

Charity Registered No. 526973
Company Registration No. 00914963

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND
WINDERMERE PREPARATORY SCHOOL
REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011**

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**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

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**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2011**

Governors

Mr P Redhead
Dr C D Snaith
Mr A Bennett
Mr M Dwan
Mr J O Halstead
Mr S Howe MVO
Mrs V Jowett
Mr K G Longney
Mr R C W Parkinson
Mr G Servante

Chairman
Deputy Chairman
Appointed 19 November 2010

Appointed 19 November 2010

Governors are nominated by the Board of Governors and are elected at the Annual General Meeting or by Special Resolution at Board meetings of the Governors (who are the Directors of the Company)

Officers

Head of Windermere School
Head of Windermere Preparatory School
Bursar, Clerk to the Governors and Company Secretary

Mr I Lavender
Mr B Freeman
Mr C P Flint

Registered Office

Browhead
Patterdale Road
Windermere
Cumbria
LA23 1NW

Bankers

Barclays Bank plc
3 Crescent Road
Windermere
Cumbria
LA23 1EB

Auditors

Jackson Stephen LLP
James House
Stonecross Business Park
Yew Tree Way
Warrington
WA3 3JD

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2011**

Status and administration

The school was founded in 1863 in Lytham St Annes, and the Company was incorporated as a Company Limited by Guarantee and not having a share capital by the Memorandum and Articles of Association dated 8 September 1967. The latest amendment was in 2005. It is a Registered Charity, number 526973, under the Charities Act 2006 and as such is entitled to claim exemption from the charge to tax on income and capital gains contained at Section 505 of the Income and Corporation Taxes Act 1988 and Section 256 of the Taxation of Chargeable Gains Act 1992 respectively.

With effect from 1 September 2010 the School changed its trading names from Windermere St Anne's School and Elleray Preparatory School to Windermere School and Windermere Preparatory School respectively.

This report is prepared in accordance with the Trust Deed and the recommendations of the Statement of Recommended Practice - Accounting and Reporting by Charities, and complies with applicable law.

Objects

The objects of the Company are

- i) The advancement of education by providing general instruction of the highest class, together with physical, moral and religious training, in Schools managed by the Company
- ii) The award of grants for the benefit of pupils

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**GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

Vision

To be the best small school in Britain To strive for excellence in all things, and to inspire and challenge students to reach beyond themselves so they leave proud of their achievements

Life at Windermere School is fundamentally fun and stimulates a real quest for excellence, mutual respect and a desire for lifelong learning Students are well-rounded and motivated to put ideas into action and contribute to a more tolerant and safer world

Mission

To produce confident and compassionate people Through teaching excellence, supportive pastoral care and experience of the school's environment, to encourage individual success for community good

The vision and mission are shaped by the school's determination to encourage self-knowledge, articulated by its motto vincit qui se vincit – one conquers who conquers oneself Today that means overcome yourself and you will achieve, which is what Windermere School is all about - challenging people to excel

Aims

To inspire students through a broad and balanced curriculum that challenges inside and outside the classroom, where they learn about their strengths and weaknesses, and are encouraged to reach beyond themselves

To support students to develop their individual academic, creative and sporting talents and skills of leadership to enable and empower them to make an active and real contribution to their world

To use the school's unique location at the heart of mountains, lakes and rivers as a greater classroom for adventure and adventurous learning, where students will learn directly about the environment, each other and themselves

To foster a democratic and accountable culture where students contribute fully to school and community life and take increasing responsibility for their own learning and actions

To encourage a global perspective by providing opportunities for all students irrespective of gender, race and beliefs and encouraging them to value and respect differences

Ethos

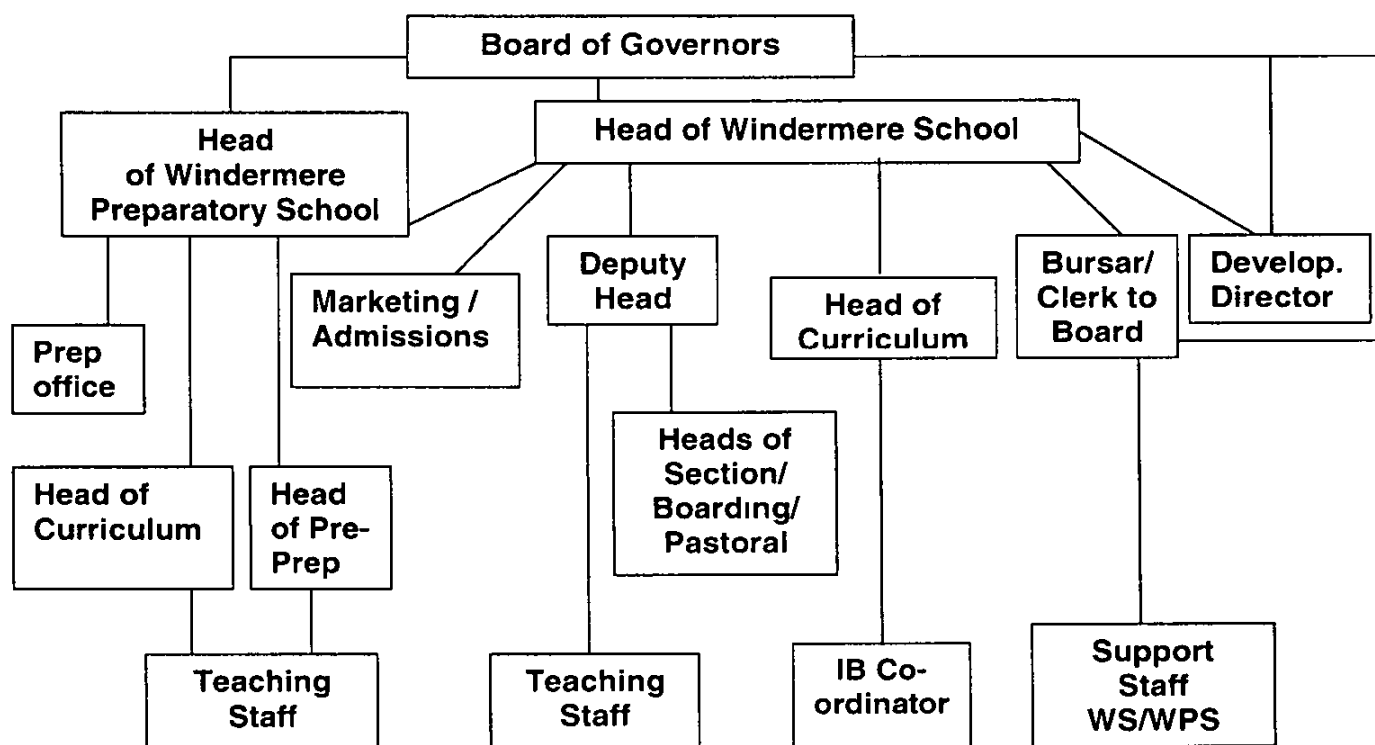
For students to have the confidence and resilience to stand up for what is right and the desire to reach out to others This balance of confidence and compassion is not on any syllabus, yet it is central to everything the school does do and embedded in our aims and values

