

REGISTERED No: 359779

**REPORT OF THE GOVERNORS AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2013
FOR
CLAYESMORE SCHOOL**

TUESDAY



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07/01/2014
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CLAYESMORE SCHOOL
INDEX TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

	Page
Company Information	1
Report of the Governors	2
Report of the Independent Auditors	8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Financial Statements	12

CLAYESMORE SCHOOL

COMPANY INFORMATION

GOVERNORS

- * Mr J I Andrews LLB - Chairman/Vice Chairman - Finance
- *†^ Mr D M Green MA (Cantab), FRSA - Vice Chairman – Academic
- *Ω Mr A G Beaton
- *^ Mrs C Campbell MA ABD - resigned 8 July 2013
- * Mr P Dallyn FRICS FAAV
- † Mrs F Deeming BA (Hons), PGCE
- * Mr J P Fleming - appointed 1 October 2013
- ^ Mrs D E Geary BA CertEd
- † Mr D C Haywood MA (Cantab)
- Ω Mr T Ingram MA, MBA, FCIB
- *† Mrs R A P Stiven
- *Ω Maj Gen J D Stokoe CB, CBE
- † Dr J Traill BA MMus DPhil (Oxon) FRSM
- Dr R J Willis MA (Oxon) BM BCh

- * **Member of Finance and General Purposes Committee**
- † **Member of Senior School Committee**
- ^ **Member of Prep School Committee**
- Ω **Member of Development Committee**

SECRETARY/BURSAR

Mr M J M Dyer

HEADMASTER

Mr MG Cooke BEd (Hons) FCollP

HEAD OF PREP

Mr RDH Geffen BEd (Hons)

REGISTERED OFFICE

Clayesmore School
Iwerne Minster
Blandford Forum
DT11 8LL

REGISTERED NUMBER

359779

CHARITY REGISTRATION NUMBER

306214

AUDITORS

Fawcetts
Windover House
St Ann Street
Salisbury
SP1 2DR

BANKERS

Lloyds TSB Bank plc
Beech House
28/30 Wimborne Road
Poole, Dorset, BH15 2BL

The above information relates to the date of approval of these financial statements

CLAYESMORE SCHOOL
REPORT OF THE GOVERNORS
for the year ended 31 August 2013

Clayesmore School governors present their annual report for the year ended 31 August 2013 under the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities SORP 2005

REFERENCE AND ADMINISTRATIVE INFORMATION

Clayesmore School is registered with the Charity Commissioners for England and Wales (registration number 306214) It is incorporated and registered in England and Wales under the Companies Act as a company limited by guarantee and not having a share capital (company number 359779), its current Memorandum and Articles of Association being dated 12 June 2010

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Council

The structure of the Charity consists of a Governing Council, the key details of which are explained on page 1 Other (sub) committees exist or are formed as necessary to deal with Health and Safety, Remuneration etc.

Recruitment and Training of Governors

New governors are appointed to the Council on the recommendation of the existing governors and/or the Senior Management Team As and when vacancies on the Council become available, the main criterion in the search for suitable candidates is the need to maintain the best possible balance of relevant skills, expertise and experience on the School's Governing Council Training for governors includes briefings and discussions on topical subjects and takes place at Council meetings or on Seminar days organised for governors External training courses, for example through the Association of Governing Bodies of Independent Schools (AGBIS), the Independent Association of Prep Schools (IAPS) or by other parties are made available to governors under the direction of the Chairman

Organisational Management

Clayesmore School governors, as the trustees of the Charity, are legally responsible for the overall management and control of Clayesmore School, and meet at least three times a year Council provides direction on any issue, which is then carried out by the Finance and General Purposes (F&GP) committee The Chairman of the Governing Council is a member of the F&GP Committee

The other key committees are the Senior School Committee and the Prep School Committee These two committees deal with academic, pastoral and teaching staff issues and meet termly The day to day running of the school is delegated to the Headmaster, supported by his Executive Management Team (EMT), the Head of Prep and the Bursar The Headmaster and Bursar attend all of the governors' meetings and the Bursar is also Clerk to the Governing Council

All trustees give of their time freely Expenses were paid in the year only as detailed in the Accounts No governors received bursary benefit

Risk Management

The Governing Council is responsible for the management of risks A nominated governor and the Bursar compile a detailed consideration of risk in a risk register each term Risks are identified, assessed, and EMT establishes regular risk control throughout the year The F&GP committee and the Governing Council undertake formal review of the Charity's risk management processes on a termly basis Risks fall into four main categories: strategic, operational, financial and compliance, and each category is reviewed at F&GP and Council

The key controls used by the Charity include

- Formal agendas, minutes and reports for all Committee and Council activity
- Detailed terms of reference for all Committees
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational structures and lines of reporting
- Formal written policies, reviews and appraisals
- Clear authorisation and approval policies, and
- Vetting procedures as required by law for the protection of the vulnerable

CLAYESMORE SCHOOL
REPORT OF THE GOVERNORS
for the year ended 31 August 2013

Through the risk management processes established for the school, the governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

OBJECTS, AIMS, OBJECTIVES

Objects and Aims

The Charity's Objects, as set out in its Articles of Association, are the advancement of education, including the provision of boarding and day schooling for children of both sexes from the ages of three to eighteen.

