

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 31st 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 31st 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 Neuberg
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 |
| Total incoming resources | <u>1,298,821</u> | <u>245,764</u> | <u>1,544,585</u> | <u>1,057,063</u> |
| <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 |
| Total resources expended | <u>644,476</u> | <u>360,054</u> | <u>1,004,530</u> | <u>1,305,563</u> |
| Net incoming resources/(net outgoing resources) before transfers between funds | <u>654,345</u> | <u>(114,290)</u> | <u>540,055</u> | <u>(248,500)</u> |
| Gross transfers between funds | - | - | - | - |
| Net incoming resources/(net outgoing resources) before Other recognised gains and losses | <u>654,345</u> | <u>(114,290)</u> | <u>540,055</u> | <u>(248,500)</u> |
| Other recognised gains and losses <i>Gains on revaluation of fixed assets for charity's own use</i> | - | - | - | 2,487,671 |
| Net movement in funds | <u>654,345</u> | <u>(114,290)</u> | <u>540,055</u> | <u>2,239,171</u> |
| Reconciliation of funds | | | | |
| <i>Total funds brought forward</i> | 2,393,188 | 508,770 | 2,901,958 | 662,787 |
| Total Funds carried forward | <u>3,047,533</u> | <u>394,480</u> | <u>3,442,013</u> | <u>2,901,958</u> |

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**

| | 2010 | 2009 |
|--|----------------|------------------|
| 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 | - |
| Net Movement in funds before taxation | 540,055 | 2,239,171 |

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

| Revenue accumulated funds | Unrestricted Funds | Restricted Funds | Total Funds | Last year Total Funds |
|--|---------------------------|-------------------------|--------------------|------------------------------|
| | 2010 | 2010 | 2010 | 2009 |
| | £ | £ | £ | £ |
| 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) |
| Closing revenue accumulated funds | (290,405) | 274,132 | (16,273) | 318,939 |

Designated revenue funds

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

| 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 | <u>575,133</u> | <u>120,348</u> | <u>695,481</u> | <u>95,348</u> |

| 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 | <u>2,487,671</u> | <u>-</u> | <u>2,487,671</u> | <u>2,487,671</u> |

| 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 |
| Total funds | <u>850,267</u> | <u>2,197,266</u> | <u>394,480</u> | <u>3,442,013</u> | <u>2,901,958</u> |

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 £ |
|---|-------|------------------|------------------|
| The consolidated assets and liabilities of the charity : | | | |
| Fixed assets | | | |
| Tangible assets | 10 | <u>3,598,993</u> | <u>3,234,549</u> |
| Total fixed assets | | 3,598,993 | 3,234,549 |
| Current assets | | | |
| 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> |
| Total current assets | | <u>1,161,944</u> | <u>625,259</u> |
| Creditors:- | | | |
| amounts due within one year | 13 | <u>(540,317)</u> | <u>(453,350)</u> |
| Net current assets | | <u>621,627</u> | <u>171,909</u> |
| Total assets less current liabilities | | 4,220,620 | 3,406,458 |
| Creditors:- | | | |
| amounts due after more than one year | 14/15 | <u>(778,607)</u> | <u>(504,500)</u> |
| Net assets including pension asset / liability | | <u>3,442,013</u> | <u>2,901,958</u> |
| The consolidated funds of the charity: | | | |
| Unrestricted income funds | | | |
| Unrestricted revenue accumulated funds | | (290,405) | (94,483) |
| Designated revenue funds | | 275,134 | - |
| Unrestricted capital funds | | | |
| Designated fixed asset funds | | 575,133 | - |
| Unrestricted revaluation reserve | | <u>2,487,671</u> | <u>2,487,671</u> |
| Total unrestricted funds | | 3,047,533 | 2,393,188 |
| Restricted income funds | | | |
| Restricted revenue accumulated funds | | 274,132 | 413,422 |
| Restricted capital funds | | | |
| Restricted capital funds | | 120,348 | 95,348 |
| Total restricted funds | | 394,480 | 508,770 |
| Total charity funds | | <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 £ |
|---|-------|------------------|------------------|
| The assets and liabilities of the charity : | | | |
| Fixed assets | | | |
| Intangible assets | | 2 | 2 |
| Tangible assets | 10 | <u>3,598,993</u> | <u>3,234,549</u> |
| Total fixed assets | | 3,598,995 | 3,234,551 |
| Current assets | | | |
| Debtors | 12 | 163,877 | 162,480 |
| Cash at bank and in hand | | <u>1,017,943</u> | <u>408,770</u> |
| Total current assets | | <u>1,181,820</u> | <u>571,250</u> |
| Creditors:- | | | |
| amounts due within one year | 13 | (577,903) | (417,983) |
| Net current assets | | 603,917 | 153,267 |
| Total assets less current liabilities | | 4,202,912 | 3,387,818 |
| Creditors:- | | | |
| amounts due after more than one year | 14/15 | (778,607) | (504,500) |
| Net assets including pension asset / liability | | <u>3,424,305</u> | <u>2,883,318</u> |
| The funds of the charity: | | | |
| Unrestricted income funds | | | |
| Unrestricted revenue accumulated funds | | (308,113) | (113,123) |
| Designated revenue funds | | 275,134 | - |
| Unrestricted capital funds | | | |
| Designated fixed asset funds | | 575,133 | - |
| Unrestricted revaluation reserve | | <u>2,487,671</u> | <u>2,487,671</u> |
| Total unrestricted funds | | 3,029,825 | 2,374,548 |
| Restricted income funds | | | |
| Restricted revenue accumulated funds | | 274,132 | 413,422 |
| Restricted capital funds | | | |
| Restricted capital funds | | 120,348 | 95,348 |
| Total restricted funds | | 394,480 | 508,770 |
| Total charity funds | 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

