

Registered Charity Number  
1098422

Registered Company Number  
04797376



Pestalozzi International Village Trust

Report and Accounts

For The Year Ended

31 August 2010





We remain especially appreciative of the generous support of our **Patron HRH The Duke of Gloucester** throughout this year, and are grateful for the active and informed interest that he and The Duchess continue to take in the life, work and development of the Village.

# **Pestalozzi International Village Trust**

## **Report and accounts**

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## **PESTALOZZI INTERNATIONAL VILLAGE TRUST CONSOLIDATED REPORT AND ACCOUNTS**

### **The Report of the Trustees for the year ended 31 August 2010**

The trustees present their annual report and accounts for the year ended 31st August 2010.

The board of trustees is satisfied with the performance of the charity during the year and the position at 31st August 2010 and consider that the charity is in a strong position to continue its activities during the coming year, and that the charity's assets are adequate to fulfil its obligations. The year reported here has been both unusually demanding and unusually productive. The board of trustees expresses its sincere thanks to the Chief Executive Paul Evans and to all the members of his team for their outstanding work on behalf of the charity.

#### **Name, registered office and constitution of the charity**

The full name of the charity is Pestalozzi International Village Trust, also known as PIVT, the full name of the trading company is Pestalozzi Enterprises Ltd, also known as PEL.

The legal registration details are:

Date of incorporation	12 June 2003
Company registration number	04797376
Registered Office	Ladybird Lane, Sedlescombe, Battle, East Sussex, TN33 0UF
Charity registration	1098422
Telephone number	01424 870444

#### **Objectives and Activities of the Charity**

##### ***A summary of the objects of the charity as set out in its governing document.***

Pestalozzi International Village Trust promotes the educational philosophy of Johann Pestalozzi (1746-1827), of which the principle component is the concept of a balanced programme of education 'for the head, heart and hands'. Academically talented, service oriented young people aged 16-20 are selected from low-income families in Africa and Asia to live as an international community within our estate in East Sussex, whilst attending Sussex Coast College Hastings to study for the International Baccalaureate diploma.

PIVT supports these young people in sharing their cultures and experiences with the local community, through educational, cultural and voluntary interaction.

##### ***Public benefit that is provided by the charity***

Our students promote positive international understanding by interacting with the local community, by attending the local college, volunteering in local charities or helping to deliver a structured programme of cultural understanding in local schools.

The opportunity to further the education of these young people also benefits their home communities by raising educational standards and opportunities; by living and studying together they learn cultural awareness and gain a broader international understanding.

##### ***The charity's aims including the changes or differences it seeks to make through its activities.***

PIVT aims to give disadvantaged, talented students an opportunity to change their lives and bring benefits to their home communities.

The Outreach education programme promotes international understanding and global citizenship through its development education work with local schools, groups and organisations.

##### ***An explanation of the charity's main objectives for the year.***

During 2009-10 the main objectives were to refocus the organisation into the three key areas, the Student Programme, Outreach Education Programme and the Estate.

The Student Programme has started to focus on expanding the number of students that can be offered a scholarship.

The Outreach Education Programme has undergone a full strategic review and a programme of refocusing was planned for September 2010.

The Estate is expanding its trading opportunities, with the aim of completely covering its own costs as well as the administrative and overhead costs of the Charity.

***An explanation of the charity's strategies for achieving its stated objectives.***

Our short to mid-term strategy has been to elect a working group with the task of evaluating the opportunities in order to increase student numbers, considering additional countries and building links with partners in country to support our programme.

We also have a programme of capital works designed to expand and upgrade the tired accommodation facilities in line with modern standards, to house the planned increase in student numbers.

Another working group is evaluating our links with our local community, schools, charities, businesses and other organisations. The intention is to give the students further opportunities to expand their knowledge whilst assisting the local community in a positive way.

***Details of significant activities (including its main programmes, projects, or services provided) that contribute to the achievement of the stated objectives.***

Our programme of additional educational support, provided by staff and volunteers at PIVT, in partnership with the teaching from Sussex Coast College Hastings led to ten students (83%) gaining the International Baccalaureate diploma this year.

We are working in partnership with Brighton University on a knowledge transfer partnership project to re-engage with our Alumni.

Funded places at outstanding universities were again awarded to our students, who will be going on to study in the USA at Massachusetts Institute of Technology, University of Pennsylvania, Georgetown, Stanford, Williams and Willson, in Germany at Jacobs University and in the UK at the University of Brighton.

DfID funding was gained for a three year Global Dimension project working with eleven local schools.

Our trading company continued the agreement with Travel Class - JCA to use our estate and facilities to deliver a programme of activity holidays for school children. We also continue to extend our business opportunities on the Estate and this year saw various visiting groups as well as a Jazz evening and travelling Shakespeare performance.

***The contribution of volunteers***

We acknowledge the excellent contribution to the organisation made by volunteers. We continue to work with international volunteer organisations including the European Voluntary Service (EVS), Concordia and Friesland College in the Netherlands. Our international volunteers are invaluable in assisting with our educational programme as well as supporting our estates team.

We have been fortunate once again to have received support from many local volunteers, who have shown outstanding commitment to PIVT through activities such as assisting with additional educational support for our students, supporting our Outreach projects, participating in awareness raising activities, administrative assistance and fundraising, volunteer speakers and student host families all of which we are extremely grateful for.

**Achievements and Performance of the Charity**

***A review of charitable activities undertaken by the charity***

The Student programme continues to support the excellent work done at Sussex Coast College with a programme of additional educational activities including Model United Nations and the Duke of Edinburgh award programme as well as extra-curricular activities including; football, tennis, basketball, swimming, cooking, movie nights and non-academic reading.

The Outreach Education programme worked with local schools and groups to provide a range of educational programmes and training. Gaining funding from DfID for a three year programme 'Global Dimension for Sustainable Schools' working with eleven local schools.

The Estate team continues to maintain the buildings and ground of our 170 acre estate, for use by our students, volunteers, staff and visitors. A capital programme is now underway to refurbish and improve the facilities, making them suitable for continued use into the future .

### ***Fundraising activities***

We are grateful for the continued support of all our funders in what has been a difficult year for many. We have been fortunate once again to have received a substantial amount of funds from the Grieg Foundation in Norway in support of student scholarships and also for capital refurbishment.

Legacy income of £434,428 has also meant the trustees have been able to designate £300,000 from legacy income into Capital funds in order to support the refurbishment of the buildings.

We continue to receive income from Trusts, for which we are grateful in consideration of the global economic situation.

Thanks are also given to our trustee and council members who work diligently on benefactor events and in promoting the charity. A successful fundraising event was held at Vintners Livery Hall in London in October 2009.

We are also grateful for the generous support of donors, including Ms S Lane and the Grieg Foundation who have given funds in support of the students for future years enabling the continued growth of our programme.

Consideration is also being actively given to a joint fundraising campaign with our sister charity PestalozziWorld.

### ***Investment performance achieved against investment objectives set***

In the financial review section of this report there is a description of the investment policies and objectives established by the trustees and the extent to which social environmental or ethical considerations are taken into account.

### ***Factors relevant to the achievement of the charity's objectives***

Whilst we are moving towards our goal of increasing student numbers to sixty by 2012, there are growing restrictions on the granting of student visas and stricter requirements from the UK Border Agency.

Despite the economic situation globally, we have been fortunate in securing funds from trusts, individuals and other organisations including DfID for the charity, we realise that in order to maintain this level of funding for the future we need to remain relevant and competitive in our funding bids.

We have been fortunate in moving forward with Capital works thanks to the generosity of the Grieg Foundation and the Wolfson Foundation, allowing us to improve the student facilities to meet the future needs of the Charity.

We await local authority agreement to modifications of our planning agreement in order for us to proceed with the sale of the development land, which will enable us to proceed further with our planned programme of capital works.

## **Structure, Governance and Management**

### ***Nature of the governing document and constitution of the charity***

Pestalozzi International Village Trust (PIVT) is a registered charity (number 1098422) and a company limited by guarantee (number 4797376, incorporated in England and Wales).