The school is determined to ensure that all students leave with an enduring foundation for life and their futures, and that they have the qualifications, skills and values that they need to live safe and fulfilled lives, but also to know that they can overcome adversity, remain true to their purpose, and be of service to others

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**GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

Management Structure



The day-to-day running of the School is delegated to the Head of Windermere School, the Head of Windermere Preparatory School and the Bursar, with all staff reporting to the Heads through heads of faculty/department or via the Bursar

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**GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

REVIEW OF ACTIVITIES 2010-11

2010-11 was a year during which the school made significant changes and advances educationally, examination success, personal achievements of students, and improved facilities. The senior and preparatory schools adopted new names (see above), to reflect their geographical position in an international market and co-educational status, and Mr Lavender completed his second full year as Head of Windermere School. These and other developments are addressed in more detail below.

SENIOR SCHOOL

Pupil numbers. Despite the challenging economic climate, the success and reputation of the school grew throughout 2010-11, and on entering the autumn term 2011 the roll increased for the third consecutive year. The school is close to being full, with all three boarding houses near to capacity. Whilst almost exactly 75% of senior school students are British, it is a great privilege to welcome international students. 84 new students from 22 different countries joined in late August 2011. This strengthens the school community, adds value to the education on offer, and promotes greater cultural understanding and tolerance.

2011 Academic results. Students obtained exceptional public examination results both within the International Baccalaureate and at GCSE. Indeed, some students achieved IB results that were among the best in the world and students in Years 10 and 11 the best set of GCSE results since the school became co-educational in 1999. 91% of GCSE / IGCSE candidates achieved 5 A*-C, with most subjects scoring above the national average.

Top scoring IB students (out of a possible 45)

Pippa Smith	45	University of Cambridge	History
Poppy Bullard	44	University of York	English
Richard Flint	44	Imperial College, London	Physics

Fewer than 1% of all IB candidates in the world will score 45 points in the IB. The IB publish an average of the candidates who passed their diploma and, for Windermere School, this is just over 34.

GCSE and IGCSE examinations are now taken in Years 9, 10 and 11, with the focus on taking individual subjects within one year. This also fits in well with Pre-IB overseas students who join the school in Year 11 and who can achieve examination success during their first year at the school.

In the Sixth Form most students opt for the full International Baccalaureate Diploma programme (IB) as this gives them the widest possible choice when it comes to making university applications, either in the UK or overseas (it is the international "gold standard"). In this course of study students take six academic subjects. The second option is to take the International Baccalaureate Careers Certificate (IBCC) which combines aspects of the IB programme with some vocational courses. A third option is to take some of the IB subjects, but not all, and obtain certificates in these IB Certificates are also recognised by a wide range of universities. If students are thinking of the certificate programme, it is recommended generally that they take four subjects and it is particularly appealing to those who wish to study combinations which are more difficult within the full Diploma programme, such as Music and Theatre Studies, or several arts subjects.

University entrance. During 2010-11 much continued to be published in the media about British universities and the ever increasing difficulty of obtaining offers to study on degree courses. In the case of Windermere School every single student who applied to universities obtained at least one offer and many obtained offers from all their chosen universities. Over 80% were offered their first choice of university with good IB scores, six weeks before A Level results were published, and 92% were offered the first or second choice university with no negotiation. In an ever more competitive climate, this was a remarkable achievement.

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GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

Inspections. In the autumn term 2010 mock inspections were commissioned at both sites and the inspectors were tasked with looking in detail in the senior school at English, Mathematics, Science and Music. Nearly all lessons were graded outstanding or good, and the experience provided substantive evidence of where improvements can be made. In addition, a Learning Support audit was commissioned in January to review the procedures that are in place to support all students in the classroom, either because they are gifted and talented or because they find certain subjects difficult, or indeed because they struggle to articulate their thoughts on paper or organise their work. Again, improvements in approach have been a product of this self-imposed critique of how the school operates.

Ofsted inspected the school's boarding service in June 2011, and rated it "outstanding" and, in September 2011, Ofsted also inspected the Early Years department and this too was rated "outstanding".

International English Language Testing Scheme. The school's international students undertake IELTS examinations. These are used by UK universities as measures of English competence, instead of GCSEs. The examination scheme uses a score of 6.0 or 6.5 out of 9.0 maximum as a pass.

Independence in education. What goes on outside the classroom sets independent schools apart from maintained schools. As a boarding school, evening and weekend programmes are important and embrace sport, cultural visits, and outdoor education opportunities. Overseas visits take place at all levels within the school ranging, for example, from Nordic skiing in Scandinavia to regular "life-changing" visits to South Africa. This latter to Tiger Kloof school (now known as Life Change South Africa). Typically, a dozen or so students attend each year and contribute their time and labour to what is becoming an extensive and sustained project of service to others.

Annual visits to Spain, France and Germany strengthen the teaching of Modern Languages and, for students in Year 9, there are Round Square exchange visits to schools around the world. Students return from all of these experiences more mature, and "energised" as a result of what they have done.

National winners. In May 2011 three Year 13 students reached and won the national final of a public speaking competition organised by Rotary International, beating teams from throughout the United Kingdom.

Outdoor education. Windermere School's "unique selling point" is its location, with its own lake frontage and watersports centre, amidst the Lake District mountains. This provides unrivalled opportunities for personal and team challenges that test mental stamina and promote team work, and range from Arthur Ransome-style exploration for younger students to achieving Gold in the Duke of Edinburgh Award Scheme, qualifications as sailing coaches and mountain leaders, and much more.

During 2010-11 the watersports centre added additional kayaks to its existing fleet, ranging from Wayfarer, Laser Bug and Pico sailing dinghies to white water kayaks and canoes. IBCC students widened the field by sea kayaking off Oban and white water canoeing in the Scottish Highlands.

