Total £
Share capital	-		100	-	100
Endowed funds	-	197,910	26,871	-	224,781
Restricted funds	-	325,176	(22,409)	-	302,767
Unrestricted funds	4,078,495	100	(116,656)	(964,097)	2,997,842
Company	4,078,495	523,186	(112,094)	(964,097)	3,525,490
Trading subsidiary	-	(100)	-	-	(100)
Subsidiary Charity	-	-	-	-	-
Group	4,078,495	523,086	(112,094)	(964,097)	3,525,390

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 AUGUST 2010

25 RECONCILIATION OF MOVEMENTS IN EQUITY SHAREHOLDERS' FUNDS

	Group		Company	
	2010	2009	2010	2009
	£	£	£	£
Opening shareholders' funds	2,801,305	2,318,382	2,801,405	2,318,482
Net movements in funds	724,085	482,923	724,085	482,923
Closing shareholders' funds	3,525,390	2,801,305	3,525,490	2,801,405

26 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2010 the company had the following annual commitments under non-cancellable operating leases

	2010	2009
	£	£
Expiry Date		
Within one year	6,444	-
Between two and five years	-	28,884
	<u>6,444</u>	<u>28,884</u>

27 CAPITAL COMMITMENTS

At 31 August 2010 the group had no capital commitments

28 PENSION SCHEMES

Teachers Pension Scheme

The Company participates in a multi employer pension scheme, the Teachers' Pension Scheme (England and Wales) ("the Scheme") for its teaching staff. The pension liability is the responsibility of the Scheme. As a result it is not possible to identify the assets and liabilities of the Scheme which are attributable to the Company.

The pensions cost is assessed every five years in accordance with the advice of the government actuary. The assumptions and other data that have the most significant effect on the determination of the contribution levels are as follows:

Latest actuarial valuation	- 31st March 2004
Actuarial method	- Prospective benefits
Investment returns per annum	- 6.5% per annum
Salary scale increases per annum	- 3.5% per annum
Market value of notional assets at date of last valuation	- £163,240 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	- £163,240 million

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 AUGUST 2010

Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000 the government actuary carried out a further review on the level of employers' contributions. For the period from 1st April 2002 to 31st March 2003 the employer contribution was 8.35%. This rate increased to 13.5% from 1st April 2003.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the Standard Contribution Rate has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% to balance assets and liabilities within 15 years as required by the regulations, a total contribution rate of 20.5%. This translates into an employer contribution rate of 14.1% and employee contribution rate of 6.4%. The cost-sharing agreement has also introduced - effective for the first time for the 2009 valuation - a 14% cap on employer contributions payable. The valuation of the Scheme by the Government Actuary as at 31st March 2008 is expected to be issued in 2010.

The Company's contribution represents a minor proportion of the payments into the scheme.

Pensions Trust's Growth Plan

The Company also participates in a multi employer pension scheme, the Pensions Trust's Growth Plan (the Growth Plan), which is in most respects a money purchase arrangement but has some guarantees. It is not possible in the normal course of events to identify the share of underlying assets and liabilities belonging to individual participating employers. Accordingly, due to the nature of the Growth Plan, the accounting charge for the period under FRS17 represents the employer contribution payable.

Contributions paid into the Growth Plan up to and including September 2001 were converted to defined amounts of pension payable from normal retirement date. From October 2001 contributions were invested in personal funds which have a capital guarantee and which are converted to pension on retirement, either within the Growth Plan or by the purchase of an annuity. The rules of the Growth Plan also allow for the declaration of bonuses and/or investment credits, though these are not guaranteed.

The Trustee commissions an actuarial valuation of the Growth Plan every 3 years. The main purpose of the valuation is to determine the financial position of the Plan and so determine the future prospects for discretionary bonuses and/or investment credits. The last formal valuation of the Growth Plan by a professionally qualified actuary was performed at 30 September 2008, and it will be formalised shortly. The market value of the Plan's assets at the valuation date was £742 million and the Plan's Technical Provisions (i.e. past service liabilities) were £771 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £29 million, equivalent to a past service funding level of 96%.

The financial assumptions underlying the valuation were that the annual investment return pre-retirement was 7.6%, the annual investment return post-retirement was 5.1% for active/deferred members and 5.6% for pensioners, the bonuses on accrued benefits were 0.0% and the annual rate of price inflation was 3.2%. The next actuarial valuation will be carried out as at 30th September 2011.

Following a change in legislation in September 2005 there is a potential debt on employers that could be levied by the Trustee of the Growth Plan. The debt is due in the event that an employer ceases to participate in the Growth Plan or of the Growth Plan winding up. The debt for the Growth Plan as a whole is calculated by comparing the liabilities for the Growth Plan (calculated on a buyout basis i.e. the cost of security benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Growth Plan. If the liabilities exceed assets there is a buy-out debt. The amount of the debt depends on many factors including total liabilities, investment performance the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time. See note 29 for further details.

DENSTONE COLLEGE LIMITED

NOTES TO THE FINANCIAL STATEMENTS (Continued) YEAR ENDED 31 AUGUST 2010

29 Contingent Liabilities

In common with other charities with employees contributing to the Pensions Trust Growth Plan, the Company has been informed of potential amounts payable should the Company undertake certain actions, for example significant re-organisation, leading to cessation of membership and contributions. These potential liabilities will diminish over time and Denstone College has no intention to undertake an action which will crystallise the contingent amount.

The Company has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan, as outlined in note 28, based on the financial position of the Growth Plan as at 30th September 2009. As of this date the estimated employer debt for the Company was £357,898 (2009 £358,034).

30 RELATED PARTIES

The Company is a wholly owned subsidiary of The Woodard Corporation, a registered charity number 1096270. An amount of £41,416 was paid during the year to the Corporation by way of a levy to meet Corporation running costs.

During the year the Company paid £36,345 (2009 £97,420) to Ainsley and Partners for services provided. A Coley, a director of the Company, is also a partner of Ainsley and Partners.

The Company also controls a subsidiary trading company, Denstone College Enterprises Limited, the results of which are detailed in Note 3.