| | 2010 | 2009 |
|---|------------------|----------------|
| | £ | £ |
| Cash generated from operations | | |
| 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> |
| Net cash inflow/outflow from operating activities | <u>879,327</u> | <u>65,070</u> |
| Returns on servicing of finance | | |
| Interest received | 2,068 | - |
| Interest paid | <u>(10,369)</u> | <u>-</u> |
| | <u>(8,301)</u> | <u>-</u> |
| Capital expenditure | | |
| 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> |
| Net cash inflow | <u>455,304</u> | |
| Financing | | |
| 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> |
| Net increase in cash | <u>625,788</u> | |
| Net increase in cash | 625,788 | 65,070 |
| Cash at bank and in hand less overdrafts at 1 September | <u>412,887</u> | <u>347,817</u> |
| Cash at bank and in hand less overdrafts at 31 August | <u>1,038,675</u> | <u>412,887</u> |
| Consisting of: | | |
| 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.

| 2 Surplus/(deficit) for the financial year | 2010 | 2009 |
|---|-------------|-------------|
| | £ | £ |
| This is stated after crediting :- | | |
| Revenue Turnover from ordinary activities | 1,518,526 | 1,050,970 |
| and after charging:- | | |
| 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.

| 5 Investment Income | 2010 | 2009 |
|--------------------------------|-------------|-------------|
| | £ | £ |
| Bank deposit interest received | 2,068 | 6,093 |

6 Deferred Incoming Resources & Reserves - Designated funds

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

| | 2010 | 2009 |
|--|----------------|-------------|
| | £ | £ |
| These deferrals are included in creditors | <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 |
| Total | <u>392,495</u> | <u>241,167</u> | <u>80,000</u> | <u>231,328</u> |

| | | |
|--|----------------|----------------|
| These deferrals are included in creditors | 2010 | 2009 |
| | £ | £ |
| | <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**

| | Freehold Land and buildings £ | Plant, machinery & vehicles £ | Total £ |
|---|--|--|--------------------|
| Asset cost, valuation or revalued amount | | | |
| 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> |
| Accumulated depreciation and impairment provisions | | | |
| 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> |
| Net book value | | | |
| 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;

| Pestalozzi Enterprises Ltd | 2010 | 2009 |
|---|--------------|----------------|
| | £ | £ |
| Assets and Funds | | |
| 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) |
| Profit and Loss | | |
| Turnover net of VAT | 285,878 | 343,142 |
| Expenses net of VAT | (286,810) | (232,931) |
| Net (Loss)/Profit | (932) | 110,211 |
| Gift Aid Payments made to holding company | - | (110,211) |
| Net (Loss)/Profit after Gift Aid | (932) | - |

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.

| 12 Debtors | PIVT 2010 | Group 2010 | PIVT 2009 | Group 2009 |
|---|----------------------|-----------------------|----------------------|-----------------------|
| | £ | £ | £ | £ |
| 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> |
| 13 Creditors: amounts falling due within one year | | | | |
| | PIVT 2010 | Group 2010 | PIVT 2009 | Group 2009 |
| | £ | £ | £ | £ |
| 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> |

| 14 Creditors: amounts falling due after one year | Group and Company | |
|---|--------------------------|----------------|
| | 2010 | 2009 |
| | £ | £ |
| 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> |

| 15 Secured Loans and creditors due after more than five years | 2010 | 2009 |
|--|----------------|----------------|
| | £ | £ |
| 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

| 16 Operating Leases | 2010 | 2009 |
|--|-----------------|------------------|
| | £ | £ |
| Operating leases which expire: | | |
| within two to five years | 40,448 | |
| 17 Analysis of the Net Movement in Funds | 2010 | 2009 |
| | £ | £ |
| Net movement in funds from Statement of Financial Activities | 540,055 | (248,500) |
| Net resources applied on functional fixed assets | (600,133) | |
| Net movement in funds available for future activities | <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