At both schools Adventure Award schemes have proved to be highly successful, and offer structured and progressively challenging opportunities. Students work through a series of stages to help them concentrate on getting the most out of each outdoor session and to help the school create outdoor opportunities that most develop their weakest skills.

Sporting achievements. 2010-11 was another successful year, with 214 hockey, netball and football matches played over the autumn and spring terms. Over 50% of these matches were won and several teams improved their records from the previous years.

Hockey. There were impressive team and individual performances.
U12 Girls Mini Hockey Cumbria Champions
U13 and U14 Girls North Cumbria Hockey Champions
U14, U16 and U18 Boys were Cumbria Hockey Runners-up and all qualified at the Regional Finals in February. Windermere School was the only school to have teams in every age group.

Several students have been selected to train in the NW England Squads and several others have represented Cumbria and trained with the Junior Assessment Centres.

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**GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

Netball. Three age group teams won South Lakes tournaments U12, U13 and U15. Seven girls were selected to attend the South Lakes netball academies with Lucy Brierley being selected for the County Academy and trials for the NW Region.

Football and Rugby. A mixed season, but with some great performances. The U15 and U18 football teams were undefeated, and the latter age group was also undefeated in Rugby.

Cross Country. Several runners were selected to represent South Lakes teams at the County Championships in January. One senior runner, Holly Wybergh, was selected also to represent Cumbria and ran at the National Championships in Nottingham.

Tennis. 28 league matches were played during the first half of the summer term. Of particular note, James Kirkpatrick won the U16 and U18 County Championship and became Cumbria U16 coaches' player of the year.

Athletics. The junior girls' athletics team became Cumbria Champions at the Combined Events Championship. Jacky Keung became the Inter-Boys Cumbria County Hurdles and Long Jump Champion and Holly Nelson became the Senior Girls Cumbria County Shot Putt, Javelin and Hurdles Champion.

Summer School. In July and August the school ran two Summer Schools and in 2012 will run a continuous Summer School for seven weeks, into which students will be able to opt at any stage for any period of time. The programme has continued to enjoy strong growth in terms of numbers, nationalities and income with, in particular, the new two week school prior to the start of the new academic year proving to be a strong incentive and an excellent introduction for students joining the main school. A total of 15 nationalities attended Summer Schools in 2011, with notable increases in numbers from Saudi Arabia and the Ukraine. This led to a total of 101 students across five and a half weeks, and profits in excess of £129,000 and growth in profits of 157.4%.

Performing Arts – Drama and Music. On a wider scale, performances included a vibrant and very successful production of *Oliver* in the autumn term 2010, the Inter-House Performing Arts Competition, and various concerts, including a particularly outstanding summer concert. The *Faure Requiem* was performed publicly by students in Windermere and Grasmere, and on a music tour to Barcelona there were standing ovations at both concerts.

At GCSE all students who undertook music achieved A or A*. Year 12 and 13 IB Music students attended a conference in Toulouse. Individual successes throughout the year were numerous. Examples include:

At the regionally-based Mary Wakefield Festival, Sara Hedvicakova won the Under 18 piano solo and was a finalist for the Jim Noble Award (similar to Young Musician of the Year). Sara was then accepted as a pupil of Mrs Renna Kellaway, concert pianist and notable teacher.

Evie Plumb-featured on BBC radio and appeared in events throughout the county.

Edward Lavender toured Scotland, entering and winning several bagpipe competitions.

Former students achieved much. Adam Smith obtained First Class honours in opera studies at the Royal Northern College of Music and is now at the Guildhall pursuing opera, and James Farrimond obtained First Class honours in music at Thames Valley University and is now reading for a Masters degree at Leeds Metropolitan University.

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**GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

Facilities - Improvements from September 2010

Facilities. During 2010-11 the school commissioned a significant range of refurbishment work. All first floor dormitories in the girls' Browhead boarding house were entirely redecorated and re-equipped, extra accommodation was added to Westmorland Sixth Form boarding house, and the reception area received a complete "makeover" new seating areas that take advantage of the panoramic view, log burning stove, new WCs and an area for the alumni to call "home". There is now a "heart" to the school where all parents, students and visitors receive a warm welcome.

Information Technology

Fibre optic connections A high-speed fibre optic cable, commissioned via Lancaster University Network Services (LUNS), became operational at the Senior School in September 2011 and a corresponding installation will go live at the Preparatory School in November 2011. This project provides a cross-site intranet, linking both sites, and will allow data and services to be shared, with far better access to the web.

New ICT equipment One consequence of introducing high-speed fibre links is that end-user equipment can appear slow. In order to make a significant impact, in early September 2011 both school sites were equipped with a range of equipment, including desktop computers, monitors, laptop computers, Smartboards, projectors, printers, servers and UPS equipment.

Collectively, these improvements in end-user equipment, combined with the fibre optic connections, will provide a modern infrastructure and baseline from which ICT services will be developed further.

Staff New academic staff, who arrived in September 2010, made a refreshing impression on the school's academic offering and, together with existing staff, did much to take forward the school during the academic year. Staff who joined the school in September 2011 included Mr Power, who has become Head of Mathematics, and Mrs Vermeulen who has joined the Humanities Faculty – and who acquired a fine reputation as Head of Geography before going to South Africa in 2004. The teaching staff at both schools has strengthened steadily over the past few years. This is reflected in a steady improvement in examination results.

Development Director Having spent over eight years as Bursar, Mr Flint applied for a new position and has been appointed as Development Director, with effect from October 2011. He has a particular remit to take forward initiatives in relation to alumni, fundraising, corporate communications and the school's 150th anniversary in 2013.

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**GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

PREPARATORY SCHOOL

Academic. 2010-11 saw the introduction of Mathematics and English schemes and assessments, including a handwriting and presentation policy. The curriculum, with Science forming the backbone, continues to be developed by links between subjects and in particular using the unique Adventure! programme. The Forest Schools' Initiative also continues to develop in the Early Years department, with the creation of its own site in the school grounds. 35 educational visits were undertaken from Pre-School through to Year 6.

Windermere Preparatory School is no exception, in that it follows the Early Years Foundation Stage (EYFS), as does every setting with children under 5. At the end of the year data for the six areas of learning is submitted to Cumbria County Council to be checked. All pupils have once again scored well beyond local and national averages.

In September 2011 Mr David Weaver joined as full-time Special Educational Needs Co-ordinator (SENCO), working closely with Mrs Morgan in the Senior School. He brings a wealth of experience, in particular with Early Years children, and he is currently completing a Masters degree in Learning Support. His positive impact on teaching and learning is being felt across the school.

