

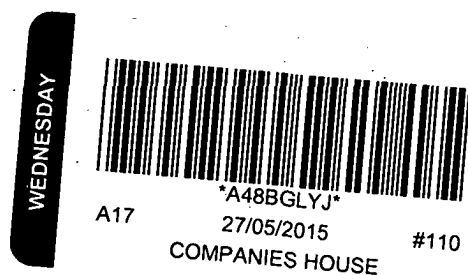
Charity Registration No. 527611

Company Registration No. 796794 (England and Wales)

**ST HUGH'S SCHOOL (WOODHALL SPA) LIMITED**

**GOVERNORS' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31ST AUGUST 2014**





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**for the Year Ended 31st August 2014**

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**ST HUGH'S SCHOOL (WOODHALL SPA) LIMITED**

**REFERENCE AND ADMINISTRATIVE DETAILS**  
**for the Year Ended 31st August 2014**

**GOVERNORS:**

M Harrison	
K Phillips	Resigned 1 <sup>st</sup> April 2014
S E Bowser	
D Harvey	
R Harman	
M Johnson	
J Merritt	
G K Hobson	Resigned 1 <sup>st</sup> February 2014
L M Reynolds	
H Betty	
M E Needham	
J Stringer	
A Willoughby	
K Addison	
C Burch	
N Cudmore	Appointed 1 <sup>st</sup> April 2014

**SECRETARY:**

D Harvey

**CHARITY NUMBER:**

527611

**COMPANY NUMBER:**

796794

**REGISTERED OFFICE:**

Cromwell Avenue  
Woodhall Spa  
Lincolnshire  
LN10 6TQ

**AUDITORS:**

Forrester Boyd  
139 Eastgate  
Louth  
Lincolnshire  
LN11 9QQ

**BANKERS:**

Barclays Bank plc  
35 High Street  
Horncastle  
Lincolnshire  
LN9 5HS

**SOLICITORS:**

Bridge McFarland  
1 Eastgate  
Louth  
Lincolnshire  
LN11 9LZ



**GOVERNORS' REPORT**  
**for the Year Ended 31st August 2014**

The Governors present their report and audited financial statements of the company for the year ended 31st August 2014. The financial statements have been prepared in accordance with the Statement of Recommended Practice – Accounting and Reporting by Charities (issued in March 2005) and in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISORS**

The Governors, who are also directors for the purposes of company law, who served during the year were:-

M Harrison  
V Harvey  
K Phillips  
S E Bowser  
D G S Harvey  
R S Harman  
M A W Johnson  
G K Hobson  
J Merritt  
L M Reynolds  
H Betty  
ME Needham  
J Stringer  
A Willoughby  
K Addison  
C Burch

**STRUCTURE GOVERNANCE AND MANAGEMENT**

The Charity is a company limited by guarantee and the company was incorporated in 1964.

**Trustee Induction and Training**

The Governing Body embodies a group of Trustees from a cross section of professional disciplines relevant to the long term running of the School. Governors are appointed with educational, financial, legal and other commercial experience including at least one representative from parents of current pupils at the School and ensuring strong relationships with all related parties e.g. parents, staff, prospective parents, senior schools and the local business community.

Prospective new Governors are proposed by the Board for their professional experience and qualifications and are invited to attend a Board Meeting as observers and to meet other Governors in order to gain an understanding of the School and its ethos. Provided this process is mutually successful they are put forward for election at a full Governors' Meeting. New Governors are inducted into the workings of the School and also of the Company as a registered charity and are instructed in the expectation of the Governing Body. An initial visit affords the opportunity to meet the Head, the staff and the pupils and observe the School at work. A number of internal and external training courses are available to Governors to ensure they keep updated on current developments.