The school's principal operating aim is to excel in the provision of an inclusive education for day and boarding pupils throughout a wide ability range. It works to foster self-confidence, good citizenship, a desire to fulfil their potential and to serve the wider community. We also aim to initiate an enthusiastic approach to life and work, together with a sound understanding of how to live healthily and safely in the modern world. These are aims, which reflect closely the five outcomes of the 'Every Child Matters Agenda'.

Objectives

As always, our primary objective has been to ensure that Clayesmore offers its pupils the highest standard of education in its widest sense and to look after our pupils pastorally to the best of our ability. We enable all pupils to engage in a wide range of activities both academic and extra-curricular.

In setting objectives and planning our activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

Strategies to achieve our objectives

- To continue to provide excellent education and pastoral care in the broadest sense
- To continue to cater for pupils within a wide ability range to offer support to young people suffering from dyslexia and related learning difficulties and to motivate and stretch the more able
- To continue to enable the curriculum to evolve to meet the educational, spiritual, moral and cultural needs of the pupils, to help them to prepare more effectively for the world of work, and to achieve personal and economic well-being
- To continue to invest in facilities, resources and staffing to ensure the pupils' needs can be met in full
- To provide continuing support for the pupils already in receipt of fee assistance through bursaries
- To increase the provision of means tested bursary places across the school to ensure access to pupils from all backgrounds up to and including the provision of 100% Bursaries
- To maintain a hardship fund to help pupils meet the cost of school trips, examination entrance fees and similar expenses not covered by a Bursary award
- To continue and further develop our links with local schools, local residents, clubs, charities and organisations

POLICIES

Admission

Clayesmore School welcomes pupils from all backgrounds. If required, entrance interviews and assessments are undertaken to satisfy parents and the school that potential pupils will benefit from the education and environment provided. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes for admission.

Bursary Awards

The education offered is not restricted to those who can afford the fees. The school makes scholarship awards on the basis of academic, artistic, musical and sporting talent and bursaries are awarded to enable pupils to continue their education or allow children from lower income families to join the school. The school has a long tradition of providing support to families of HM Forces personnel. Information about fee assistance given through bursaries is provided to all who apply. Scholarships and bursaries are advertised as required.

**CLAYESMORE SCHOOL
REPORT OF THE GOVERNORS
for the year ended 31 August 2013**

Our Bursary and Scholarship Awards policies are designed to ensure that suitable children can accept offers of places at our school through the availability of means tested fee assistance. This assists to ensure that the objective of wider access continues to be achieved.

Our School does not have endowment funds and very limited donations for Bursary and Scholarship awards. In funding the majority of awards from income, the school has to be mindful to ensure a balance between fee-paying parents, many of who make considerable personal sacrifices to fund their child's education, and those benefiting from the awards. The school always considers providing special terms to parents struggling with funding fees particularly during times of national economic difficulty.

Equal Opportunities

The school is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination. We will make reasonable adjustments to meet the needs of staff, pupils or other visitors who are or become disabled.

Safeguarding and Promoting Welfare

Our school is committed to safeguarding and promoting the welfare of our pupils and ensuring that all staff and volunteers share this commitment. Appropriate policies and training are in place to underpin this commitment.

Parents are given regular information about their children's social and academic progress through parent evenings in addition to the end of term and year reports. We maintain regular contact with parents throughout the year through informal contacts and through our newsletters.

ACHIEVEMENTS AND ACTIVITIES OF THE YEAR

Senior School

The School continued to grow impressively with pupil numbers reaching 427 overall.

The principal activity was the education and pastoral care of our pupils. Clayesmore is a school with a wide ability range, which prides itself on offering support to young people suffering from dyslexia and other specific learning difficulties as well as challenge to those with average and high ability. The percentage of students obtaining 5 or more A*-C passes at GCSE was 80.16% which is within the school's normal 5-10 average percentage figures. The A level percentage pass rate was 79% overall with 72% of students achieving A*-C grades. Places were gained at a wide range of universities, both in the UK and overseas. It was pleasing to hear that a former student had been awarded a scholarship at St John's College, Cambridge, at the end of his first year studying there.

The strong cultural ethos continued to exert an important impact. There were high quality and challenging plays and concerts at senior and junior level demonstrated by orchestral and choral activities of all descriptions.

The sporting life of the school continued to flourish, with pupils in all age groups representing the school in dozens of competitive fixtures and at county and district level. Additionally pupils went on many different sporting trips, both nationally and overseas.