The parent and toddler group, Ducklings, and the sessions for 2-3 year olds, Ducklings Two, attracted 69 new families.

All Year 6 pupils passed successfully into their first choice senior school, the vast majority moving on to Windermere School – with two major academic Scholarships achieved, along with a number of other awards. During their final year, they enjoyed the follow-up to their Environment Day, with three local schools and guest speaker, Tim Farron MP. They also completed their Environment Presentations to packed audiences, their 'Exhibition' project and presentations, and their 'Challenge Week' in Wasdale. There was a camp and also the opportunity to go on a remote camp. A total of 60% of the year group achieved the Gold Compass Badge.

Inspections. In line with the Senior School, an inspection commissioned in the autumn term focussed primarily on Mathematics and English, and provided extremely positive feedback, and gave staff an opportunity to discuss teaching and learning with independent experts. Lesson observation is assessed in four categories: outstanding, good, satisfactory and unsatisfactory. 42% of lessons observed were judged 'outstanding' (a more typical figure would be 15-20%) and a further 50% were judged 'good'. The level of questioning from all teachers and assistants was considered outstanding. Displays around the school were noted for their quality. The inspection team commented, "differentiation is as good as we have seen anywhere else – the value of the broad curriculum is abundantly clear and the offer is impressive. The emphasis on Science at the centre of the curriculum planning is an exciting innovation that is working and you should continue to develop this. The Pre-Prep is wholly impressive. The paperwork, organisation, resources, teaching and learning are at the highest level. In our opinion this should be the benchmark for an overall 'outstanding' judgement for Early Years education."

Music

The percentage of students receiving individual music lessons in a wide variety of instruments is higher than ever, and examination results were excellent, with over 80% achieving Merit or Distinction.

Dates	Associated Board	LCM Music Theatre	Rock School of Music	Total
2005 - 06	34	6	0	40
2006 - 07	38	13	0	51
2007 - 08	30	13	1	44
2008 - 09	38	21	5	64
2009 - 10	19	26	3	48
2010 - 11	33	30	2	65

Pupils study instrumental lessons in the following: violin, flute, recorder, trumpet, trombone, guitar, drums, piano, singing, keyboard and harp.

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**GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

Musical events include an annual inter-house music competition when the four houses compete for the Music Cup. This is held in St Mary's Church with two external adjudicators. All pupils from Year 3 - 6 are required to be involved and perform.

Every year groups performs in Talent Shows. The programme includes music, dance and drama.

Years 5 and 6 had their major musical production, Annie, in February 2011 (both performances full house) and Years 3 & 4 in June 2011 (Alice in Wonderland - one performance). Both were held in Crampton Hall and were supported by a band. The theatrical experience is complete with full stage make-up, lights, scenery, props and costumes.

The Festival Choir performed at Prize Day. In December 2011 the Choir will perform in Kendal Parish Church in the 'Action for Children' concert, together with a number of local schools.

Sport

2010-2011 was a busy and successful year of Sport. Teams played 65 matches against other schools, entered 14 tournaments and won 60% of all games.

Tag Rugby. The preparatory school's greatest success of the year came with the mixed Tag Rugby squad, which dominated all matches they played, went on to win the Cumbria County Cup and then the North West Finals held in Manchester. In doing so, they secured a place at the Tag Rugby National Finals held in July at Rugby School.

Hockey. Particularly successful over the year, achieving 3rd place in the North Prep School Championships and the girls' team also winning the Plate Final at Stonyhurst, which is attended by various preparatory schools from the North and Midlands.

Netball. Netball teams lost only one game all season and were runners up in the North Prep Schools Championships.

Cross-country. The boys' team won the event at the South Lakes Competition and our girls were 2nd overall. In an invitational South Cumbria and North Lancashire event, the U10 boys achieved 1st place and the U11 girls were placed 2nd overall.

Swimming. Swimmers from Years 3 - 6 won the local invitational gala at the start of the season.

Tennis. A South County tennis player is hoping to achieve full county status next year.

The Preparatory School also has teams in football, hockey, rugby, cricket, netball, cross country running and swimming.

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**GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

SUPPORT

The senior and preparatory schools continue to benefit greatly from much appreciated support from the Friends of the School, on-going interest from the Old Students Association (Stannites), and loyal, supportive parents. The Board extends its thanks to these groups and to all who have helped.

Friends of Windermere School

Committee. Mrs A Dwan (Chairman), Mrs S Blanch (Treasurer), Mrs N Hunter (Secretary), plus committee members and form co-ordinators

Regular events. These typically include Autumn Ball, Halloween Disco, Christmas Lunch/Shopping, Christmas Fair, Quiz Night, Race Night (or comparable one-off events), Bag Drop, Family Fun Day, May Fair and Hog Roast, plus other fund-raising opportunities that help also to integrate parents, staff and students across all age groups within the school.

Support. Gifts are made by the Friends in response to requests from staff and pupils, channelled through both Heads. Some are for major items of equipment and others for small "treats". During 2010-11 the Friends donated £6,000 towards the canopy at Browhead, purchased two marquees for £608.93, gave Christmas gifts with a value of £275.00 and a tepee with a value of £293.75 to pupils at the Preparatory School, provided garden items with a value of £125.73 to the Pre-School, and helped fund kayaks by donating £1,911.02 as 50% of the purchase cost. At 31 July 2011 (Friends' financial year end) there was £9,265.13 on deposit, £11,503.61 in the current account and £109.59 held as petty cash.

Stannites (Old Students Association)

Committee. Mrs V Jowett (Chairman), Ms E Warburton (Vice Chairman), Ms J Garside (Treasurer), Mrs J Walton (Secretary). Approximately 8-10 Stannites attend committee meetings.

Activities. In addition to an annual newsletter and maintaining a database to keep former students in touch, the Stannites hold regular re-unions and donate funds and equipment periodically to the School. In 2011 they assisted with the cost of advanced piano lessons for Sara Hedvicakova.

CHARITABLE STATUS

The wider picture

Bursaries and Scholarships. The Independent Schools Council (ISC) reports that "as of 2010-11, a total of 164,105 pupils at ISC schools (33.2%) receive help with their fees. The majority of these pupils - 138,975 - receive scholarships or bursaries from their school. The value of this help totals more than £660 million per year. More than 80% of total fee assistance comes directly from the schools themselves. ISC schools provided more than £550 million of assistance with fees in the academic year 2010-11. Schools gave approximately twice as much assistance in the form of bursaries as they did in scholarships. Over £260 million of assistance was in the form of means-tested bursaries."