The Governors meet as a Board at least three times a year to determine the general policy of the School and review its overall management and control for which they are legally responsible. Finance, Education and Marketing sub committees meet termly and report any progress to the Governing Board. Certain Governors also hold specific roles i.e. responsibility for Child Protection, EYFS and Special Educational Needs. Governors learn first-hand how the school operates on pre-arranged visits to specific areas of the School. This ensures that they are more aware of the School's needs and are well equipped to support them. The day to day running of the School is delegated to the Headmaster and the School Business Manager, supported by members of the Senior Management Team.

**Risk Factors**

The Governors examine the major risks that the school faces each financial year when preparing and updating the strategic plan. The charity continually develops systems to monitor and control these risks to mitigate any future impact on the school. A major risk to financial stability is the number of pupils attending the school and detailed records of pupil numbers are maintained in order to monitor fluctuations and promote appropriate reaction in a timely manner. Internal control risks are minimised by the implementation of procedures for authorisation of all transactions and close monitoring of the Company's budgets during the year.



### **OBJECTIVE AND ACTIVITIES OF THE CHARITY**

The charity's objects are to carry on and develop the St Hugh's Preparatory School at Woodhall Spa for charitable educational purposes. These objects are carried out in accordance with the company's Memorandum and Articles of Association.

This is achieved, not only by promoting academic excellence but by providing a happy and stimulating environment in which pupils can develop spiritually, mentally and physically. To this end, St Hughs School offers a broad and balanced academic curriculum, fully supported by a wide range of extra-curricular activities and the highest possible standard of pastoral care. Children of all religions and races aged from 2-13yrs are welcome at this co-educational day and boarding school.

In furtherance of these objectives a policy of sound financial management is adopted, ensuring the availability of the necessary funds to enable the school to continue its development and there has been no change in this policy during the year. No Governor has a beneficial interest in the company or has any shares in the company; their liability being limited by guarantee.

### **ACHIEVEMENTS AND PERFORMANCE REVIEW**

One of the major reasons for the School's success is the continued quality and commitment of the academic and support staff. The Governors, well aware of the need for outstanding leadership of the School, appointed Mr Chris Ward as the sixth Headmaster of the school who commenced duties in September 2013. The Ethos and Educational Aims of the school are as follows:

#### **Ethos**

St. Hugh's School aims to provide a caring, family atmosphere allowing each child to develop their independence and individuality. St Hugh's equips your child for life!

#### **Educational Aims**

- To offer a broad, stimulating curriculum that helps each and every child to develop and to fulfil their potential, both within and beyond the classroom.
- To provide a happy and stimulating environment in which every child feels safe, valued and cared for.
- To encourage the traditional values of courtesy, honesty and hard work, together with a sense of responsibility and consideration for others.
- To promote an inclusive environment based around Christian values through the experiences offered to each and every child.
- To prepare children successfully for transfer to a wide range of senior schools.

The high standards of academic achievement continue and delivered significant success for those taking the 11+ examination for Lincolnshire Grammar Schools. Year 8 leavers were also successful at Common Entrance and transferred to senior schools of their choice with nearly a half winning scholarships for academic prowess, sport and music. The provision for pupils with special educational needs and disabilities, or those with particular gifts or talents has been developed further.

Sporting enjoyment and achievement is high on St Hugh's agenda and current facilities include an indoor, heated swimming pool and extensive sports pitches on the school site with constant focus on the future improvement and expansion of facilities and fixtures. Teams and individual pupils have competed at Local, Regional and National levels with some notable successes and every child has represented the School at some stage during the year.

The School has a thriving well-equipped music department with the vast majority of the pupils learning a musical instrument, or singing in one of the choirs. There are two orchestras and there have been many public performances both in School and out in the wider community. These include services at our local parish church and joint concerts with leading public schools.

Provision for Art and Drama is excellent with the Nativity and the Junior and Senior plays being very popular highlights on the School calendar. A broad range of trips and activities have taken place through the year including residential trips to France for pupils in Year 5 and Year 7 and an outward bound activity for pupils in Year 8. The cost of curriculum related trips is incorporated into the school fee.