The school's success gave the governors the confidence to go ahead with two new building projects, an impressive Business School and an extension to a girls' Boarding House. Both projects were completed on time and on budget ready for the next academic year.

Educational development has also continued in the widest sense. The excellent Aardvark University initiative has another successful year with the Lower Sixth and the Model United Nations General Assembly Conference took place again across all year groups. Photography and Philosophy has been added to the A Level curriculum, and three new BTEC courses introduced.

CLAYESMORE SCHOOL
REPORT OF THE GOVERNORS
for the year ended 31 August 2013

Early Years Education

The Nursery once again began the year with a growth in numbers. The school continued to develop its Early Years curriculum, and children followed a successful balance of child led and teacher led learning. The opportunity to access the facilities on the whole school site and the specialist staff was reflected in the strength and breadth of the children's development.

The increase in numbers in Reception led to a complete reorganisation of the Reception classroom, and as a result work has gone from strength to strength with increased opportunity to work outside - a vital component of any learning. The Pre-Prep have enjoyed a variety of activities during the year and it was most encouraging to see their production of *The Curious Sheep*, to hear their wonderful Spring Concert and Carnival and all about their visits to the Sealife Centre, Shillingstone Railway and the Fox-Pitt's yard, as well as welcoming a number of grandparents to join their grandchildren for school one morning.

Preparatory School

This year numbers held up well and the year started with 18 more pupils than in September 2011. On the wider front, a number of our pupils have been selected for the National Children's Orchestra, the National Schools Symphony Orchestra and two groups reached the semi-finals of the Pro-Corda Music National Competition. We also reached the Prep School National finals for swimming and athletics. In athletics we had a record number of pupils qualifying. This year six pupils made the last 2,000 of Chris Evans' Radio 2 short story competition, with one making the last 25. We have now had two pupils reach the final 25, over the three years that the competition has been run. This is significant for a small school.

The ball yard and playground have been completely refurbished to produce some much improved play facilities for all pupils. The CPS Parents' Association kindly gave most welcome financial support to these projects.

International education took a significant step this year with the visit of two members of staff to The Maitri School in Bangladesh. This is all part of the British Councils Connecting Classrooms programme. The theme this year has been *'Two Countries One World'* and the pupils have been looking at similarities and differences in Daka and London.

The school decided to make the Maitri School our Charity. So far it has been possible to pay for a generator, slides for the playground, books and toys and some rubbish bins and other resources for the school. It is intended to further develop this link in coming years and particularly this October when Mrs Careless and Mrs Panton visit the Maitri School to work alongside the staff and pupils.

Charitable Activities

The school has a long tradition of supporting a wide range of charitable organisations. This year it has

- Welcomed a number of local organisations onto the campus to make use of facilities for meetings and conferences at no charge
- Continued to offer our Sports Centre facilities to local schools for their use at low or no charge
- Sponsored events open to the public designed to raise money for charities
- Allowed the use of the mini bus fleet for certain charitable activities
- Supported the local village and parish council in a variety of ways
- Raised significant funds for charity through various school events
- Encouraged staff and pupils to consider how benefit to others can be achieved in all aspects of school life
- Developed and encouraged joint working, teaching support and other approaches with local state schools where possible and appropriate

**CLAYESMORE SCHOOL
REPORT OF THE GOVERNORS
for the year ended 31 August 2013**

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The school's operating surplus of £181,659 has been achieved against a background of strongly rising operating costs and two significant building projects. We consider this to be a satisfactory performance.

As a charity, the parents of pupils have the assurance that all income is applied to educational purposes. As an educational charity the school enjoys tax exemption on activities and an 80% reduction on business rates on property. The financial benefits received from these tax exemptions are all applied for educational purposes and indirectly help us to maintain our bursary policies and wider charitable objectives.

As an educational charity the school is exempt for VAT purposes and so unable to reclaim VAT input tax on costs. The school pays tax as an employer through the national insurance contributions we make. In addition to the very substantial benefits Clayesmore brings to our pupils and to our local community through the education we offer, our bursary programme and our work with local schools create a significant social asset without cost to the Exchequer.

Reserves Policy

The school's policy is that unrestricted reserves should not be accumulated from year to year other than in anticipation of an identified capital project, and that any surpluses generated from the running of the school will be invested in developing the buildings, equipment and resources of the school. The school therefore holds no free reserves.

Investment Policy

The school's investment policy is as decided by the Governing Council in accordance with its Memorandum and Articles of Association.

FACILITIES DEVELOPMENT AND FUTURE PLANS

The need to maintain and enhance the quality of the site and facilities remains a very high priority for the school. Every year significant sums are spent on both routine and improvement projects of all kinds for academic faculties, boarding, sports facilities or ICT. During the year significant improvements were made to infrastructure, the provision of utilities such as water and electricity, ICT enhancements including a new wireless system and a renewal of most of the computer fleet. Two new building projects were completed to create a boarding house as part of Wolverton House for girls. An exciting new Business School Building with a lecture theatre and multi purpose classrooms plus supporting facilities were all completed on time and budget ready for September 2013. A new Adventure Playground was also built on the site of the old for the Prep School along with a host of lesser but important projects. These developments, partially funded by private contribution and the parent association, represent a statement of the success the school enjoys and of course the Governing Council's confidence in the future of the school.