Windermere Educational Trust Limited. Significant activities undertaken by the Trust, through Windermere School and Windermere Preparatory School, to further its charitable purposes for public benefit, are summarised below.

The Trust is an important part of the local community with, in 2010-11, some 136 full and part-time employees plus visiting teachers – making it one of the largest employers in the district. 39% of gross fee income was derived from international pupils (i.e. overseas sales) and by far the largest proportion of expenditure is accounted for by salaries and purchases from local and regional businesses. Thus a significant proportion of funds are invested directly into the local economy.

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**GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

Financial support

	Scholarships		Bursaries	
	Value	% of gross fees	Value	% of gross fees
2006-07	209,117	4.32	171,848	3.55
2007-08	187,804	3.43	174,909	3.19
2008-09	130,314	2.29	264,067	4.64
2009-10	119,986	2.09	349,479	6.10
2010-11	171,543	2.89	333,404	5.61
2011-12 (planned)	229,024	3.58	617,787	9.97

***100% fee support:** 2007-08 1 pupil, 2008-09 2 pupils, 2009-10 3 pupils, 2010-11 3 pupils, 2011-12 4 pupils

These figures continue to indicate the very significant emphasis placed on bursaries (awarded according to need), at the expense of scholarships (based on merit) and as a total of gross fee income. This underpins the school's commitment as a charity to assisting students whose parents cannot afford some or all of the fees. There has always been a bias towards providing financial support in the senior school, rather than the preparatory school, partly to discourage parents over-committing when their children are young and when they can least afford school fees and also because the school recognises that the greatest benefit to students will be derived from them gaining nationally recognised qualifications through GCSEs, International GCSEs and the International Baccalaureate.

CHARITABLE ACTIVITIES

In addition to financial support for students, the school provides a very wide range of practical and financial support for local schools and groups, local and much larger charities, and a wide cross-section of activities – in a charitable context. Examples of this range of assistance, which is by no means exhaustive, are given below.

Windermere Preparatory School

Elleray Head of PE. Involved in a local hockey initiative with primary schools to increase participation in hockey. Provision of training and arranging match experiences.

Windermere Community Litter Pick. Two litter-picking groups joined the 'WinderClean and Community Litterpick' organised by Windermere Town Council in association with the Lake District National Park Authority, and helped remove litter from Orrest Head.

Young String Venture. A charity that promotes classical music tuition and development uses the Preparatory School each summer for one week, at no charge except to help cover cleaning costs.

Mothers and Toddlers. This is offered weekly to the local community at a nominal charge.

Sponsored 'Big Toddle' To support Barnados

Applethwaite Nursing Home The Reception class visit each Easter to deliver gifts and sing for the residents

Cheshire Home – Holehird The Pre-Prep Choir sings Christmas carols annually

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**GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

Windermere School

"Chemical Magic" Shows. For local junior schools

Young Carers, August 2011. A free residential holiday, run by WSA staff and students, for young teenagers from this area who care for relatives – to provide a respite break. They experienced a range of activities, including outdoor adventure, art, competitions, dance, etc

Heathwaite Football Team - youth development scheme. A local and very successful football scheme, based in Windermere, hires the school's all-weather pitch at reduced rates. They were unable to get reliable access to the pitch at the local comprehensive school

ICT support – Ambleside Church of England Primary School The school's ICT Technician provides free support for the primary school in Ambleside and is asked occasionally to help people with their home IT problems. He assists when possible and does not charge fees

Charitable support. Pupils participate in a very wide range of fundraising activities for charities including, for example, Help for Heroes, Comic Relief, Red Nose Day and the Glyn Driver memorial fund

Sport. The County Hockey Association uses the school's all-weather pitch without charge for tournaments, if requested, and Crampton Hall without charge for their annual Presentation Evening. South Lakes Netball uses the Sports Hall weekly for squad training. Free netball coaching for South Cumbria schools through the development squads at U14 and U16 level

Tiger Kloof project. A range of fundraising projects are held each year, including in 2010-11 a "gig" at Staveley Beer Hall, an auction of promises and a balloon race

Staff, parents and local five-a-side men's football. The school provides free weekly use of the sports hall and all weather pitch. The members donate money to buy items of sports equipment and prizes

Cumbria Wildlife Free meeting space

Practical support from students This is provided across a wide range of local charities. For example, the Cheshire Home at Holeyhird (regular musical entertainment), Help the Aged and Mind (assisting in charity shops), Race for Life (students provided marshals and music), and Star Walk (students and staff take part)

Peripatetic Teachers. The school periodically provides a training venue, food and refreshments for approximately 80 state school peripatetic music teachers

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

FINANCIAL RESULTS

The school achieved a surplus of £95,639, after charging depreciation and providing for bad debts of £16k in the year. As in previous years the school continued to invest extensively in its development ranging from the introduction of high-speed fibre optic links to the web and between the preparatory and senior sites, new ICT end-user equipment, complete upgrades for the reception and communal areas, continued investment in modern craft at the water sports centre, much improved facilities in the girls' boarding house, and extra boarding accommodation. The school has continued to reposition itself and to expand its operation despite the state of national and international economies.

HEALTH, SAFETY AND WELFARE

Two committees monitor and manage health, safety and welfare. The Risk Management Group (RMG) oversees the operational work of the Health, Safety and Welfare Committee (HSWC) and focuses on areas of higher risk or greatest concern. The RMG comprises two governors, both Heads, the Bursar and Site Manager, meets each term and reports to the Board of Governors. The HSWC is chaired by the Bursar, includes representatives from across the school community, meets termly and reports to the Board of Governors.

RISK MANAGEMENT

The Governors are satisfied that systems are in place to eliminate or minimise risks to which the School might otherwise be exposed and reviews periodically the threats and opportunities faced by the School.

RESERVES POLICY

The General Fund represents the unrestricted funds arising from past operating results and, as shown in Note 15a, it has net current liabilities. The Governors have decided that the appropriate level of general fund, which is not invested in tangible fixed assets, would be equivalent to one term's expenditure. The policy is therefore to move as soon as possible towards generating operating surpluses in order to achieve this aim.

Tangible fixed assets are held for use by the School although there are some properties that could be divested should the need arise. To date, fixed assets have been held at a 1998 valuation. From now on, however, the policy of the Board of Governors is to use current values for the property portfolio to better reflect the fact that this exceeds significantly amounts borrowed by the school.