**GOVERNORS' REPORT (CONTINUED)  
for the Year Ended 31st August 2014**

The Governors are happy the School continues to provide the best education for its pupils and continually looks at ways of improving the facilities. The ongoing programme to improve the academic and boarding accommodation has continued with redecoration and renovation of current facilities. The School Reception Office has been renovated to provide more space and the boarders' common room has been expanded to incorporate use by both boys and girls.

The School continues to work closely with the local community to ensure it is bringing public benefit to the community as a whole. Local groups, primary schools and organisations use some of the School's facilities and there has been a substantial rise in the number of local day children using the nursery.

Fundraising continues to play an important role in school life at St. Hugh's. Over 100 shoeboxes were donated to the Samaritan's Christmas Shoebox appeal and over £1100 was raised for the Matt Hampson Foundation.

**ACHIEVEMENTS AND PERFORMANCE REVIEW**

St Hugh's benefits from the generosity and hard work of a thriving parent body. The Parents' Association continue to arrange events which provide social opportunities for parents and staff and also raises important revenue for medium level projects.

**REVIEW OF FINANCIAL POSITION**

Although there has been a reduction in pupil numbers in the last year due to the economic climate the School has made a deficit for the year of £28,655 (2013 - £31,544).

During the year the number of pupils registered with the School was 186. This is slightly lower than the previous year which, given the economic climate, was most encouraging as original budgets had forecasted a greater shortfall in pupil numbers than that experienced thus indicating that the quality provided by the School continued to attract many new pupils. The Governors continue to work with the Head and staff of the School to improve the facilities and amenities available to the pupils.

**ACHIEVEMENTS AND PERFORMANCE REVIEW**

St Hugh's benefits from the generosity and hard work of a thriving parent body. The Parents' Association continue to arrange events which provide social opportunities for parents and staff and also raises important revenue for medium level projects.



**GOVERNORS' REPORT (CONTINUED)**  
**for the Year Ended 31st August 2014**

**Principle Sources of Funding**

The principle funding source for the school are school fees.

**Reserves Policy**

The unrestricted funds stood at £1,314,756 (2013 - £1,354,232) as at the year end, which was all deployed as part of the school premises and equipment.

The Governors consider that free reserves of three months' expenditure would be ideal in order to cover the risks and uncertainties of operating as an independent educational establishment. This figure is calculated excluding the school's land and buildings. At present excluding the charity's land and buildings (net of finance thereon) would leave the schools reserves below this level.

The policy is therefore to continue building up reserves out of annual operating surplus until this level is reached, subject to prior demands of further capital expenditure to equip the school with up to date facilities needed to maintain the standard of educational services currently provided.

The school buildings are shown in the balance sheet at their historical cost. The actual market value is believed to be considerably higher than this but a revaluation is not considered appropriate as it is felt that this would distort the balance sheet and give a false impression of the reserves available to the school.

It is considered that the school's current financial position is sufficient for it to continue to meet its objectives for the foreseeable future. The board keep the school's activities under review, particularly with regard to any major risks that may arise from time to time. They also monitor the effectiveness of the system of internal controls and other viable means, including insurance cover, where appropriate, by which those risks already identified can be mitigated.

**PLANS FOR FUTURE PERIODS**

The School plans to continue with the activities shown in the SOFA. In addition:

- Full boarding numbers have declined slightly due to a reduction in parents claiming CEA but flexi-boarding numbers have increased. In order to ensure consistency and promote boarding at the School, House Parents were appointed within year to commence their roles in September 2014.
- An extension to the school's already impressive playing fields are planned and will create extra pitches and playing surfaces.
- With support from St Hugh's School Parents' Association, active fundraising will commence to build a full size all weather pitch.



## ST HUGH'S SCHOOL (WOODHALL SPA) LIMITED

### STATEMENT OF GOVERNORS' RESPONSIBILITIES

#### AUDITORS

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Forrester Boyd be reappointed, as auditors of the company will be put to the Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Company law requires the Governors to prepare accounts for each financial year, which give a true and fair view of the charitable company's state of affairs at the end of the year and of its income and expenditure for that period.