EMPLOYEE INFORMATION

The school follows all legislative requirements relating to recruitment and employment and works to policies for

- Safeguarding
- Discipline and Grievance
- Accessibility
- Health and Safety
- Whistleblowing
- Discrimination

A regular appraisal programme is in place for all academic staff and the school supports the personal and professional development of all staff.

RELATED AND CONNECTED PARTY TRANSACTIONS

The school had no related or connected party transactions during the financial year.

**CLAYESMORE SCHOOL
REPORT OF THE GOVERNORS
for the year ended 31 August 2013**

STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS

So far as the governors are aware, there is no relevant audit information (as defined by Section 418 of the Companies Act 2006) of which the company's auditors are unaware, and each governor has taken all the steps that he or she ought to have taken as a governor in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information

STATEMENT OF GOVERNORS' RESPONSIBILITIES

Law applicable to incorporated charities in England and Wales requires the governors (who are also the trustees of the charity) to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the company and of its financial activities for that period. In preparing those financial statements the governors are required to

- select suitable accounting policies and then apply them consistently,
- make judgements and estimates that are reasonable and prudent,
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in operation

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

APPROVAL

Approved by the Governing Council of Clayesmore School during December 2013 (out of Committee) and signed on its behalf by



Mr J I Andrews – Chairman

Date . 19/12/13

CLAYESMORE SCHOOL

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF CLAYESMORE SCHOOL

We have audited the financial statements of Clayesmore School for the year ended 31 August 2013 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of governors and auditor

As explained more fully in the Governors' Responsibilities Statement set out on page 7, the governors (who are also the directors of the charitable company for the purposes of company law and trustees of the charity) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Governors to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2013, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

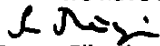
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Governors for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us, or
- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of trustees' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit.


Simon Ellingham FCA (Senior Statutory Auditor)
for and on behalf of Fawcetts
Chartered Accountants and Statutory Auditors
Windover House
St Ann Street
Salisbury
SP1 2DR

Dated 21.4

CLAYESMORE SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES
(including income and expenditure account)
for the year ended 31 August 2013

		Unrestricted funds	Restricted funds	Total 2013	Total 2012
		£	£	£	£
INCOMING RESOURCES	Notes				
	2				
Income from charitable activities					
Fees receivable		12,172,560	-	12,172,560	11,336,848
Other income	3	26,785	-	26,785	20,110
Income from generated funds					
Donations		-	98,047	98,047	95,487
Activities for generating funds					
Trading income		237,778	-	237,778	242,908
Holiday lettings		99,224	-	99,224	89,804
Clayesmore Society		-	68,471	68,471	43,909
Total incoming resources		<u>12,536,347</u>	<u>166,518</u>	<u>12,702,865</u>	<u>11,829,066</u>
RESOURCES EXPENDED					
Charitable activities:					
School operating costs		11,987,749	2,000	11,989,749	11,162,597
Governance costs		11,771	-	11,771	17,047
Costs of generating funds:					
Trading expenses		114,809	-	114,809	102,236
Finance and other costs		343,385	-	343,385	254,042
Clayesmore Society		-	61,492	61,492	37,758
		<u>458,194</u>	<u>61,492</u>	<u>519,686</u>	<u>394,036</u>
Total resources expended	7	<u>12,457,714</u>	<u>63,492</u>	<u>12,521,206</u>	<u>11,573,680</u>
NET INCOME FOR THE YEAR		<u>78,633</u>	<u>103,026</u>	<u>181,659</u>	<u>255,386</u>
NET MOVEMENTS IN FUNDS		<u>78,633</u>	<u>103,026</u>	<u>181,659</u>	<u>255,386</u>
Fund balances brought forward at 1 September 2012		<u>6,178,333</u>	<u>210,162</u>	<u>6,388,495</u>	<u>6,133,109</u>
FUND BALANCES CARRIED FORWARD AT 31 AUGUST 2013		<u>6,256,966</u>	<u>313,188</u>	<u>6,570,154</u>	<u>6,388,495</u>

CONTINUING OPERATIONS

None of the company's activities were acquired or discontinued during the current and previous years