RESERVES

Note 15 to the financial statements sets out an analysis of the assets attributable to the various funds.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011

GOVERNANCE

As part of a process of self-examination and internal regulation, the Board of Governors operates to a Code of Governance. This defines the way in which the Board conducts its business, including auditing the skills and capabilities of its members, defining the way in which new members should be nominated and admitted to the Board, the conduct of meetings, and reviewing the effectiveness of the Board. The Code of Governance can be seen on the School's website (www.windermereschool.co.uk) together with a list of governors' skills and experience.

Name	Sub-Committee Membership	Attendance at Board meetings 2010-11					
		24 Sep 10	19 Nov 10	17 Dec 10	25 Mar 11	17 Jun 11	Percentage attendance
Mr P Redhead	Chairman	✓	✓	✓	✓	✓	100
Dr C D Snaith	Deputy Chairman	✓	✓	✓	✓	✓	100
Mr A Bennett	RMG, HR	N/A	N/A	✓	✓	✓	100
Mr M Dwan	F&GP, EC	X	✓	✓	✓	✓	80
Mr J O Halstead		✓	✓	✓	✓	✓	100
Mr S Howe MVO	RMG	✓	X	✓	✓	X	60
Mrs V Jowett	Stannites	✓	✓	✓	✓	✓	100
Mr K G Longney	NC, HR	✓	✓	✓	✓	✓	100
Mr R C W Parkinson	NC	X	✓	✓	✓	✓	80
Mr G Servante	F&GP	N/A	✓	X	✓	✓	75

RMG Risk Management Group
F&GP Finance and General Purposes Committee
EC Estates Committee
NC Nominations Sub-Committee
HR Human Resources ("People Group")
Stannites Alumni Chairman

Finance and General Purposes Sub-Committee
(Chairman Mr M Dwan)

The Finance and General Purposes Sub-Committee (F&GP) is a committee of the Board of Governors of the Trust and advises the Board on the Trust's strategic direction with respect to finance, facilities, procurement, information services, risk management and such other areas that the Board considers appropriate. The Board of Governors may delegate to the F&GP any item that does not fit the remit of any other of the School's committees. Membership of the F&GP is to be at least one Governor (chairman), one additional governor, the Heads of the Senior and Preparatory schools, the Bursar and a staff representative on the Board of Governors (if and when that position is filled). The F&GP Committee is authorised, itself, to co-opt others to assist in meeting its purposes.

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

Estates Committee

(Chairman Mr M Dwan)

Membership of the Estates Committee is to be at least one Governor (chairman), the Heads of the Senior and Preparatory schools, the Bursar, and the Site Manager. The Estates Committee is authorised, itself, to co-opt others (e.g. architects) to assist in meeting its purposes. The purpose of the Committee is to develop and review regularly a school-wide strategic plan to ensure that the built environment, grounds and facilities meet the present and anticipated future needs of the school, and to oversee the management of larger site development projects.

Risk Management Group

(Chairman Dr C D Snaith)

Membership of the Risk Management Group (RMG) is to be at least one Governor (chairman), the Heads of the Senior and Preparatory schools, the Bursar (who is the Health and Safety Co-ordinator) and the Site Manager who is the Health and Safety Officer. The continued need for the RMG will be reviewed annually and reported to the Governing Board.

Nominations to the Board of Governors

(Chairman Mr K G Longney)

Appointments to the Board are made on merit, against objective criteria. The Board has mechanisms in place to satisfy itself that plans are in place for orderly succession for appointments to the Board and to senior management, so as to maintain an appropriate balance of skills and experience within the School and on the Board.

A sub-committee of 3 - 4 leads the process for Board appointments and makes recommendations to the Board. The sub-committee is required to evaluate the balance of skills, knowledge and experience on the Board and, in the light of this evaluation, prepares descriptions of the roles and capabilities required for particular appointments. All appointments are to be made without unfair discrimination on the grounds of sex, age, disability or any other criteria. The Chairman of the Board of Governors must not chair the Nomination Sub-Committee when it is dealing with the appointment of a successor to the Chairmanship.

To nominate a potential governor, a proposal form describing the skills and experience of the nominee and explaining why the nominee should be considered for appointment as a governor, by reference to the most recent Skills Audit where appropriate, is completed and submitted to the Clerk, for the attention of the full Board of Governors.

INVESTMENT POWERS

These are governed by the Memorandum, which permits funds to be invested, as may be thought fit by the Governors. A small amount of endowed and restricted funds are placed with COIF (Charities Official Investment Funds).

AUDITORS

In accordance with the Company's articles, a resolution proposing that Jackson Stephen LLP be reappointed as auditors of the Company will be put to the Annual General Meeting.

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**GOVERNORS' REPORT - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

Statement of Governors' responsibilities

The Governors are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and regulations

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the surplus or deficit of the Company 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 accounting estimates that are reasonable and prudent,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and 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.

Statement of disclosure to auditor

So far as the Governors are aware there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Governors have taken all the necessary steps that they ought to have taken as Governors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

Approved by the Board on 18 November 2011

and signed on the Board's behalf by



Mr P Redhead
Chairman
Browhead Windermere

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDERMERE EDUCATIONAL TRUST
LIMITED
FOR THE YEAR ENDED 31 AUGUST 2011**

We have audited the financial statements of Windermere Educational Trust Limited for the year ended 31 August 2011 which comprise the statement of financial activities, the balance sheet, the cash flow statement and related notes, and the related notes, as set out on pages 20 to 37. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an 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 charitable company and the charitable company's members as a body, for our audit work, or for the opinions we have formed.