Pestalozzi International Village Trust was constituted and incorporated on 12th June 2003 and on 1st September 2003 took over all the asset, activities and liabilities of the Pestalozzi Children's Village Trust (PCVT), which had been constituted under a Trust Deed dated 30th November 1957. The Trust is administered by a board of Trustees, which consists of not less than five persons. The Trustees and Officers are normally appointed by the Council at its Annual General Meeting. All Trustees are also members of the Council, who are the subscribers to the Company's Memorandum.

### ***The methods adopted for the recruitment and appointment of new trustees***

The Nominations committee meets regularly throughout the year to consider applications for membership to the Council and Board of Trustees, considering the skills and knowledge required for the sound Governance of the Charity and succession planning within the Board of Trustees. Nominations are invited from groups of Pestalozzi supporters both locally and in other parts of the UK. Trustees normally retire when they have served for two three year terms.

### ***The policies and procedures adopted for the induction and training of trustees***

A more formal training programme for Trustees is being considered within the regular review of governance procedures. All Trustees are at present made aware of any relevant governance documentation as required, and work together on a knowledge transfer programme.

### ***The organisational structure of the charity and how decisions are made***

This year has seen the change to one formal Council meeting per annum after the Annual General Meeting and bimonthly meetings of the Board of Trustees, to which all Council members are invited as observers.

The Council appoints the Trustees and officers, who between them provide a wide range of expertise and contacts to the Trust. Throughout the year Council members make monthly visits designed to inspect and report to the trustees on all aspects of the Charity, including the students' experiences and wellbeing as well as the operational practices within the Charity.

The skills, interests, expertise and expectation of our Council members are continually audited and we are grateful for the numerous contributions that they make to PIVT and PEL.

The trustees are responsible for the governance of the charity and delegate the operational management of the charity to the Chief Executive officer. The organisation is divided into three areas of responsibility, the Student Programme, Outreach and Estate. Meetings are held regularly within each of these departments and progress reported at the trustee bi-monthly meetings.

### ***Relationships between the charity and related parties, including its subsidiaries***

Pestalozzi Enterprises Ltd (PEL) is the trading subsidiary of PIVT and uses the Estate to generate an income towards the running costs of the Charity.

The main business activity is the letting of accommodation and provision of meals to visiting groups. In January 2008, PEL entered into a contract with Travel Class - JCA who deliver a programme of activity holidays to visiting schools from March to October annually.

In line with the organisations refocus into three primary areas, the full costs of maintaining the estate and operating a catering facility have been transferred to the trading subsidiary, and this resulted in a small loss for the year of £932. This however, has focussed the need to market and operate this business area with improved budgets to eventually cover all of the overhead costs of PIVT as well as of PEL.

Our relationship with PestalozziWorld is enabling us to look into areas of joint fundraising opportunities as well as shared information for our Alumni programme.

***The major risks to which the charity is exposed and reviews and systems to mitigate risks***

The Trustees confirm that they have reviewed the major risks to which the Trust is exposed. They are satisfied that the areas of high risk have been identified and that there is a rolling programme to review the risk areas and allocate responsibility for monitoring and minimising the risks. The Trustees monitor the implementation of this programme regularly.

***Relationships with other groups, charities and individuals***

We are grateful for the positive relationship we have with other significant organisations, including Sussex Coast College Hastings, PestalozziWorld, Rotary International, Soroptimists, the UK United Nations Association, The British Red Cross, the Department for International Development, the University of Brighton, Sussex Enterprise and the British Council.

We are also fortunate to enjoy the positive support of among many The Grieg Foundation, HSBC Global Education Trust, D Hooley Charitable Trust, Educational Trust 1985 Fund and Michael Hamilton Memorial Scholarship, as well as Friends of Pestalozzi groups in the Isle of Man, Lewes and Bexhill.

September 2009, saw a reunion of many of our Alumni from the first children to arrive in the Village fifty years ago to our present students. We now have a full time person working with our Alumni as part of a Knowledge Transfer Project in conjunction with Brighton University.

We remain especially appreciative of the generous support of our Patron HRH The Duke of Gloucester throughout this year, and are grateful for the active and informed interest that he and The Duchess continue to take in the life, work and development of the Village.

**Financial Review**

***Policies on reserves***

The Trust's free reserves policy is to exclude endowments, designated and restricted funds and also general funds relating to fixed assets from being used by PIVT to fund day to day expenditure, rather than being used for investment purposes.

In order to allow for income fluctuations and to protect the Trust from the risk of insolvency or serious disruption to its charitable work, the Trustees' policy is to strive to retain by way of free reserves half the Trust's annual budgeted expenditure for the current year of which at least half is to be held in the form of a very low risk, instant access, investment. Reserves above this level may be invested, on professional advice, in a low-risk investment accessible within three months.

***Principal funding sources and how expenditure in the year under review has supported the key objectives of the charity***

Funds received in the year have been primarily from grants and legacies. These have allowed us to increase student numbers from September 2010 to 37, an increase of 23%.

Our capital refurbishment programme has also started, during the year providing a new roof on our catering facility and double glazing to our largest building Sainsbury House and to the staff houses. The refurbishment of the top floor of Sainsbury House was also begun in order to enlarge and modernise the accommodation to provide for the planned increase in student numbers.

***Availability and adequacy of assets of each of the funds***

The board of trustees is satisfied that the charity's assets in each fund are available and adequate to fulfil its obligations in respect of each fund.

***Transactions and Financial position***

The financial statements are set out on pages 14 to 19. The financial statements have been prepared implementing the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting by Charities issued by the Charity Commission for England and Wales (revised in June 2008) and in accordance with the Financial Reporting Standards for Smaller Entities (effective April 2008). As stated in the introduction to this report, the trustees consider the financial performance by the charity during the year to have been satisfactory.



This has been a positive year financially, with an 80% increase in voluntary income from £675,955 (2009) to £1,213,811 (2010). With careful planning and budgeting, we have also reduced expenditure by 23% from £1,305,563 (2009) to £1,004,530 (2010). The short term loan raised to fund the site development programme and due for repayment in January 2010 was replaced by a 25 year Mortgage from Barclays Bank secured against the Oaklands Estate

In continuing to develop a robust programme of business activity in order to secure a more stable funding base for the future of the charity, we have three focus areas within the organisation;

The Student Programme has remained in a positive position this year thanks to the increase in donations and legacies received, for which we are very grateful. Our plan is to continue to reduce the cost per student as part of the efficiency and expansion of the Student Programme.

Outreach worked hard at securing funding from DfID for a three year programme, working with eleven local schools.

The charity continues to utilise the estate for a contract with JCA to deliver activity holidays for some 2000 school children during the year. Whilst the estate shows a negative position at 31<sup>st</sup> August 2010, it has improved its position from 2009 and opportunities and activity on the estate continue to grow.

### ***Financial performance of the charities subsidiary undertakings***

Pestalozzi Enterprises Ltd shows a small loss for the year this is due mainly to the additional costs being allocated to the trading company for the full cost of maintaining the buildings used by PEL many of which are in need of major refurbishment.

### ***Share capital***

The company is limited by guarantee and therefore has no share capital

### ***Plans for future periods***

In October 2010 staff moved into a new open plan office in the former reception area of Sainsbury House. We have also invested in a new IT and telephone system, enabling our team to work more efficiently and effectively and make the best use of the limited resources available to us as a charity.

A newly refurbished computer suite and Student Programme office is also now in use with improved facilities and an increased number of workstations for our Students in a warm, team-focused working environment for both students and staff.

Funds generously donated for capital works have also allowed the refurbishment of the top floor of Sainsbury House as additional Student accommodation, which is needed for our planned expansion in student numbers. These improvements will significantly reduce the running costs of the building. We have already started this expansion in student numbers, with 37 students across the two year groups, an increase of 7 students for September 2010, as compared with 30 previously.

Further plans are being put in place to expand student numbers to 50 from September 2011 and to 60 from September 2012.

These are ambitious growth plans for the Charity and rely on us being more successful at fundraising and improving the profitability of the Estate so it is able to cover estate costs and all of the Charity's overheads.