The notes form part of these financial statements

REGISTRO No 359779

CLAYESMORE SCHOOL

BALANCE SHEET
31 August 2013

		2013		2012	
	Note	£	£	£	£
FIXED ASSETS					
Tangible assets	8		12,774,698		10,283,616
Investment	9		<u>200</u>		<u>200</u>
			12,774,898		10,283,816
CURRENT ASSETS					
Stocks	10	96,913		94,951	
Debtors	11	4,325,718		4,254,241	
Cash at bank and in hand		<u>160,654</u>		<u>166,793</u>	
		4,583,285		4,515,985	
CREDITORS: Amounts falling due within one year	12	<u>6,415,340</u>		<u>5,793,546</u>	
NET CURRENT LIABILITIES.			<u>(1,832,055)</u>		<u>(1,277,561)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES			10,942,843		9,006,255
CREDITORS: Amounts falling due after more than one year	13		<u>4,372,689</u>		<u>2,617,760</u>
			<u>6,570,154</u>		<u>6,388,495</u>
FUNDS					
Unrestricted funds	16		6,256,966		6,178,333
Restricted funds	17		<u>313,188</u>		<u>210,162</u>
			<u>6,570,154</u>		<u>6,388,495</u>

Approved by the Governing Council of Clayesmore School Limited and signed on its behalf by



Mr J I Andrews - Chairman

Date 16/12/13

The notes form part of these financial statements

CLAYESMORE SCHOOL

**CASH FLOW STATEMENT
for the year ended 31 August 2013**

		2013	2012
	Note	£	£
Net cash inflow from operating activities	22	1,249,742	658,989
Returns on investments and servicing of finance	23	(343,385)	(254,042)
Capital expenditure	23	(2,905,283)	(417,521)
Financing	23	<u>(161,609)</u>	<u>(279,716)</u>
Decrease in cash in the period		<u><u>(2,160,535)</u></u>	<u><u>(292,290)</u></u>
<hr/>			
Reconciliation of net cash flow to movement in net debt	24		
Decrease in cash in the period		(2,160,535)	(292,290)
Cash outflow from change in debt and lease financing		<u>161,609</u>	<u>279,716</u>
Change in net debt resulting from cash flows		(1,998,926)	(12,574)
New finance leases		-	-
New bank loan		<u>(1,600,000)</u>	<u>-</u>
Movement in net debt in the period		(3,598,926)	(12,574)
Net debt at 1 September 2012		<u>(2,349,547)</u>	<u>(2,336,973)</u>
Net debt at 31 August 2013		<u><u>(5,948,473)</u></u>	<u><u>(2,349,547)</u></u>

The notes form part of these financial statements

CLAYESMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

1 ACCOUNTING POLICIES

Accounting convention

The financial statements are prepared in accordance with the Statement of Recommended Practice on Accounting and Reporting by Charities the Charities SORP 2005 issued in March 2005, applicable UK accounting standards and the Companies Act 2006. They are drawn up on the historical accounting basis except that certain fixed assets are carried at valuation.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions allowed by the School.

Resources Expended

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to pay. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

Tangible fixed assets

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Repair, renovation and replacement expenditure is written off as expenditure in the statement of financial activities. The cost of fixed assets is their purchase cost, together with any incidental costs of acquisition. Depreciation is calculated to write off the cost of tangible fixed assets, less their estimated residual values, over the expected useful lives of the assets concerned. The principal annual rates used for this purpose are:

Land is not depreciated. Buildings are depreciated at 1% per annum on cost or, where they are principally of wooden construction, at 3.3%.

The all weather pitch is depreciated at 10% per annum on cost, fixtures, fittings and equipment at 25% and motor vehicles at 20%.

Up to and including the year ended 31 August 1999 it was company policy to revalue freehold properties. In the year ended 31 August 2000 the company adopted the transitional provisions of FRS 15 Tangible Fixed Assets. Whilst previous valuations have been retained, they have not been updated. From the year ended 31 August 2000 it has been company policy not to revalue fixed assets. The last valuation was in 1992.

Stock

Stock is valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is the shorter. The interest element of these obligations is charged to the income and expenditure account over the relevant period. The capital element of the future payments is treated as a liability.

Rentals paid under operating leases are charged to the income and expenditure account on a straight line basis over the period of the lease.

The notes form part of these financial statements

CLAYESMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

1 ACCOUNTING POLICIES (continued)

Pensions

The School contributes to the Teachers' Superannuation Scheme at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The School operated a pension scheme for non-teaching staff providing benefits based on final pensionable pay until 31 December 2001, when the scheme was wound up and transferred to a stakeholder scheme. Contributions are charged to the Statement of Financial Activities as they fall due.

Investments

Listed investments are stated at market value where this is materially different from cost.

Funds

The School's funds consist of unrestricted and restricted amounts. The School may use unrestricted amounts at its discretion. Restricted funds can only be used for a particular purpose as specified by the donor.

2 INCOMING RESOURCES

The income and net incoming resources are attributable to the one principal activity of the company.