Respective responsibilities of trustees and auditors

As explained more fully in the Governors' Responsibilities Statement on page 17 the trustees, who are also the directors of the charitable company for the purposes of company law, 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 trustees, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the annual report 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 2011, 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 Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDERMERE EDUCATIONAL TRUST
LIMITED - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

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

- the charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us, or
- the charitable company 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

Jackson Stephen LLP

**Mr Peter Atkinson F.C.A. (Senior Statutory Auditor)
for and on behalf of Jackson Stephen LLP**

**Chartered Accountants
Registered Auditor**

6 January 2012
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James House
Stonecross Business Park
Yew Tree Way
Warrington
Cheshire
WA3 3JD

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2011

	Note	Unrestricted funds General £	Designated funds £	Restricted funds £	Endowed funds £	2011 £	2010 £
INCOMING RESOURCES							
Income from charitable activities:							
Fees receivable	2	4,967,245	-	-	-	4,967,245	4,824,118
Sundry and other income		52,071	-	-	-	52,071	114,916
Special Needs Support		10,000	-	-	-	10,000	18,656
Incoming resources from generated funds							
Summer School		277,624	-	-	-	277,624	122,188
Rents and letting of premises		30,255	-	-	-	30,255	45,244
Bank and other interest		3,227	-	-	-	3,227	3,802
Investment income		-	1,149	1,704	1,313	4,166	4,049
Donations	3	22,746	-	-	-	22,746	107,718
Other incoming resources		61,419	-	-	-	61,419	2,595
Total incoming resources		5,424,587	1,149	1,704	1,313	5,428,753	5,243,286
RESOURCES EXPENDED							
Cost of generating funds							
Finance costs	6	153,593	-	-	-	153,593	136,117
Associated Summer School costs		147,868	-	-	-	147,868	71,786
		301,461	-	-	-	301,461	207,903
Net incoming resources available for charitable application		5,123,126	1,149	1,704	1,313	5,127,292	5,035,383
Charitable activities:							
Academic costs		2,507,934	-	-	-	2,507,934	2,589,053
Welfare costs		768,838	-	-	-	768,838	781,748
Property costs		862,234	-	-	-	862,234	906,077
Grants, awards and prizes		-	1,149	-	1,313	2,462	2,393
Management and administration costs		627,432	-	-	-	627,432	647,101
Other expenses		100,498	-	-	-	100,498	42,112
Marketing costs		150,145	-	-	-	150,145	127,881
Total charitable expenditure		5,017,081	1,149	-	1,313	5,019,543	5,096,365
Governance costs		12,110	-	-	-	12,110	12,840
Total resources expended	7	5,330,652	1,149	-	1,313	5,333,114	5,317,108
Net incoming/(outgoing) resources before transfers		93,935	-	1,704	-	95,639	(73,822)
Transfers between funds		12,919	-	(14,495)	1,576	-	-
Net incoming/(outgoing) resources	8	106,854	-	(12,791)	1,576	95,639	(73,822)
Unrealised gains on investment assets	10	-	2,775	4,115	3,173	10,063	1,198
Revaluation of fixed assets	9	-	9,105,976	-	-	9,105,976	-
Net movement in funds		106,854	9,108,751	(8,676)	4,749	9,211,678	(72,624)
Fund balances brought forward	15	628,668	1,849,158	123,192	40,360	2,641,378	2,714,002
Fund balances carried forward	15	735,522	10,957,909	114,516	45,109	11,853,056	2,641,378

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
FOR THE YEAR ENDED 31 AUGUST 2011**

	2011 £	2010 £
Net incoming/(outgoing) resources for the year	95,639	(73,822)
	<hr/>	<hr/>
Surplus/(deficit) for the financial year for Companies Act 2006 purposes	95,639	(73,822)
Unrealised gains on investment assets	10,063	1,198
Revaluation of Fixed Assets	9,105,976	-
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	9,211,678	(72,624)
	<hr/> <hr/>	<hr/> <hr/>

All results are derived from continuing activities

No separate profit and loss account has been prepared because the surplus/(deficit) for the financial year for Companies Act purposes is disclosed above

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

Company registration no. 00914963

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2011

	Note	2011 £	2010 £
Fixed assets			
Tangible assets	9	15,447,666	6,245,271
Investments	10	85,462	75,399
		<u>15,533,128</u>	<u>6,320,670</u>
Current assets			
Stock		11,959	12,494
Debtors	11	299,155	192,142
Cash at bank and in hand		981	306
		<u>312,095</u>	<u>204,942</u>
Creditors: amounts falling due within one year	12	(1,905,188)	(2,048,804)
Net current liabilities		<u>(1,593,093)</u>	<u>(1,843,862)</u>
Total assets less current liabilities		13,940,035	4,476,808
Creditors. amounts falling due after more than one year	13	(2,086,979)	(1,835,430)
Total net assets		<u>11,853,056</u>	<u>2,641,378</u>
Endowed funds	15(b)	45,109	40,360
Restricted funds	15(c)	114,516	123,192
Unrestricted funds	15(d)	11,693,431	2,477,826
Total funds		<u>11,853,056</u>	<u>2,641,378</u>

Approved by the Governors and authorised for issue on 18 November 2011


Mr P Redhead
Chairman


Mr M Dwan
Governor

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2011

	Note	2011 £	2010 £
Net cash inflow from operating activities	1	219,151	483,452
Returns from investments and servicing of finance			
Dividends received		4,166	4,049
Interest received		3,277	3,802
Interest paid		(153,593)	(136,117)
		<u>(146,150)</u>	<u>(128,266)</u>
Capital expenditure			
Payments for tangible fixed assets		(299,664)	(208,841)
Receipts from sale of tangible fixed assets		134,520	4,290
		<u>(165,144)</u>	<u>(204,551)</u>
Net cash (outflow)/inflow before financing		(92,143)	150,635
Financing			
Fees in advance scheme		712,101	266,458
Capital element of hire purchase contracts		(13,148)	(4,606)
Repayment of long term bank loans		(49,438)	(19,417)
		<u>649,515</u>	<u>242,435</u>
Net cash inflow from financing		649,515	242,435
Increase in cash	2	557,372	393,070

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2011

1 Reconciliation of net incoming/(outgoing) resources to net cash inflow from operating activities

	2011	2010
	£	£
Net incoming/(outgoing) resources	95,639	(73,822)
Dividends received	(4,166)	(4,049)
Interest received	(3,277)	(3,802)
Interest paid	153,593	136,117
Depreciation	172,749	257,636
Profit on sale of fixed assets	(60,654)	(2,595)
Decrease/(increase) in stock	535	(3,885)
Increase in debtors	(107,013)	(6,852)
(Decrease)/increase in creditors	(24,255)	206,431
Fixed asset donations	(4,000)	(21,727)
	<u>219,151</u>	<u>483,452</u>

2 Analysis of net debt

	Opening	Cash flow	Other non - cash charges	Closing
	£	£	£	£
Cash	306	675	-	981
Bank overdraft	(693,975)	556,697	-	(137,278)
	<u>(693,669)</u>	<u>557,372</u>	<u>-</u>	<u>(136,297)</u>
Debt				
Finance leases	(6,754)	13,148	(39,370)	(32,976)
Fees in advance fee scheme	(736,845)	(712,101)	-	(1,448,946)
Debts falling due within one year	(44,085)	-	(4,779)	(48,864)
Debts falling due greater than one year	(1,432,961)	49,438	4,779	(1,378,744)
	<u>(2,914,314)</u>	<u>(92,143)</u>	<u>(39,370)</u>	<u>(3,045,827)</u>