In preparing those accounts, 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 and statements of recommended practice have been followed, subject to any departures disclosed and explained in the financial statements;
- prepare the accounts on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Governors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and to enable them to ensure that the accounts 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.

The Governors, who are directors for the purpose of company law and governors for the purpose of charity law who served during the year and up to the date of this report are set out on page 2.

In accordance with company law, as the company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the company's auditors are unaware; and
- as the directors of the company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

#### ON BEHALF OF THE BOARD OF GOVERNORS:

M Harrison – Governor

M A W Johnson - Governor

Date: 23<sup>rd</sup> February, 2015





## **ST HUGH'S SCHOOL (WOODHALL SPA) LIMITED**

### **INDEPENDENT AUDITORS' REPORT**

#### **TO THE MEMBERS OF ST HUGH'S SCHOOL (WOODHALL SPA) LIMITED**

We have audited the financial statements of St Hugh's School (Woodhall Spa) Limited for the year ended 31st August 2014 which comprise the Statement of Financial Activities, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and The Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

#### **RESPECTIVE RESPONSIBILITIES OF GOVERNORS AND AUDITORS**

As described in the Statement of Governors Responsibilities, the Governors, who are also the directors of St Hugh's School (Woodhall Spa) Limited for the purpose of company law, are responsible for the preparation of the Governors Annual Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards.

It is our responsibility to audit the financial statements in accordance with relevant legal and regulatory requirements and International Auditing Standards. These standards require us to comply with Auditing Practices Board (APB'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 company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governor's Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. 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 charity's affairs as at 31st August 2014 and of its incoming resources and application of resources, including its income and expenditure in the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to smaller entities; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

#### **OPINION ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006**

In our opinion the information given in the Governors Annual Report 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
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

**Alan Nesbitt BA FCA**

**Senior Statutory Auditor**

For and on behalf of Forrester Boyd, Statutory Auditor

Chartered Accountants & Registered Auditor

139 Eastgate, Louth

Lincolnshire

LN11 9QQ

Date: 11<sup>th</sup> May, 2015



**ST HUGHS SCHOOL (WOODHALL SPA) LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**for the Year Ended 31st August 2014**

		2014		2013
	Notes	Unrestricted £	Restricted £	TOTAL £
<b>INCOMING RESOURCES</b>				
Investment income		619	-	619
School fees and extras		1,800,612	-	1,800,612
Nursery fees		49,084	-	49,084
Other incoming resources		160,458	10,821	171,279
<b>TOTAL INCOMING RESOURCES</b>		<b>2,010,773</b>	<b>10,821</b>	<b>2,021,594</b>
<b>RESOURCES EXPENDED</b>				
Direct charitable expenditure	2			
Teaching costs		1,310,617	-	1,310,617
Welfare costs		350,179	-	350,179
Premises costs		254,740	-	254,740
<b>Other resources expended:</b>				
Governance costs		134,713	-	134,713
<b>TOTAL RESOURCES EXPENDED</b>		<b>2,050,249</b>		<b>2,050,249</b>
<b>NET MOVEMENT IN FUNDS</b>		<b>(39,476)</b>	<b>10,821</b>	<b>(28,655)</b>
Fund balances at 1st September 2013		1,354,232	28,434	1,382,666
<b>FUND BALANCES AT 31st August 2014</b>		<b>1,314,756</b>	<b>39,255</b>	<b>£1,354,011</b>
				<b>£1,382,666</b>

The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

All incoming resources and resources expended derive from continuing activities.

All gains and losses recognised in the year are included above.