3. OTHER INCOME

	2013 £	2012 £
Sundry income	4,523	8,683
Fees in lieu of notice	<u>22,262</u>	<u>11,427</u>
	<u>26,785</u>	<u>20,110</u>

4 STAFF COSTS

	2013 £	2012 £
Wages and salaries	6,584,280	6,114,799
Social security costs	600,844	554,028
Other pension costs	<u>717,522</u>	<u>671,850</u>
	<u>7,902,646</u>	<u>7,340,677</u>

The average number of employees during the year, calculated on a full time equivalent basis was as follows:

	2013	2012
Teaching	119	120
Others	<u>163</u>	<u>156</u>
	<u>282</u>	<u>276</u>

The notes form part of these financial statements

CLAYESMORE SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013**

4 STAFF COSTS (continued)

	2013 No	2012 No
The number of employees whose emoluments exceeded £60,000 were		
£60,001 - £70,000	1	2
£70,001 - £80,000	2	1
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
The number with retirement benefits accruing in		
- Defined benefit schemes was	3	3
The number with retirement benefits accruing in		
- Money Purchase schemes was	1	1
for which the contributions amounted to	£7,200	£6,649

During the year a total of £271 was paid to three governors (2012 - £310 paid to five governors) as reimbursed travel and accommodation expenses. With this exception, none of the governors nor any persons connected to them, received remuneration or benefits from the School. The governors are the trustees of the charity.

5 EXPENDITURE

Expenditure includes

	2013 £	2012 £
Depreciation - owned assets	338,331	391,563
Depreciation - assets on hire purchase or finance leases	67,863	48,808
Loss on disposal of fixed assets	8,007	-
Operating lease rentals - plant and machinery	81,984	160,624
Auditors' remuneration - audit fee	11,500	16,017
- other services	-	-
	<u> </u>	<u> </u>

6 EXCEPTIONAL ITEM

There were no exceptional items during the year.

The notes form part of these financial statements

CLAYESMORE SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013**

7 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff salaries and costs £	Other £	Depreciation £	Total £
Charitable activities:				
School operating costs:				
Teaching costs	5,160,503	618,211	96,093	5,874,807
Welfare	1,318,379	685,874	11,902	2,016,155
Premises	821,383	1,507,564	269,969	2,598,916
Management and administration	<u>589,038</u>	<u>882,603</u>	<u>28,230</u>	<u>1,499,871</u>
	<u>7,889,303</u>	<u>3,694,252</u>	<u>406,194</u>	<u>11,989,749</u>
 Governance costs	 -	 11,771	 -	 11,771
 Costs of generating funds				
Trading costs	13,343	101,466	-	114,809
Finance and other costs	-	343,385	-	343,385
Clayesmore Society	<u>-</u>	<u>61,492</u>	<u>-</u>	<u>61,492</u>
	<u>13,343</u>	<u>506,343</u>	<u>-</u>	<u>519,686</u>
 Total resources expended	 <u>7,902,646</u>	 <u>4,212,366</u>	 <u>406,194</u>	 <u>12,521,206</u>

The notes form part of these financial statements

CLAYESMORE SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013**

8 TANGIBLE FIXED ASSETS

	Freehold land and buildings £	All weather pitch £	Fixtures, fittings and equipment £	Motor vehicles £	Totals £
COST OR VALUATION					
At 1 September 2012	10,440,497	305,096	3,209,183	71,443	14,026,219
Additions	2,318,956	-	556,927	29,400	2,905,283
Disposals	-	-	-	(18,852)	(18,852)
At 31 August 2013	12,759,453	305,096	3,766,110	81,991	16,912,650
DEPRECIATION					
At 1 September 2012	984,433	40,679	2,671,795	45,696	3,742,603
Charge for the year	109,983	30,510	253,799	11,902	406,194
Eliminated on disposal	-	-	-	(10,845)	(10,845)
At 31 August 2013	1,094,416	71,189	2,925,594	46,753	4,137,952
NET BOOK VALUE					
At 31 August 2013	11,665,037	233,907	840,516	35,238	12,774,698
At 31 August 2012	9,456,064	264,417	537,388	25,747	10,283,616

Included in the net book value of fixtures, fittings and equipment held at 31 August 2013 was £96,329 (2012 - £100,600) in respect of assets held under finance leases

Included in freehold land and buildings is land valued at £1,257,500 (2012 - £1,257,500) which is not depreciated

Cost or valuation at 31 August 2012 is represented by

	Freehold land and buildings £
Valuation in 1992	1,925,003
Cost	10,834,450
	12,759,453

If freehold land and buildings had not been revalued they would have been included at the following historical cost

	2013 £	2012 £
Cost	10,834,450	8,515,494

The valuation of freehold properties includes a revaluation which took place in 1992. The company has taken advantage of the provisions of FRS 15 and has decided not to update this valuation.