A Strategic review of our internal structure, and the economic difficulties facing the education sector, has led to the Outreach Education Programme being focussed totally on the current Department for International Development (DfID) funded 'A Global Dimension for Sustainable Schools in East Sussex' project, working with 11 local schools.

We are also working on a Knowledge Transfer Partnership with Brighton University in order to re-engage with our Alumni and identify where our Alumni are making a difference in the world. Our benefactors are constantly asking for this information to be sure that their investment in our students are achieving their expectations.

As part of these changes we are moving towards being a more streamline, cost effective organisation, re-energising the Pestalozzi charity to ensure our supporters see the Student Programme as our central focus and the heart of the Charity.

**The name of the Chief Executive Officer and other senior staff members to whom day to day management of the charity is delegated by the charity trustees;**

Mr P Evans – Chief Executive Officer  
Ms M Alexander – Student Programme Manager  
Mr M Golby – Estate Manager  
Ms L Shareif – Outreach Education Programme Manager (to September 2010)  
Ms J Walker – Finance Officer and Company Secretary

**The members of the Board of Trustees of the charity during the year ended 31<sup>st</sup> August 2010 were;**

**TRUSTEES**

Mrs V Ballard  
Prof. D Blackman – Chair  
Mr G Card  
Mr R Coombe  
Mr M Forster  
Mrs P Hamilton – Vice Chair  
Mr G Marley  
Mr J Page OBE – Treasurer  
Mrs J Pennock  
Mr T Tagoe  
Rev. A Wooding-Jones

**COUNCIL**

Mr G Barker MP  
Lady R Clarke  
Dr S Henderson  
Mrs A Mair DL  
Mr D Max  
Mrs S Middlehurst  
Mr K Neuberger  
Mr P Roberts  
Mr S Steeden  
Mr A Wood MBE

**REPRESENTATIVES**

Mr Nalin Surie  
*Indian High Commissioner*  
HE Dr Suresh Chandra Chalise  
*The Nepalese Ambassador*  
Mr Thubten Samdup  
*Representative of HH the Dalai Lama*  
*Nothern Europe the Office of Tibet*  
HE Mr Royson Mukwena  
*Zambian High Commissioner*  
HE Mr G Machinga  
*Zimbabwean Ambassador*

All the directors of the company are also trustees of the charity, and their responsibilities include all the responsibilities of directors under the Companies Acts and of trustees under the Charities Acts.

The directors/trustees are all members of the charity

At the Annual General Meeting in January 2011 Tom Tagoe will retire, having served full term and is not eligible for reappointment.

**The members of the Board of Trustees of the Charity at the date the report and accounts were approved were;**

Mrs V Ballard  
Prof. D Blackman – Chair  
Mr G Card  
Mr R Coombe  
Mr M Forster  
Mrs P Hamilton – Vice Chair  
Mr G Marley  
Mr J Page OBE – Treasurer  
Mrs J Pennock  
Mr T Tagoe  
Rev. A Wooding-Jones

The trustees, in their capacity as directors, state that so far as each of the directors at the time this report was approved are aware:-

- a) There is no relevant audit information of which the auditors are unaware, and
- b) The trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and establish that the auditors are aware of that information.

The Trustees are also responsible for maintaining adequate accounting records which disclose with reasonable accuracy at any time the financial position of the charity and which are sufficient to show and explain the charity's transactions and enable them to ensure that the financial statements comply with the Companies Act 2006 and comply with regulations made under the Charities Act.

They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The trustees are also responsible for the contents of the trustees' report, and the responsibility of the auditor in relation to the trustees' report is limited to examining the report and ensuring that, on the face of the report, there are no inconsistencies with the figures disclosed in the financial statements.

**Bankers**

Barclays Bank Plc  
Queens Road  
Hastings  
East Sussex

**Auditors**

Watson Associates  
30-34 North Street  
Hailsham  
East Sussex

## **Report of the Independent Auditors to the Trustees of Pestalozzi International Village Trust for the year ended 31 August 2010**

We have audited the group and parent company financial statements of Pestalozzi International Village Trust for the year ended 31 August 2010 set out on pages 14 to 30. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the company's members, as body, in accordance with Section 495 and 496 of the Companies Act 2006. 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 auditors' 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 the Trustees and Auditors**

The Trustees' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standard (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 have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, have been prepared in accordance with Companies Act 2006, and give a true and fair view. We also report to you whether in our opinion the information given in the Trustees' report is consistent with the financial statements.

In addition, we report to you if, in our opinion, the company has not kept adequate accounting records, if we have not received all of 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 Trustees' 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 company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all of 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 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;
- the financial statements give a true and fair view of the state of the group and parent company's affairs as at 31 August 2010 and of its profit for the year then ended; and
- the information given in the Trustees' report is consistent with the financial statements.

Signed by John Charles Males  
(senior statutory auditor)  
For and on behalf of  
Watson Associates  
Accountants and Statutory Auditor  
30-34 North Street  
Hailsham  
BN27 1DW

The date upon which our opinion is expressed is;  
27 January 2011

**Pestalozzi International Village Trust**  
**Consolidated Statement of Financial Activities**  
**for the year ended 31 August 2010**

	Unrestricted Funds	Restricted Funds	Total Funds	Last Year Total Funds
Notes	2010	2010	2010	2009
	£	£	£	£
PIVT incoming resources				
<i>Incoming resources from generated funds</i>				
Voluntary Income	981,792	232,019	1,213,811	675,955
Activities for generating funds	30,092	13,745	43,837	31,873
Investment Income	5 2,068	-	2,068	6,093
<i>Other Incoming Resources</i>	(1,009)	-	(1,009)	-
PEL incoming resources	285,878	-	285,878	343,142
<b>Total incoming resources</b>	<b>1,298,821</b>	<b>245,764</b>	<b>1,544,585</b>	<b>1,057,063</b>
<i>PIVT costs of generating funds</i>				
Costs of generating voluntary income	67,541	-	67,541	120,308
<i>Costs of charitable activities</i>	287,764	360,054	647,818	946,431
<i>Governance costs</i>	2,361	-	2,361	5,893
<i>PEL costs of generating funds</i>	286,810	-	286,810	232,931
<b>Total resources expended</b>	<b>644,476</b>	<b>360,054</b>	<b>1,004,530</b>	<b>1,305,563</b>
Net incoming resources/(net outgoing resources) before transfers between funds	654,345	(114,290)	540,055	(248,500)
Gross transfers between funds	-	-	-	-
Net incoming resources/(net outgoing resources) before Other recognised gains and losses	654,345	(114,290)	540,055	(248,500)
Other recognised gains and losses <i>Gains on revaluation of fixed assets for charity's own use</i>	-	-	-	2,487,671
<b>Net movement in funds</b>	<b>654,345</b>	<b>(114,290)</b>	<b>540,055</b>	<b>2,239,171</b>
Reconciliation of funds				
<i>Total funds brought forward</i>	2,393,188	508,770	2,901,958	662,787
<b>Total Funds carried forward</b>	<b>3,047,533</b>	<b>394,480</b>	<b>3,442,013</b>	<b>2,901,958</b>

All activities derive from continuing operations

The notes on pages 22 to 30 form an integral part of these accounts.

**Consolidated Income and Expenditure Account as required by the Companies Act  
for the year ended 31 August 2010**

	2010 £	2009 £
Turnover	1,518,526	1,050,970
Direct costs of turnover	991,800	1,299,670
Gross surplus/(deficit)	<u>526,726</u>	<u>(248,700)</u>
Governance costs	2,361	5,893
Operating surplus/(deficit)	<u>524,365</u>	<u>(254,593)</u>
Losses on disposals of fixed assets	(1,009)	-
Interest receivable	2,068	6093
Interest payable	(10,369)	-
Surplus/(deficit) on ordinary activities before tax	<u>515,055</u>	<u>(248,500)</u>
Surplus/(deficit) for the financial year	<u>515,055</u>	<u>(248,500)</u>
Retained surplus/(deficit) for the financial year	<u>515,055</u>	<u>(248,500)</u>

All activities derive from continuing operations

The notes on pages 22 to 30 form an integral part of these accounts.