# ST HUGH'S SCHOOL (WOODHALL SPA) LIMITED

## BALANCE SHEET

31st August 2014

		2014	2013
	Notes	£	£
<b>FIXED ASSETS:</b>			
Tangible assets	5	1,492,487	1,523,470
<b>CURRENT ASSETS:</b>			
Stocks		24,540	34,145
Debtors	6	545,109	572,540
Cash at bank and in hand		<u>82,538</u>	<u>76,707</u>
		652,187	683,392
<b>CREDITORS: Amounts falling due within one year</b>	7	<u>728,923</u>	<u>747,249</u>
<b>NET CURRENT LIABILITIES:</b>		<u>(76,736)</u>	<u>(63,857)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES:</b>		1,415,751	1,459,613
<b>CREDITORS: Amounts falling due after more than one year</b>	8	<u>61,740</u>	<u>76,947</u>
		<u>£1,354,011</u>	<u>£1,382,666</u>
<b>INCOME FUNDS:</b>			
Unrestricted funds		1,314,756	1,354,232
Restricted funds		<u>39,255</u>	<u>28,434</u>
		<u>1,354,011</u>	<u>1,382,666</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

### ON BEHALF OF THE BOARD:



Director - M HARRISON



Director - M A W JOHNSON

Approved by the Board on: 23<sup>rd</sup> February, 2015



## ST HUGH'S SCHOOL (WOODHALL SPA) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

for the Year Ended 31st August 2014

#### 1. ACCOUNTING POLICIES

##### Accounting convention

The financial statements have been prepared under the historical cost convention and in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008). They are also prepared in accordance with applicable accounting standards and the current Statement of Recommended Practice on accounting and reporting by charities: The Charities SORP 2005.

##### Incoming resources

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy.

##### Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold land and buildings	- 1% per annum of cost
Fixtures, fittings and equipment	- 15% per annum of reducing balance
Motor vehicles	- 25% per annum of cost

##### Leasing and hire purchase commitments

Rentals payable under operating leases are charged against income on a straight line basis over the period of the lease.

Asset acquired under hire purchase contracts are capitalised in the balance sheet. The assets are depreciated over their expected useful life. The interest element of payments is charged to the profit and loss account over the relevant period. The capital element of future payments is treated as a liability in the balance sheet.

##### Stock

Stock is valued at the lower of cost and net realisable value.

##### Pensions

The regular cost of providing retirement pensions and related benefits is charged to the statement of financial activities over the employees' service lives on the basis of a constant percentage of earnings. Any difference between the charge to the statement of financial activities and the contributions paid to the scheme is shown as an asset or liability in the balance sheet.

##### Fees

Fees consist of charges billed for the School Year ended 31st August 2014 and those paid in advance are carried forward to the period to which they related as deferred income creditors.

##### Resources expended

Resources expended are recognised on an accruals basis as a liability is incurred. They are summarised under the financial headings, either on a direct costs basis or, for overhead costs, apportioned according to time spent. The irrecoverable element of VAT is included with the item of expenses to which it relates.

##### Teaching costs

Supplies of games, books, stationery and sundry materials are written off to the General Revenue account as soon as the expenditure on procuring them is incurred.

##### Unrestricted Funds

Unrestricted funds are incoming resources receivable or generated for the objectives of the charity without further specified purpose and are available as general funds.

##### Restricted Funds

Restricted funds are in respect of fundraising efforts to provide an astro turf pitch at the school.



# ST HUGH'S SCHOOL (WOODHALL SPA) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the Year Ended 31st August 2014

### 2. TOTAL RESOURCES EXPENDED

	Staff Costs £	Depreciation £	Other Costs £	Total 2014 £	Total 2013 £
Direct charitable expenditure					
Teaching costs	1,088,556	15,633	206,428	1,310,617	1,401,117
Welfare costs	215,757	30,020	104,402	350,179	346,641
Premises costs	50,766	9,620	194,354	254,740	288,195
Other resources expended					
Governance costs	50,766	-	83,947	134,713	154,739
	<u>1,405,845</u>	<u>55,273</u>	<u>589,131</u>	<u>2,050,249</u>	<u>2,190,692</u>

Governance costs include payments to the auditors of £4,800 (2013 - £3,800) for audit fees and £nil (2013 - £nil) for other services