The notes form part of these financial statements

CLAYESMORE SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013**

9 FIXED ASSET INVESTMENTS

	2013 £	2012 £
United Kingdom listed investment	<u>200</u>	<u>200</u>

10 STOCKS

	2013 £	2012 £
Maintenance, domestic and catering stock	13,464	9,260
Goods for resale	<u>83,449</u>	<u>85,691</u>
	<u>96,913</u>	<u>94,951</u>

**11 DEBTORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2013 £	2012 £
Trade debtors	4,076,133	4,017,359
Other debtors	141,612	151,158
Prepayments	106,372	83,324
VAT	<u>1,601</u>	<u>2,400</u>
	<u>4,325,718</u>	<u>4,254,241</u>

**12 CREDITORS: AMOUNTS FALLING
DUE WITHIN ONE YEAR**

	2013 £	2012 £
Loans and overdrafts (see note 14)	445,464	175,531
Finance leases (see note 15)	64,432	42,590
Trade creditors	368	640
Other creditors	776,315	654,377
Payroll taxes	171,346	156,470
Accruals and deferred income	4,869,040	4,610,817
Advance fees	<u>88,375</u>	<u>153,121</u>
	<u>6,415,340</u>	<u>5,793,546</u>

The notes form part of these financial statements

CLAYESMORE SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013**

**13 CREDITORS: AMOUNTS FALLING
DUE AFTER MORE THAN ONE YEAR**

	2013	2012
	£	£
Finance leases (see note 15)	40,370	62,756
Building loans (see note 14)	3,958,862	2,235,463
Advance fees	<u>373,457</u>	<u>319,541</u>
	<u><u>4,372,689</u></u>	<u><u>2,617,760</u></u>

14 LOANS AND OVERDRAFTS

An analysis of the maturity of loans and overdrafts is given below

	2013	2012
	£	£
Amounts falling due within one year or on demand		
Bank overdraft	186,110	40,045
Building loans	<u>259,353</u>	<u>135,486</u>
	<u><u>445,463</u></u>	<u><u>175,531</u></u>

Amounts falling due between one and two years:

Building loans	<u>295,484</u>	<u>135,486</u>
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Amounts falling due between two and five years

Building loans	<u>886,451</u>	<u>406,458</u>
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Amounts falling due after five years

Building loans	<u>2,776,927</u>	<u>1,693,519</u>
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The building loan with amounts falling due after more than five years is being repaid by instalments of £135,486 per year

The overdraft and loans are secured by a fixed charge on the freehold property of the company

The notes form part of these financial statements

CLAYESMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

15 OBLIGATIONS UNDER LEASING AGREEMENTS

	Finance leases	
	2013	2012
	£	£
Gross obligations repayable		
Within one year	71,044	46,870
Between one and five years	45,648	68,344
More than five years	-	-
	<u>116,692</u>	<u>115,214</u>
Finance charges repayable		
Within one year	6,612	4,280
Between one and five years	5,278	5,588
More than five years	-	-
	<u>11,890</u>	<u>9,868</u>
Net obligations repayable		
Within one year	64,432	42,590
Between one and five years	40,370	62,756
More than five years	-	-
	<u>104,802</u>	<u>105,346</u>

The finance leases are secured on the individual assets to which the agreements relate

The following payments are committed to be paid within one year

	Operating leases	
	2013	2012
	£	£
Expiring		
Between one and five years	<u>144,638</u>	<u>144,309</u>

The notes form part of these financial statements

CLAYESMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

16 ALLOCATION OF THE CHARITY NET ASSETS

	Unrestricted funds £	Restricted funds £	Total funds £
Fund values at 31 August 2013 are represented by			
Tangible fixed assets	12,674,632	100,066	12,774,698
Investments	200	-	200
Current assets	4,370,163	213,122	4,583,285
Liabilities	(10,788,029)	-	(10,788,029)
	<u>6,256,966</u>	<u>313,188</u>	<u>6,570,154</u>

17 RESTRICTED FUNDS

	At 1 9 12 £	Income £	Expenditure £	At 31 8 13 £
Organ	2,066	-	(2,000)	66
Upkeep of the Chapel	1,000	-	-	1,000
Scholarship Fund	158	-	-	158
Development of the School / Capital Buildings	151,487	96,454	-	247,941
Old Clayesmorian Support Fund	10,960	-	-	10,960
Devine House	-	1,593	-	1,593
Clayesmore Society	<u>44,491</u>	<u>68,471</u>	<u>(61,492)</u>	<u>51,470</u>
	<u>210,162</u>	<u>166,518</u>	<u>(63,492)</u>	<u>313,188</u>

The Upkeep of the Chapel Fund, the Organ, the Scholarship Fund and the Development of the School/ Capital Buildings Fund includes donations restricted to those purposes

The Clayesmore Society exists to promote through social and cultural events and activities -

- the aims and objectives of Clayesmore
- the preservation of friendship and communication amongst all members
- support for the work of the School

Income is derived from subscriptions charged to pupils at the School over a period of six terms which provides lifelong membership to the Society Expenditure represents the costs of events staged to promote the school and achieve the aims of the Society

18. PENSION COMMITMENTS

The teaching staff have the option to be members of a defined benefit pension scheme operated by the Teachers' Pension Agency For other employees the company contributes to individual stakeholder schemes

The charge for the year in respect of all pension commitments was £717,522 (2012 - £671,850) of which £112,627 (2012 - £115,074) related to the individual stakeholder schemes At the year end there were outstanding contributions of £nil (2012 - £nil) in respect of contributions due for the month of August paid over to the pension scheme administrators in September

The notes form part of these financial statements

CLAYESMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2013

18. PENSION COMMITMENTS (continued)

Teachers' Superannuation Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government will be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2015 as set out in the Teachers' Pension Scheme – Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2015.