**PIVT Income and Expenditure Account as required by the Companies Act  
for the year ended 31 August 2010**

	2010 £	2009 £
Turnover	1,232,648	713,921
Direct costs of turnover	704,990	1,072,832
Gross surplus/(deficit)	<u>527,658</u>	<u>(358,911)</u>
Governance costs	2,361	5,893
Operating surplus/(deficit)	<u>525,297</u>	<u>(364,804)</u>
Losses on disposals of fixed assets	(1,009)	-
Interest receivable	2,068	6,093
Interest payable	(10,369)	-
Gift Aid from PEL	-	110,211
Surplus/(deficit) on ordinary activities before tax	<u>515,987</u>	<u>(248,500)</u>
Surplus/(deficit) for the financial year	<u>515,987</u>	<u>(248,500)</u>
Retained surplus/(deficit) for the financial year	<u>515,987</u>	<u>(248,500)</u>

All activities derive from continuing operations

The notes on pages 22 to 30 form an integral part of these accounts.



**Consolidated Statement of Total Recognised Gains and Losses  
for the year ended  
31 August 2010**

	<b>2010</b>	<b>2009</b>
Excess of Expenditure over income before realisation of assets	516,064	(248,500)
losses on disposals of fixed assets used by Charity	(1,009)	-
Loss per Profit and Loss account	515,055	(248,500)
Gains on revaluation of fixed assets for charity's own use	-	2,487,671
Donations and grants for the acquisition of fixed assets	25,000	-
<b>Net Movement in funds before taxation</b>	<b>540,055</b>	<b>2,239,171</b>

**Movements in revenue and capital funds  
for the year ended  
31 August 2010**

<b>Revenue accumulated funds</b>	<b>Unrestricted Funds</b>	<b>Restricted Funds</b>	<b>Total Funds</b>	<b>Last year Total Funds</b>
	<b>2010</b>	<b>2010</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Accumulated funds brought forward	(94,483)	413,422	318,939	662,787
Recognised gains and losses before transfers	654,345	(114,290)	540,055	(248,500)
Transfers (to)/from designated funds	(850,267)	-	(850,267)	-
Transfers (to)/from capital funds	-	(25,000)	(25,000)	(95,348)
<b>Closing revenue accumulated funds</b>	<b>(290,405)</b>	<b>274,132</b>	<b>(16,273)</b>	<b>318,939</b>

**Designated revenue funds**

	<b>Total Funds</b>	<b>Last year Total Funds</b>
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
At 1 September 2009	-	-
Transfer from revenue accumulated funds	850,267	-
Transfer to designated capital funds	(575,133)	-
At 31 August 2010	<b>275,134</b>	<b>-</b>

### Capital funds

	Designated	Restricted	Total	Last year
	Funds	Funds	Funds	Total
	2010	2010	2010	2009
	£	£	£	£
At 1 September 2009	-	95,348	95,348	95,348
Transfer (to)/from designated revenue funds	575,133	-	575,133	-
Transfers (to)/from revenue accumulated funds	-	25,000	25,000	-
At 31 August 2010	575,133	120,348	695,481	95,348

### Revaluation Reserve Fund

	Unrestricted	Restricted	Total	Last year
	Funds	Funds	Funds	Total
	2010	2010	2010	2009
At 1 September 2009	2,487,671	-	2,487,671	2,487,671
At 31 August 2010	2,487,671	-	2,487,671	2,487,671

### Summary of funds

	Designated	Unrestricted	Restricted	Total	Last Year
	Funds	Funds	Funds	Funds	Total
	2010	2010	2010	2010	2009
Revenue accumulated funds	-	(290,405)	274,132	(16,273)	318,939
Revenue designated funds	275,134	-	-	275,134	-
Capital funds	575,133	-	120,348	695,481	95,348
Revaluation reserve fund	-	2,487,671	-	2,487,671	2,487,671
<b>Total funds</b>	850,267	2,197,266	394,480	3,442,013	2,901,958

The notes on pages 22 to 30 form an integral part of these accounts.

**Pestalozzi International Village Trust**  
**Consolidated Balance Sheet**  
**as at 31 August 2010**

	Notes	2010 £	2009 £
<b><i>The consolidated assets and liabilities of the charity :</i></b>			
<b>Fixed assets</b>			
Tangible assets	10	<u>3,598,993</u>	<u>3,234,549</u>
<b>Total fixed assets</b>		3,598,993	3,234,549
<b>Current assets</b>			
Stocks & Work in progress		2,570	4,401
Debtors	12	120,699	207,971
Cash at bank and in hand		<u>1,038,675</u>	<u>412,887</u>
<b>Total current assets</b>		<u>1,161,944</u>	<u>625,259</u>
<b>Creditors:-</b>			
amounts due within one year	13	<u>(540,317)</u>	<u>(453,350)</u>
<b>Net current assets</b>		<u>621,627</u>	<u>171,909</u>
<b>Total assets less current liabilities</b>		4,220,620	3,406,458
<b>Creditors:-</b>			
amounts due after more than one year	14/15	<u>(778,607)</u>	<u>(504,500)</u>
<b>Net assets including pension asset / liability</b>		<u>3,442,013</u>	<u>2,901,958</u>
<b><i>The consolidated funds of the charity:</i></b>			
<b>Unrestricted income funds</b>			
Unrestricted revenue accumulated funds		(290,405)	(94,483)
Designated revenue funds		275,134	-
<b>Unrestricted capital funds</b>			
Designated fixed asset funds		575,133	-
Unrestricted revaluation reserve		<u>2,487,671</u>	<u>2,487,671</u>
<b>Total unrestricted funds</b>		3,047,533	2,393,188
<b>Restricted income funds</b>			
Restricted revenue accumulated funds		274,132	413,422
<b>Restricted capital funds</b>			
Restricted capital funds		120,348	95,348
<b>Total restricted funds</b>		394,480	508,770
<b>Total charity funds</b>		<u>3,442,013</u>	<u>2,901,958</u>

**Prof. Derek Blackman**

**Trustee**

**Approved by the trustees on 27 January 2011**

The trustees have prepared group accounts in accordance with section 222A of the Companies Act and Schedule 5 of the Charities Act 1993. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

**The notes on pages 22 to 30 form part of these accounts**

**Pestalozzi International Village Trust**  
**Balance Sheet**  
**as at 31 August 2010**

	Notes	2010 £	2009 £
<b>The assets and liabilities of the charity :</b>			
<b>Fixed assets</b>			
Intangible assets		2	2
Tangible assets	10	<u>3,598,993</u>	<u>3,234,549</u>
<b>Total fixed assets</b>		3,598,995	3,234,551
<b>Current assets</b>			
Debtors	12	163,877	162,480
Cash at bank and in hand		<u>1,017,943</u>	<u>408,770</u>
<b>Total current assets</b>		<u>1,181,820</u>	<u>571,250</u>
<b>Creditors:-</b>			
amounts due within one year	13	(577,903)	(417,983)
<b>Net current assets</b>		603,917	153,267
<b>Total assets less current liabilities</b>		4,202,912	3,387,818
<b>Creditors:-</b>			
amounts due after more than one year	14/15	(778,607)	(504,500)
<b>Net assets including pension asset / liability</b>		<u>3,424,305</u>	<u>2,883,318</u>
<b>The funds of the charity:</b>			
<b>Unrestricted income funds</b>			
Unrestricted revenue accumulated funds		(308,113)	(113,123)
Designated revenue funds		275,134	-
<b>Unrestricted capital funds</b>			
Designated fixed asset funds		575,133	-
Unrestricted revaluation reserve		<u>2,487,671</u>	<u>2,487,671</u>
<b>Total unrestricted funds</b>		3,029,825	2,374,548
<b>Restricted income funds</b>			
Restricted revenue accumulated funds		274,132	413,422
<b>Restricted capital funds</b>			
Restricted capital funds		120,348	95,348
<b>Total restricted funds</b>		394,480	508,770
<b>Total charity funds</b>	18	<u>3,424,305</u>	<u>2,883,318</u>