### 3. GOVERNORS

None of the Governors (or any persons connected with them) received any remuneration or benefits from the charity during the year

### 4. EMPLOYEES

#### Number of employees

The average monthly number of employees during the year was:

	2014	2013
Teaching staff	34	34
Domestic	19	17
Administrative	<u>4</u>	<u>4</u>
	<u>57</u>	<u>55</u>

#### Employment costs

	2014 £	2013 £
Wages and salaries	1,218,285	1,282,755
Social security costs	81,034	92,715
Other pension costs	<u>106,526</u>	<u>119,939</u>
	<u>1,405,845</u>	<u>1,495,409</u>

There is no employee whose annual emoluments was in the band £60,000 - £70,000 (2013- 1). The employee for 2013 was in receipt of pension benefits.



# ST HUGH'S SCHOOL (WOODHALL SPA) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS for the Year Ended 31st August 2014

### 5. TANGIBLE FIXED ASSETS

	Land and buildings	Plant and machinery etc	Motor vehicles	Totals
	£	£	£	£
<b>COST:</b>				
At 1st September 2013	1,539,000	528,010	186,200	2,253,210
Additions	24,290	0	0	24,290
Disposal	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31st August 2014	<u>1,563,290</u>	<u>528,010</u>	<u>186,200</u>	<u>2,277,500</u>
<b>DEPRECIATION:</b>				
At 1st September 2013	161,332	436,395	132,013	729,740
Charge for year	15,633	13,742	25,898	55,273
Depreciation on disposals	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
At 31st August 2014	<u>176,965</u>	<u>450,137</u>	<u>157,911</u>	<u>785,013</u>
<b>NET BOOK VALUE:</b>				
At 31st August 2014	<u>1,386,325</u>	<u>77,873</u>	<u>28,289</u>	<u>1,492,487</u>
At 31st August 2013	<u>1,377,667</u>	<u>91,616</u>	<u>54,187</u>	<u>1,523,470</u>

Net book value at 31st August 2014 represents fixed assets used for:

Direct charitable purposes:				
Provision of education	1,386,325	75,231	28,289	1,489,845
Other purposes:				
Management and administration	<u>-</u>	<u>2,642</u>	<u>-</u>	<u>2,642</u>
	<u>1,386,325</u>	<u>77,873</u>	<u>28,289</u>	<u>1,492,487</u>

The land and buildings were valued at open market value by Brown & Co. in January 2003. This valuation of £2,050,000 split £680,000 land and £1,370,000 buildings, is substantially in excess of their book value. They have not been revalued in the accounts because it is felt that this would distort the balance sheet and give a false impression of the reserves available to the school.

Included in Motor Vehicles are assets with a net book value of £23,905 that are held under a hire purchase agreement (2013 - £44,930). Depreciation for the year on these assets was £21,026 (2013- £19,159).

### 6. DEBTORS:

	2014 £	2013 £
Trade debtors	522,855	539,466
Prepayments and accrued income	<u>22,254</u>	<u>33,074</u>
	<u>545,109</u>	<u>572,540</u>



# ST HUGH'S SCHOOL (WOODHALL SPA) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the Year Ended 31st August 2014

### 7. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2014	2013
	£	£
Bank loans and overdrafts	45,871	99,069
Trade creditors	45,349	75,925
Other taxes and social security costs	37,646	27,525
Autumn term school fees	508,654	493,012
Accruals and deferred income	83,889	35,827
Hire purchase	7,514	15,891
	<u>728,923</u>	<u>747,249</u>

### 8. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2014	2013
	£	£
Accruals and deferred income	46,479	54,904
Hire purchase	15,261	22,043
	<u>61,740</u>	<u>76,947</u>

### 9. Pensions and similar obligations

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The Teachers' Pensions Regulations require an annual account to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the account has been credited with a real rate of return, which is equivalent to assuming that the balance in the account is invested in notional investments that produce.