On 31 January 2013, the Department for Education published the outcome of the consultation on further contributions increases that will apply to members of the TPS in financial year 2013-14 as well as the removal of provisions governing scheme valuations and cap and share arrangements. A revised eight tier salary and employee contribution rate structure has been introduced from 1 April 2013 with employee rates varying between 6.4% and 11.2%. Employer contributions will continue for this period at the current rate 14.1%.

On 25 April 2013 the Public Service Pensions Act 2013 was enacted and provides the arrangements for managing the future TPS costs, including a requirement for scheme regulations which must set an employer cost cap which will be required to be in accordance with Treasury directions.

In light of the new arrangements for setting contribution rates the Government has concluded that there is now no need to carry out the currently suspended TPS actuarial review or the cap and share processes.

During the year the School made contributions of £604,895 (2012 - £556,776) to the scheme. The School's contributions represent a minor proportion of the payments into the scheme.

19. STATUS

The company, which is limited by guarantee and has no share capital, is registered in England.

20. CAPITAL COMMITMENTS

	2013 £	2012 £
Contracted but not provided for in the accounts	<u>941,316</u>	<u>75,777</u>

21. CONTINGENT LIABILITIES

The company has a legal liability to bear the cost of the Wolverton Chapel repairs. However, the Chapel continues to be maintained in a good state of repair and the directors are of the opinion that no further provision need be made in these financial statements.

The notes form part of these financial statements

CLAYESMORE SCHOOL

**NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013**

22 RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	2013 £	2012 £
Net incoming resources	181,659	255,386
Loss on disposal of fixed assets	8,007	-
Depreciation charges	406,194	440,335
Finance and other costs	343,385	254,042
Decrease in stocks	(1,962)	(38,048)
Decrease/(Increase) in debtors	(71,477)	(536,066)
Increase in creditors	<u>383,936</u>	<u>283,340</u>
Net cash inflow from operating activities	<u><u>1,249,742</u></u>	<u><u>658,989</u></u>

23 ANALYSIS OF CASH FLOWS FOR HEADINGS NETTED IN THE CASH FLOW STATEMENT

	2013 £	2012 £
Returns on investments and servicing of finance		
Finance and other costs	<u>(343,385)</u>	<u>(254,042)</u>
Net cash outflow for returns on investments and servicing of finance	<u><u>(343,385)</u></u>	<u><u>(254,042)</u></u>
Capital expenditure		
Purchase of tangible fixed assets	<u>(2,905,283)</u>	<u>(417,521)</u>
Net cash outflow for capital expenditure	<u><u>(2,905,283)</u></u>	<u><u>(417,521)</u></u>
Financing		
Loan repayments	(161,065)	(343,815)
New finance leases	63,248	
Finance lease repayments	<u>(63,792)</u>	<u>64,099</u>
	<u><u>(161,609)</u></u>	<u><u>(279,716)</u></u>

The notes form part of these financial statements

CLAYESMORE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 August 2013

24 ANALYSIS OF CHANGES IN NET DEBT

	At 1 9 12 £	Cashflow £	Other changes £	At 31 8 13 £
Net cash				
Cash in hand, at bank	166,793	(6,139)	-	160,654
Overdrafts	<u>(40,045)</u>	<u>(146,065)</u>	-	<u>(186,110)</u>
	<u>126,748</u>	<u>(152,204)</u>	-	<u>(25,456)</u>
Debt				
Bank loan	(2,370,949)	(3,447,266)	-	(5,818,215)
Finance leases and hire purchase	<u>(105,346)</u>	<u>544</u>	-	<u>(104,802)</u>
	<u>(2,476,295)</u>	<u>(3,446,722)</u>	-	<u>(5,923,017)</u>
Total	<u>(2,349,547)</u>	<u>(3,598,926)</u>	-	<u>(5,948,473)</u>
Analysed in Balance Sheet				
Cash in hand, at bank	166,793			160,654
Bank overdraft	(40,045)			(186,110)
Bank and other loans	(2,370,949)			(5,818,215)
Finance leases and hire purchase				
within one year	(42,590)			(64,432)
after one year	<u>(62,756)</u>			<u>(40,370)</u>
	<u>(2,349,547)</u>			<u>(5,948,473)</u>

The notes form part of these financial statements