**Prof. Derek Blackman**

**Trustee**

**Approved by the trustees on 27 January 2011**

These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and constitute the annual accounts required by the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008)

**The notes on pages 22 to 30 form part of these accounts**

## Cash Flow Statement for the year ended 31 August 2010

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Cash generated from operations</b>		
Operating profit	515,055	(248,500)
Reconciliation to cash generated from operations:		
Depreciation	50,269	161,528
Capital element of HP	-	(10,053)
Decrease in stocks	1,831	2,050
Decrease in debtors	87,272	2,209
Increase in creditors	<u>224,900</u>	<u>157,836</u>
<b>Net cash inflow/outflow from operating activities</b>	<u>879,327</u>	<u>65,070</u>
<b>Returns on servicing of finance</b>		
Interest received	2,068	-
Interest paid	<u>(10,369)</u>	<u>-</u>
	<u>(8,301)</u>	<u>-</u>
<b>Capital expenditure</b>		
Purchase of tangible fixed assets	(421,822)	-
Proceeds from sale of tangible fixed assets	<u>6,100</u>	<u>-</u>
	<u>(415,722)</u>	<u>-</u>
<b>Net cash inflow</b>	<u>455,304</u>	
<b>Financing</b>		
New bank loan	95,500	-
Donations & Grants received for the acquisition of fixed assets	25,000	-
New HP	46,671	-
Repayment of amounts borrowed	<u>3,313</u>	<u>-</u>
	<u>170,484</u>	<u>-</u>
<b>Net increase in cash</b>	<u>625,788</u>	
<b>Net increase in cash</b>	625,788	65,070
Cash at bank and in hand less overdrafts at 1 September	<u>412,887</u>	<u>347,817</u>
<b>Cash at bank and in hand less overdrafts at 31 August</b>	<u>1,038,675</u>	<u>412,887</u>
<b>Consisting of:</b>		
Cash at bank and in hand	<u>1,038,675</u>	<u>412,887</u>
	<u>1,038,675</u>	<u>412,887</u>

## **Notes to the Accounts for the year ended 31 August 2010**

### **1 Accounting Policies**

#### ***Basis of preparation of the accounts***

The financial statements have been prepared in accordance with all applicable accounting standards, as modified by the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005 (revised June 2008). The accounts have been drawn up in accordance with the provisions of the Charities (Accounts and Reports) Regulations 2008 and the Companies Acts, and include the results of the charity's operations which are described in the Trustees' Report, all of which are continuing.

Advantage has been taken of Section 396(5) of The Companies Act 2006 to allow the format of the financial statements to be adapted to reflect the special nature of the company's operation and in order to comply with the requirements of the SORP.

The particular accounting policies adopted are set out below.

#### ***Basis of consolidation***

The group financial statements consolidate the financial statements of the company and its subsidiary undertakings, all of which are made up to 31 August 2010. All intra group profits and transactions are eliminated on consolidation.

A separate Statement of Financial Activities and income and expenditure account for the charity itself are not presented because the charity has taken advantage of the exemptions afforded by sections 403 to 413 of the Companies Act 2006 and paragraph 397 of the SORP.

#### ***Accounting convention***

The financial statements are prepared, on a going concern basis, under the historical cost convention as modified by the revaluation of freehold land and buildings and fixed asset investments.

#### ***Incoming Resources***

Incoming resources are accounted for on a receivable basis and are recognised in full in the Statement of Financial Activities in the year in which they are receivable.

#### ***Investment Income***

Rental income is included in the income and expenditure account net of collection charges on a receivable basis.

Bank interest is included in the income and expenditure account on a receivable basis.

#### ***Deferred Income***

In accordance with the Statement of Recommended Practice for Accounting and Reporting (revised June 2008) issued by the Charity Commissioners for England & Wales grants received in advance and specified by the donor as relating to specific accounting periods or alternatively which are subject to conditions which are still to be met, and which are outside the control of the charity or where it is uncertain whether the conditions can or will be met, are deferred on an accruals basis to the period to which they relate. Such deferrals are shown in the notes to the accounts and the sums involved are shown as creditors in the accounts.

#### ***Recognition of Liabilities***

Liabilities are recognised on the accruals basis in accordance with normal accounting principles, modified where necessary in accordance with the guidance given in the Statement of Recommended Practice for Accounting and Reporting (revised June 2008) issued by the Charity Commissioners for England & Wales.

## **Resources Expended**

### **Costs of generating funds**

Resources expended as the cost of generating funds are the direct costs attributable to fundraising

### **Charitable activities**

*Activities in furtherance of the charity's objectives*

All relevant costs of goods, services and ancillary trading costs that have been incurred in charitable activities, and all relevant staff including managers that are involved with project development along with their relevant salary costs are treated as direct charitable expenditure.

### **Governance costs**

Governance costs include all expenditure directly related to matters of governance and compliance with charitable and statutory requirements.

### **Allocation of costs within types of resources expended**

The methods and principles for the allocation and apportionment of all costs between the different activity categories of resources set out above are based on the test of whether a cost directly contributes to the particular related source of income. Such identifiable costs are apportioned to the specific activity, whereas all other costs are allocated to support costs of charitable activities.

Resources expended include attributable VAT which cannot be recovered.

### **Stocks and work in progress**

Stocks are valued at the lower of cost or net realisable value. Donated goods held in stock are considered to have no material value for accounting purposes.

### **Fixed Assets and Depreciation**

All tangible fixed assets, except freehold land and buildings, are stated at cost less depreciation.

Freehold land and buildings are stated at a valuation arrived at by a professionally qualified firm of valuers, who valued the assets on the basis of open market value in current use.

Items of less than £2,000 are not capitalised.

Depreciation has been provided at the following rates in order to write off the assets over their estimated useful economic lives.

Freehold land	Not depreciated
Asset under Construction	Not depreciated
Buildings	2% straight line
Vehicles	20% straight line
Plant and machinery	20% & 25% straight line

### **Taxation**

As a registered charity, the company is exempt from income and corporation tax to the extent that its income and gains are applicable to charitable purposes only. Value Added Tax is not recoverable by the company, and is therefore included in the relevant costs in the Statement of Financial Activities

### **Finance and Operating Leases**

Finance leases are accounted for in accordance with the requirements of the Financial Reporting Standard for Smaller Entities (FRSSE), effective April 2008.

### **Funds Structure Policy**

The charity maintains a general unrestricted fund which represents funds which are expendable at the discretion of the trustees in furtherance of the objects of the charity. Such funds may be held in order to finance both working capital and capital investment.

Designated funds are funds set aside by the trustees out of unrestricted general funds for specific future purposes or projects.

Restricted funds have been provided to the charity for particular purposes, and it is the policy of the board of trustees to carefully monitor the application of those funds in accordance with the restrictions placed upon them.

There is no formal policy of transfer between funds or on the allocation of funds to designated funds, other than that described above. Any other proposed transfer between funds would be considered on the particular circumstances.

### **Accounting for Legacies**

Legacies are included in income on receipt or if the charity can quantify with certainty the entitlement of funds not received before year end.

### **Recognition of pension costs, assets and liabilities**

The Charity has established a stakeholder pension scheme for its staff with Scottish Equitable. The Charity had no financial obligations in respect of this scheme at the year end.

### **Recognition of foreign exchange gains and losses**

Transfers and payments overseas are translated at the sterling cost incurred of making the transfers and payments.

Costs incurred overseas are translated into sterling at the rate ruling at the time of the transaction. Gains and losses on foreign currency translation are recognised in the statement of financial activities.

<b>2 Surplus/(deficit) for the financial year</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>This is stated after crediting :-</b>		
<b>Revenue Turnover from ordinary activities</b>	1,518,526	1,050,970
<b>and after charging:-</b>		
Depreciation of owned fixed assets	50,269	161,528
Auditors' Remuneration	6,211	4,317

### **3 Statement that no expenses were paid to trustees or connected persons**

No trustees, or any person connected with them were paid expenses from the Trust during the year.