| At 31 August 2010 | Unrestricted Funds £ | Designated funds £ | Restricted funds £ | Total Funds £ |
|--------------------------|-------------------------------------|-----------------------------------|-----------------------------------|------------------------------|
| 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> |

| At 1 September 2009 | Unrestricted Funds £ | Designated Funds £ | Restricted funds £ | Total Funds £ |
|----------------------------|-------------------------------------|-----------------------------------|-----------------------------------|------------------------------|
| 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 :-

| | Funds at 2009 £ | Movements In funds as below £ | Transfers Between funds £ | Funds at 2010 £ |
|-------------------------------|--------------------------------|--|--|--------------------------------|
| 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

| | Incoming Resources £ | Outgoing Resources £ | Gains & Losses £ | Movement in funds £ |
|-------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|------------------------------------|
| 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

| | 2010 | 2009 |
|--|--------------------|--------------------|
| | £ | £ |
| 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.

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

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 |
| | 67,541 | - | 67,541 | 120,308 |

| | | | | |
|---|---------------|----------|---------------|----------------|
| Total costs of generating voluntary income | 67,541 | - | 67,541 | 120,308 |
|---|---------------|----------|---------------|----------------|

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 |
| | 14,559 | 163,753 | 178,312 | 209,839 |

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 |
| | 74,874 | - | 74,874 | 97,809 |

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 |
| | 5,097 | - | 5,097 | 6,750 |

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 |
| | 73,078 | 22,536 | 95,614 | 162,688 |

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 | - |
| | 42,376 | - | 42,376 | 21,004 |

Professional fees in support of charitable activities

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

| | | | | |
|--|--------------|----------|--------------|--------------|
| | 3,454 | - | 3,454 | 2,860 |
|--|--------------|----------|--------------|--------------|

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 | - |

| | | | | |
|--|---------------|----------------|----------------|----------------|
| | 74,326 | 173,765 | 248,091 | 325,173 |
|--|---------------|----------------|----------------|----------------|

PIVT total support costs

| | | | | |
|--|----------------|----------------|----------------|----------------|
| | 287,764 | 360,054 | 647,818 | 946,431 |
|--|----------------|----------------|----------------|----------------|

PEL total support costs

| | | | | |
|--|----------------|----------|----------------|----------------|
| | 286,810 | - | 286,810 | 232,931 |
|--|----------------|----------|----------------|----------------|

Total Group Support costs

| | | | | |
|--|----------------|----------------|----------------|------------------|
| | 574,574 | 360,054 | 934,628 | 1,179,362 |
|--|----------------|----------------|----------------|------------------|

Total Expended on Charitable Activities

| | | | | |
|--|---------|---------|---------|---------|
| | 287,764 | 360,054 | 647,818 | 946,431 |
|--|---------|---------|---------|---------|

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 |
|------------------------|-------|---|-------|-------|

Total governance costs

| | | | | |
|--|--------------|----------|--------------|--------------|
| | 2,361 | - | 2,361 | 5,893 |
|--|--------------|----------|--------------|--------------|

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 |

| | | | | |
|--|----------|----------|----------|----------|
| | - | - | - | - |
|--|----------|----------|----------|----------|

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**

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

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 |
| Total group expenditure analysed by company | 647,818 | 200,351 | 848,169 | 1090,085 |

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 |
|--|----------------|----------------|-----------------|-----------|----------------|
| <u>Student Programme</u> | | | | | |
| Student sponsorship | 385,335 | 115,667 | -276,833 | | 22,4169 |
| Total | 385,335 | 115,667 | -276,833 | 0 | 22,4169 |
| <u>Outreach</u> | | | | | |
| <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 & 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 |
| <u>Estate</u> | | | | | |
| Estate Grants | | 13,745 | -13,745 | | 0 |
| Total | 0 | 13,745 | -13,745 | 0 | 0 |
| <u>Other</u> | | | | | |
| 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 |
| <u>Site Development</u> | | | | | |
| <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 |
| TOTAL | 508,770 | 245,764 | -480,402 | 0 | 274,132 |

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 |
|-----------------------------------|------------------------------|------------------------------|----------------|----------------|-------------------------------|-------------------------------|
| <u>Income</u> | | | | | | |
| 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 | | | | |
| Total | 835,767 | 639,779 | 652,405 | 364,338 | 56,413 | 52,946 |
| <u>Expenditure</u> | | | | | | |
| 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 | | |
| Total | 472,655 | 499,129 | 468,291 | 691,438 | 63,584 | 114,996 |
| 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.