#### Valuation of the Teachers' Pension Scheme

At the last valuation, the contribution rate to be paid into the TPS was assessed in two parts. First, a standard contribution rate ("SCR") was determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial review, it is found that accumulated liabilities of the account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.



## ST HUGH'S SCHOOL (WOODHALL SPA) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the Year Ended 31st August 2014

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The Government Actuary's report of October 2006 revealed that the total liabilities of the Scheme (pensions in payment and the estimated cost of future benefits) amounted to £166,500 million. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at that valuation date) was £163,240 million. The assumed real rate of return was 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth was assumed to be 1.5%. The assumed gross rate of return was 6.5%. From 1 January 2007, the SCR was assessed at 19.75%, and the supplementary contribution rate was assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 20.5%, which translated into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable.

The Public Service Pensions Bill provides for future scheme valuations to be conducted in accordance with Treasury directions. The actuarial valuation report in summer 2014 takes effect from September 2015.

#### Teachers' Pension Scheme Changes

Lord Hutton made recommendations in 2011 about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation with trade unions and other representative bodies. In March 2012 the Department for Education published proposals for the design for a reformed TPS.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Pension benefits built up before 1 April 2015 will be fully protected.

In addition, the proposed final agreement includes a Government commitment that those within 10 years of normal pension age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012 on a 40:80:100% basis.

The Department for Education has continued to work closely with trade unions and other representatives bodies to develop the reformatted Teachers' Pension Scheme and regulations giving effect to it came into force on 1 April 2014. Communications are being rolled out and the reformatted scheme will commence on 1 April 2015.

Under the definitions set out in Financial Reporting Standard 17 (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The school is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the school has taken advantage of the exemption in FRS 17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The school has set out above the information available on the scheme.





**ST HUGH'S SCHOOL (WOODHALL SPA) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**for the Year Ended 31st August 2014**

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**10. COMMITMENTS UNDER OPERATING LEASES**

At 31 August 2014 the company had annual commitments under non-cancellable operating leases as follows:

	2014 £	2013 £
Expiry date:		
Less than one year	7,196	NIL
Two-five years	NIL	14,386
Over five years	<u>2,100</u>	<u>2,100</u>



# ST HUGH'S SCHOOL (WOODHALL SPA) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) for the Year Ended 31st August 2014

### 11. SECURED DEBTS.

The hire purchase liability shown in creditors totalling £22,775 (2013 - £37,934) is secured on the underlying assets. The bank overdraft and loans totalling £6,873 (2013 - £69,077) are secured by a charge over the company's freehold land and buildings.

### 12. RELATED PARTIES

The charity is controlled by the Governors, who are also the Directors for the purposes of company law.

During the financial year £ nil (2013:£13) was paid to Bridge McFarland, Solicitors, a firm related to Mr D Harvey. At the year end £nil was outstanding.

During the financial year £4,986 (2013:£nil) for payroll and bookkeeping services was paid to Duncan & Toplis, Chartered Accountants, a firm related to Mr N Cudmore and Mr K Phillips. At the year end £4,026 (2013:nil) was outstanding.

### 13. RESTRICTED FUNDS

The restricted funds represents donations received, less costs incurred to date in relations to the construction of new Astro Pitch at the school.

	2014 £	2013 £
Donations	42,821	32,000
Planning costs	<u>(3,566)</u>	<u>(3,566)</u>
	<u>39,255</u>	<u>28,434</u>

### 14 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Fixed Asset £	Stock £	Debtors £	Cash £	Creditors £	TOTAL £
Restricted	-	-	-	39,255	-	39,255
Unrestricted	<u>1,492,487</u>	<u>24,540</u>	<u>545,109</u>	<u>43,283</u>	<u>(790,663)</u>	<u>1,314,756</u>
	<u>1,492,487</u>	<u>24,540</u>	<u>545,109</u>	<u>82,538</u>	<u>(790,663)</u>	<u>1,354,011</u>