### **4 Detailed analysis of certain transactions required by the 2005 revision to the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales (effective April 2005)**

An analysis of support costs by activity (TABLE 4) is included in the detailed schedule to the Statement of Financial Activities. An analysis of charitable expenditure by activity (TABLE 5) is included in the detailed schedule to the Statement of Financial Activities.

<b>5 Investment Income</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Bank deposit interest received	2,068	6,093

### **6 Deferred Incoming Resources & Reserves - Designated funds**

	<b>Opening Deferrals</b>	<b>Released from prior years</b>	<b>Received less released in year</b>	<b>Deferred at year end</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
PIVT Student sponsorship	-	-	275,134	275,134
PEL Deposits	174	174	878	878
<b>Total</b>	<u>174</u>	<u>174</u>	<u>276,012</u>	<u>276,012</u>

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>These deferrals are included in creditors</b>	<u>276,012</u>	<u>174</u>



## 7 Deferred Incoming Resources & Reserves- Restricted funds

	Opening Deferrals	Released from prior Years	Received less released in year	Deferred at year end
	£	£	£	£
Student sponsorship	385,335	241,167	80,000	224,168
Environmental maintenance	7,160	-	-	7,160
<b>Total</b>	<u>392,495</u>	<u>241,167</u>	<u>80,000</u>	<u>231,328</u>

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>These deferrals are included in creditors</b>	<u>231,328</u>	<u>399,019</u>

The deferrals included in creditors relate to those grants and donations specified by the donors as relating to specific periods and represent those parts of the grants or donations which relate to periods subsequent to the accounting year end and are treated as grants in advance, or alternatively where there are conditions which must be fulfilled prior to entitlement or use of the grant or donation by the charity.

## 8 Staff Costs and Emoluments

	2010	2009
	£	£
Gross Salaries	374,288	526,763
Employer's National Insurance	<u>26,236</u>	<u>31,018</u>
	<u>400,524</u>	<u>557,781</u>

## Numbers of full time employees or full time equivalents

	2010	2009
Charitable activities	8	12
Publicity activities	1	1
Fundraising activities	1	2
Management and administration	3	3
Pestalozzi Enterprises Ltd	<u>6</u>	<u>5</u>
	<u>19</u>	<u>23</u>

There were no employees with emoluments in excess of £60,000 per annum

## 9 Trustee Remuneration

Neither the trustees nor any persons connected with them have received any remuneration, either in the current year or the prior year.

**10 Tangible functional fixed assets****Group and Company**

	<b>Freehold Land and buildings £</b>	<b>Plant, machinery &amp; vehicles £</b>	<b>Total £</b>
<b>Asset cost, valuation or revalued amount</b>			
At 1 September 2009	3,220,000	340,073	3,560,073
Additions	298,993	122,829	421,822
Disposals	-	(30,070)	(30,070)
At 31 August 2010	<u>3,518,993</u>	<u>432,832</u>	<u>3,951,825</u>
<b>Accumulated depreciation and impairment provisions</b>			
At 1 September 2009	-	325,524	325,524
Eliminated on disposals	-	(22,961)	(22,961)
Depreciation on revaluation	-	-	-
Charge for the year	35,226	15,043	50,269
At 31 August 2010	<u>35,226</u>	<u>317,606</u>	<u>352,832</u>
<b>Net book value</b>			
At 31 August 2010	<u>3,483,767</u>	<u>115,226</u>	<u>3,598,993</u>
At 31 August 2009	<u>3,220,000</u>	<u>14,549</u>	<u>3,234,549</u>
Freehold land at valuation included above not depreciated			<u>1,550,076</u>

All assets are for direct charitable purposes and there are no inalienable or heritage assets.

Motor Vehicles held under HP	Net book value	58,339
	Cumulative depreciation	7,778

**11 Subsidiary undertakings included within the group accounts**

The name of the subsidiary undertaking is Pestalozzi Enterprises Ltd (PEL), registered in England with company number 00890936. The aggregate amount of the holding company's investment in its subsidiary is £2, which represents 100% of the issued ordinary share capital of the subsidiary. The subsidiary is controlled by the holding company by virtue of the power to appoint directors to the board of the subsidiary.

The subsidiary's activities relate to those of the holding company in that the subsidiary is a trading enterprise engaging in trades similar to the charitable activities of the holding company, and donates its entire taxable trading profit to the holding company by way of gift aid.

A summary of the audited financial statements of the subsidiary is;

<b>Pestalozzi Enterprises Ltd</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
<b>Assets and Funds</b>		
Aggregate amount of assets	160,112	171,217
Aggregate amounts of liabilities and provisions	(142,404)	(152,577)
Aggregate amount of funds	(17,708)	(18,640)
<b>Profit and Loss</b>		
Turnover net of VAT	285,878	343,142
Expenses net of VAT	(286,810)	(232,931)
<b>Net (Loss)/Profit</b>	<b>(932)</b>	<b>110,211</b>
Gift Aid Payments made to holding company	-	(110,211)
Net (Loss)/Profit after Gift Aid	<b>(932)</b>	-

The assets and liabilities of the subsidiary are stated after including intergroup debtors of £56814 (prior year £nil) and intergroup liabilities of £123176 (prior year £117210). The net profit of the subsidiary is stated before charging gift aid donations to the holding company of £nil (Prior year £110211) and after including intergroup company income of £nil (prior year £nil) and intergroup company expenditure of £nil (prior year £nil)

The main trading activity of the subsidiary is the generation of income from letting the use of otherwise unused PIVT property, providing related services and selling merchandise.

<b>12 Debtors</b>	<b>PIVT 2010</b>	<b>Group 2010</b>	<b>PIVT 2009</b>	<b>Group 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	4,806	84,008	5,193	166,521
Prepaid expenses	25,080	25,876	40,077	41,278
Accrued income	10,815	10,815	-	172
Subsidiary trading	123,176	-	117,210	-
	<u>163,877</u>	<u>120,699</u>	<u>162,480</u>	<u>207,971</u>
<b>13 Creditors: amounts falling due within one year</b>				
	<b>PIVT 2010</b>	<b>Group 2010</b>	<b>PIVT 2009</b>	<b>Group 2009</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	30,300	30,300	-	-
Trade creditors	147,580	155,745	10,218	22,674
Accrued expenses	4,980	6,009	-	1,514
Obligations under finance lease and hire purchase contracts	9,334	9,334	-	-
PAYE and NI	-	-	8,746	8,746
VAT	-	9,156	-	21,223
Deferred income and grants in advance	328,895	329,773	399,019	399,193
Subsidiary trading	56,814	-	-	-
	<u>577,903</u>	<u>540,317</u>	<u>417,983</u>	<u>453,350</u>

<b>14 Creditors: amounts falling due after one year</b>	<b>Group and Company</b>	
	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Bank loans and overdrafts	569,926	504,500
Obligations under finance lease and hire purchase contracts	31,114	-
Deferred income	177,567	-
	<u>778,607</u>	<u>504,500</u>

<b>15 Secured Loans and creditors due after more than five years</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Creditors in note 14 include:		
Amounts falling due for payment after more than five years	<u>448,726</u>	<u>-</u>
Secured bank loans	<u>600,226</u>	<u>504,500</u>

The bank loan is secured by way of a 20 year mortgage over Oaklands Park Estate, Sedlescombe

<b>16 Operating Leases</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Operating leases which expire:		
within two to five years	40,448	

<b>17 Analysis of the Net Movement in Funds</b>	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
Net movement in funds from Statement of Financial Activities	540,055	(248,500)
Net resources applied on functional fixed assets	(600,133)	
<b>Net movement in funds available for future activities</b>	<u>(60,078)</u>	<u>(248,500)</u>

The net resources applied on functional fixed assets and the net investment in programme related investments represents the cost of additions less proceeds of any disposals.

**18 Particulars of Individual Funds and analysis of assets and liabilities representing funds**

<b>At 31 August 2010</b>	<b>Unrestricted Funds £</b>	<b>Designated funds £</b>	<b>Restricted funds £</b>	<b>Total Funds £</b>
Tangible Fixed Assets	2,903,512	575,133	120,348	3,598,993
Current Assets	612,678	275,134	274,132	1,161,944
Current Liabilities	(540,317)	-	-	(540,317)
Long Term Liabilities	(778,607)	-	-	(778,607)
	<u>2,197,266</u>	<u>850,267</u>	<u>394,480</u>	<u>3,442,013</u>

<b>At 1 September 2009</b>	<b>Unrestricted Funds £</b>	<b>Designated Funds £</b>	<b>Restricted funds £</b>	<b>Total Funds £</b>
Tangible Fixed Assets	3,139,201	-	95,348	3,234,549
Current Assets	211,837	-	413,422	625,259
Current Liabilities	(453,350)	-	-	(453,350)
Long Term Liabilities	(504,500)	-	-	(504,500)
	<u>2,393,188</u>	<u>-</u>	<u>508,770</u>	<u>2,901,958</u>

The individual funds included above are :-

	<b>Funds at 2009 £</b>	<b>Movements In funds as below £</b>	<b>Transfers Between funds £</b>	<b>Funds at 2010 £</b>
Income & expenditure reserves	(113,123)	(194,990)	-	(308,113)
Income & exp. reserves PEL	18,640	(932)	-	17,708
Revaluation reserves	2,487,671	-	-	2,487,671
Restricted revenue funds	413,422	(139,290)	-	274,132
Restricted fixed asset funds	95,348	25,000	-	120,348
Designated revenue funds	-	275,134	-	275,134
Designated fixed asset funds	-	575,133	-	575,133
	<u>2,901,958</u>	<u>540,055</u>	<u>-</u>	<u>3,442,013</u>

**Analysis of movements in funds as shown in the table above**

	<b>Incoming Resources £</b>	<b>Outgoing Resources £</b>	<b>Gains &amp; Losses £</b>	<b>Movement in funds £</b>
Income & expenditure reserves	162,676	357,666	-	(194,990)
Income & exp. reserves PEL	285,878	286,810	-	(932)
Restricted revenue funds	220,764	360,054	-	(139,290)
Restricted fixed asset funds	25,000	-	-	25,000
Designated revenue funds	275,134	-	-	275,134
Designated fixed asset funds	575,133	-	-	575,133
	<u>1,544,585</u>	<u>1,004,530</u>	<u>-</u>	<u>540,055</u>

Designated funds include £300,000 from legacy income and £275,133 from the Grieg Foundation that has been designated to Capital expenditure.

Please see separate note for restricted funds.

**19 Revaluation Reserve**

	<b>2010</b>	<b>2009</b>
	<b>£</b>	<b>£</b>
At 1 September	(2,487,671)	-
Arising on revaluation during the year	-	(2,487,671)
At 31 August	<u>(2,487,671)</u>	<u>(2,487,671)</u>

**20 Share Capital**

The charity is incorporated under the Companies Act 1985 and is limited by guarantee, each member having undertaken to contribute such amounts not exceeding one pound as may be required in the event of the company being wound up whilst he or she is still a member or within one year thereafter.

There are 11 members of the company (2009 - 13 members)

**Pestalozzi International Village Trust****Schedule to the Consolidated Statement of Financial Activities****Status of this schedule to the Statement of Financial Activities**

This schedule is an intrinsic part of the accounts required to comply with the 2008 Revision of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2008. However, it is not a part of the statutory accounts required under the provisions of the Companies Act 2006 in relation to incorporated charities.

	<b>Unrestricted Funds 2010 £</b>	<b>Restricted Funds 2010 £</b>	<b>Total Funds 2010 £</b>	<b>Prior Year Total Funds 2009 £</b>
<b>Incoming Resources</b>				
<b>Incoming Resources from generated funds</b>				
<b>Non-government and non-public bodies</b>				
<b>Incoming resources of a revenue nature</b>				
Legacies receivable	434,428	-	<b>434,428</b>	291,881
Student Programme Donations	531,477	115,667	<b>647,144</b>	321,154
Gift Aid received	10,037	-	<b>10,037</b>	9,974
Outreach Grants & Donations	5,850	68,552	<b>74,402</b>	52,946
Archive Project Grant	-	22,800	<b>22,800</b>	-
<b>Total</b>	<b>981,792</b>	<b>207,019</b>	<b>1,188,811</b>	<b>675,955</b>
<b>Non-government and non-public bodies</b>				
<b>Incoming resources for acquisition of fixed assets (including donations of assets)</b>				
Wolfson Foundation	-	25,000	<b>25,000</b>	-
<b>Total non-government grants for fixed assets</b>	<b>-</b>	<b>25,000</b>	<b>25,000</b>	<b>-</b>
<b>Total Grants, Legacies &amp; Donations Received</b>	<b>981,792</b>	<b>232,019</b>	<b>1,213,811</b>	<b>675,955</b>
<b>Total Voluntary Income</b>	<b>981,792</b>	<b>232,019</b>	<b>1,213,811</b>	<b>675,955</b>
<b>Activities for generating funds</b>				
Fundraising activities	18,210	-	<b>18,210</b>	13,412
Temporary letting and licensing of charitable property	6,248	-	<b>6,248</b>	6,576
Estate Grants	2,763	13,745	<b>16,508</b>	8,068
Miscellaneous income	2,871	-	<b>2,871</b>	3,817
<b>Total of activities for generating funds</b>	<b>30,092</b>	<b>13,745</b>	<b>43,837</b>	<b>31,873</b>
<b>Investment Income</b>				
Bank deposit interest received	2,068	-	2,068	6,093
<b>Total Investment Income</b>	<b>2,068</b>	<b>-</b>	<b>2,068</b>	<b>6,093</b>
<b>Other Incoming Resources</b>				
losses on disposals of fixed assets used by Charity	(1,009)	-	<b>(1,009)</b>	-
	<b>(1,009)</b>	<b>-</b>	<b>(1,009)</b>	<b>-</b>
<b>PIVT total incoming resources</b>	<b>1,012,943</b>	<b>245,764</b>	<b>1,258,707</b>	<b>713,921</b>
<b>PEL total incoming resources</b>	<b>285,878</b>	<b>285,878</b>	<b>285,878</b>	<b>343,142</b>
<b>Total Incoming Resources</b>	<b>1,298,821</b>	<b>245,764</b>	<b>1,544,585</b>	<b>1,057,063</b>

**Costs of generating funds****Costs of generating voluntary income**

Fundraising publicity	6,312	-	6,312	13,088
Cost of fundraising activities	61,229	-	61,229	107,220
	<b>67,541</b>	<b>-</b>	<b>67,541</b>	<b>120,308</b>
<b>Total costs of generating voluntary income</b>	<b>67,541</b>	<b>-</b>	<b>67,541</b>	<b>120,308</b>

**Charitable expenditure****Support costs of charitable activities****Direct support costs**

Gross wages and salaries - charitable activities	3,421	153,885	157,306	181,518
Employers' NI - Charitable activities	9,500	2,362	11,862	12,706
Volunteers' Costs	1,070	6,386	7,456	15,415
Travel and Subsistence - Charitable Activities	568	1,120	1,688	200
	<b>14,559</b>	<b>163,753</b>	<b>178,312</b>	<b>209,839</b>

**Management and administration costs****in support of charitable activities****Staff costs in support of charitable activities**

Salaries - Administrative staff	69,615	-	69,615	90,962
Employers' NI - Administrative staff	5,259	-	5,259	6,847
	<b>74,874</b>	<b>-</b>	<b>74,874</b>	<b>97,809</b>

**Indirect employee costs**

Training and welfare	2,655	-	2,655	4,666
Travel and subsistence	222	-	222	76
Entertaining	66	-	66	908
Recruitment expenses	2,154	-	2,154	1,100
	<b>5,097</b>	<b>-</b>	<b>5,097</b>	<b>6,750</b>

**Premises Costs**

Rates, water and service charges	13,829	6,232	20,061	23,777
Insurance	8,723	-	8,723	12,225
Light and heat	50,526	3,318	53,844	75,426
Premises repairs and renewals	-	12,986	12,986	30,499
Premises spare (1)	-	-	-	20,761
	<b>73,078</b>	<b>22,536</b>	<b>95,614</b>	<b>162,688</b>

**General administrative expenses:**

Telephone and fax	4,694	-	4,694	5,691
Postage	2,336	-	2,336	2,603
Stationery and printing	2,702	-	2,702	5,686
Subscriptions	621	-	621	1,785
Equipment expenses	2,440	-	2,440	1,742
Software	3,949	-	3,949	1,848
HP Interest	2,180	-	2,180	-
Bank charges	19,784	-	19,784	1,649
Sundry expenses	3,670	-	3,670	-
	<b>42,376</b>	<b>-</b>	<b>42,376</b>	<b>21,004</b>



**Professional fees in support of charitable activities**

Consultancy fees	3,439	-	3,439	2,845
Legal fees	15	-	15	15

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	<b>3,454</b>	<b>-</b>	<b>3,454</b>	<b>2,860</b>
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**Other support costs**

Depreciation of assets used for charitable purposes	50,269	-	50,269	161,528
Student Programme	18,207	153,278	171,485	105,127
Outreach Programme	5,850	9,163	15,013	58,518
Archive Project	-	11,324	11,324	-

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	<b>74,326</b>	<b>173,765</b>	<b>248,091</b>	<b>325,173</b>
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**PIVT total support costs**


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	<b>287,764</b>	<b>360,054</b>	<b>647,818</b>	<b>946,431</b>
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**PEL total support costs**


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	<b>286,810</b>	<b>-</b>	<b>286,810</b>	<b>232,931</b>
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**Total Group Support costs**


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	<b>574,574</b>	<b>360,054</b>	<b>934,628</b>	<b>1,179,362</b>
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**Total Expended on Charitable Activities**


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	287,764	360,054	647,818	946,431
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**Governance costs that are not direct management functions inherent in generating funds, service delivery and programme or project work***(including management and administration costs)***Specific governance costs**

Auditors' remuneration	2,361	-	2,361	5,893
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**Total governance costs**


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	<b>2,361</b>	<b>-</b>	<b>2,361</b>	<b>5,893</b>
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**Analysis of transfers between funds**

Transfer to/(from) unrestricted funds	(850,267)	-	(850,267)	(393,278)
Transfer to/(from) restricted funds	-	(25,000)	(25,000)	385,335
Transfer to/(from) designated fixed assets	575,133	-	575,133	-
Transfer to/(from) restricted fixed assets	-	25,000	25,000	-
Transfer to/(from) designated revenue funds	275,134	-	275,134	7,943

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	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
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**Appendices to the Statement of Financial Activities for the year ended 31 August 2010**

*The following appendices are attached to detail the activity analysis required by the 2005 Revision of the Statement of Recommended Practice for Accounting and Reporting issued by the Charity Commissioners for England & Wales, effective April 2005.*

1. Analysis of Total Incoming & Outgoing Resources by Company
2. Analysis of Expenditure by Company
3. Analysis of Restricted Funds
4. Analysis of Income and Expenditure by Department

**Appendix 1****Analysis of Group Incoming & Outgoing Resources by Company  
for the year ended 31 August 2010**

	<b>PIVT</b>	<b>PEL</b>	<b>2010 Total</b>	<b>2009 Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b><i>Incoming resources from generated funds</i></b>				
Voluntary Income	1,213,811	-	1,213,811	675,955
Activities for generating funds	43,837	285,878	329,715	381,108
Investment Income	2,068	-	2,068	-
<b><i>Incoming resources from charitable activities</i></b>	-	-	-	-
<b><i>Other Incoming Resources</i></b>	(1,009)	-	(1,009)	-
<b>Total Incoming Resources</b>	<b>1,258,707</b>	<b>285,878</b>	<b>1,544,585</b>	<b>1057,063</b>
<b><i>Costs of generating funds</i></b>				
Costs of generating voluntary income	67,541	82,609	150,150	211,161
<b><i>Costs of charitable activities</i></b>	647,818	200,351	848,169	1090,085
<b><i>Governance costs</i></b>	2,361	3,850	6,211	4,317
<b>Total resources expended</b>	<b>717,720</b>	<b>286,810</b>	<b>1,004,530</b>	<b>1305,563</b>
<b>Net Incoming Resources by activity</b>	<b>540,987</b>	<b>(932)</b>	<b>540,055</b>	<b>(248,500)</b>

## Appendix 2

### Analysis of Group Expenditure by Company for the year ended 31 August 2010

	PIVT	PEL	2010 Total	2009 Total
Nature of group expenditure	£	£	£	£
Trading activity	-	200,351	200,351	247,972
Charity activity	647,818	-	647,818	842,113
<b>Total group expenditure analysed by company</b>	<b>647,818</b>	<b>200,351</b>	<b>848,169</b>	<b>1090,085</b>

An explanation of the main features of charitable expenditure is given on page 31 to 33.

**Appendix 3****Analysis of Restricted Funds at 31 August 2010**

	b/f 2009	Income	Expenditure	Transfers	c/f 2010
<b><u>Student Programme</u></b>					
Student sponsorship	385,335	115,667	-276,833		22,4169
Total	385,335	115,667	-276,833	0	22,4169
<b><u>Outreach</u></b>					
<i>Global Voices</i>					
Awards for All	3,791	3,074	-6,658		207
<i>Global Dimension - Local 4 Schools</i>					
DfID		10,497	-10,497		0
<i>Global Schools Partnership</i>					
Other		2,015	-2,015		0
<i>Global Sustainable Schools</i>					
DfID		23,229	-17,423		5,806
<i>Go Global</i>					
Battle LPC	3,397		-3,397		0
<i>Environmental &amp; Development Education</i>					
Fairtrade Foundation	400		-400		0
Resource Centre		670	-670		0
Globetrotters		958	-958		0
Youth Group		3,205	-3,205		0
British Council - Volunteers		14,904	-12,929		1,975
Sports Award		10,000			10,000
Total	7,588	68,552	-58,152	0	17,988
<b><u>Estate</u></b>					
Estate Grants		13,745	-13,745		0
Total	0	13,745	-13,745	0	0
<b><u>Other</u></b>					
Marian Loibl Trust for investment	20,499	0	0	0	20,499
Archive Project		22,800	-11,324		11,476
Total	20,499	22,800	-11,324	0	31,975
<b><u>Site Development</u></b>					
<i>Sainsbury House</i>					
Grieg Foundation	95,348		-95,348		0
Woolfson		25,000	-25,000		0
Total	95,348	25,000	-120,348	0	0
<b>TOTAL</b>	<b>508,770</b>	<b>245,764</b>	<b>-480,402</b>	<b>0</b>	<b>274,132</b>

**Appendix 4****Analysis of Income and Expenditure by Department**

	Student Programme 2010	Student Programme 2009	Estate 2010	Estate 2009	Outreach Education 2010	Outreach Education 2009
<b><u>Income</u></b>						
Trading			285,878	358,006		
Donations & Grants	689,214	324,796	66,527	6,332	56,413	52,946
Legacies	134,428	291,881	300,000	-		
Gift Aid	10,037	17,009				
Bank Interest	2,088	6,093				
<b>Total</b>	<b>835,767</b>	<b>639,779</b>	<b>652,405</b>	<b>364,338</b>	<b>56,413</b>	<b>52,946</b>
<b><u>Expenditure</u></b>						
Trading			282,960	232,931		
Student Programme	312,655	394,597				
Outreach					63,584	114,996
Premises & utilities	160,000	104,532	111,579	266,538		
Site development			-	23,262		
Cost of generating funds			67,541	120,308		
Governance			6,211	48,399		
<b>Total</b>	<b>472,655</b>	<b>499,129</b>	<b>468,291</b>	<b>691,438</b>	<b>63,584</b>	<b>114,996</b>
Net incoming/(outgoing) resources	363,112	140,650	184,114	327,100	7,171	62,050
Cost per student	15,755	16,638				

pestalozzi



The Pestalozzi International Village Trust has used the two-spot ladybird (*adalia 2-punctata f. typica*) as its emblem since its foundation in 1957. It was originally adopted by the children of the first village in Trogen, Switzerland in the aftermath of World War II because in Central Europe, where many of the children came from, the ladybird is a symbol of hope and luck.