3 Reconciliation of net cash flow to movement in net debt

	2011	2010
	£	£
Increase in cash	557,372	393,070
Cash inflow from fees in advance scheme and lease financing	(738,323)	(261,852)
Cash outflow from bank loan	49,438	19,417
	<u>(131,513)</u>	<u>150,635</u>
Movement in net debt	(131,513)	150,635
Net debt at 31 August 2010	(2,914,314)	(3,064,949)
	<u>(3,045,827)</u>	<u>(2,914,314)</u>

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2011**

1 Accounting policies

1.1 Accounting basis

The financial statements are prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities", published in 2005 and revised July 2008, the Companies Act 2006 and with applicable accounting standards. They are drawn up on the historical cost basis of accounting modified to include the revaluation of freehold land and buildings at market value as at 31 August 2011 and to include the revaluation of investments at market value at 31 August 2011.

1.2 Fundamental accounting concept

In common with many other similar organisations the Charity enjoys a substantial fixed assets portfolio which has been used to provide security for the loans and overdrafts. Cash flow is monitored and forecasts are regularly prepared in order to ensure that the organisation remains within its operational overdraft limits. On this basis the Governors are confident that it is appropriate to prepare accounts on the going concern basis.

1.3 Fees and similar income

Fees, extras charged to pupils and charges for use of premises are accounted for in the period during which the service is provided. Fees receivable include extras charged to pupils and are stated after deducting allowances, scholarships and bursaries granted by the School from its unrestricted funds but gross of any contributions received from restricted, designated and endowed funds.

1.4 Leasing

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

Rentals payable under operating leases are charged in the profit and loss account on a straight line basis over the lease term.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost or valuation less depreciation. Freehold land and buildings are included at valuation. All fixed assets are capitalised. Depreciation is calculated at the following annual rates:

Freehold land and buildings	- Nil
Fixtures and fittings	- 20% per annum reducing balance basis
Equipment	- 20% per annum reducing balance basis
Motor vehicles	- 25% per annum reducing balance basis

Depreciation is not provided on freehold buildings. It is the company's policy to maintain these assets in a continual state of sound repair and to make improvements from time to time. Accordingly the Governors consider that the useful economic lives of these assets are so long, and the residual values so high, that any depreciation is insignificant. Moreover whilst the initial costs of extensive refurbishment or repair programmes are capitalised, those in respect of subsequent expenditure are written off to the Statement of Financial Activities as incurred. In accordance with FRS 15 – Tangible Fixed Assets – the Governors perform an annual impairment review. Any deficits are charged to the Statement of Financial Activities except where the asset has been revalued, they are charged to the revaluation reserve.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2011

1 Accounting policies - cont.

1.6 Stocks

Stocks are stated at the lower of cost and net realisable value. They are held for use by the school and not for resale.

1.7 Pension contributions

The School participates in both the Department For Education & Skills Teachers' Pension Scheme and The Pensions Trust's Growth Plan, which are defined benefit schemes and are for teaching staff and non-teaching staff respectively. Contributions to the schemes are charged to the statement of financial activities so as to spread the cost of the pensions over employees' working lives with the School in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll.

For the Teachers' Pension Scheme, the contributions are determined by a qualified actuary on the basis of quinquennial valuations, using a prospective benefit method. For the Pensions Trust's Growth Plan, the contributions are determined by a qualified actuary on the basis of triennial valuations, using a projected unit method.

1.8 Donations and fund accounting

Donations received for the general purposes of the Charity are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are taken to "restricted funds" if these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" - permanent or not according to the nature of the restriction.

Assets donated to the school are valued at their purchase price and capitalised accordingly. Donations are analysed in note 3 to the accounts.

1.9 Resources expended

Resources expended are accounted for on an accruals basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

Cost of generating funds include costs associated with generating incoming resources from all sources other than from undertaking charitable activities and include costs associated with rental income, the summer school and finance costs.

Resources expended on charitable activities include all the resources applied by the charity in its undertaking to meet its charitable objective of providing education, physical and moral training within its school.

Governance costs comprise the costs of running the charity including external audit fees.

1.10 Investments and investment income

Investments are included at closing mid-market value at the balance sheet date. Any gain or loss on revaluation is taken to the Statement of Financial Activities. Investment income is accounted for in the period in which the Charity is entitled to receipt.

1.11 Fees in advance scheme

Capital sums received in advance to make provision for future fees are included within creditors and are released to fee income as the fees for each period become due for payment. The discount obtained on the fees is charged to interest payable and is based on the capital sum remaining in the scheme.

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NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2011

2 Fees

	2011 £	2010 £
Gross fees	5,931,519	5,733,622
Scholarships	(171,543)	(119,986)
Bursaries	(333,404)	(349,479)
Staff allowances	(250,897)	(231,285)
Sibling/Service allowance	(208,430)	(208,754)
Net fees	4,967,245	4,824,118

3 Donations

	2011 £	2010 £
Donated assets	4,000	21,727
Other donations received	18,746	85,991
	22,746	107,718

4 Staff costs

	2011 £	2010 £
Salaries	3,032,319	3,016,031
Social security costs	258,217	235,496
Pension costs	251,203	248,880
	3,541,739	3,500,407

The average number of employees during the year was as follows

	2011	2010
Teaching staff	77	73
Welfare staff	32	35
Maintenance and gardens	12	11
Administrative staff	15	11
	136	130

The number of employees receiving remuneration during the year of more than £60,000 were

£60,001 - £70,000

1

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None of the members of the Board of Governors received remuneration during the year

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NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2011

5 Transactions with related parties

A number of the Governors have children who attend the School. The fees paid by those Governors are on the same terms and conditions as are charged to any other parent who do not work at the school.

As at 31 August 2011, Mr P Redhead, a Governor of the school, had a balance with the school under the fees in advance scheme of £47,973 (2010 £93,831). Related discounts given from this scheme in the year amounted to £4,188 (2010 £5,611).

As at 31 August 2011, Mr M Dwan, a Governor of the school, also had a balance with the school under the fees in advance scheme amounting to £155,211 (2010 £125,000). Discounts have been given from this scheme in the year totalling £6,638 (2010 £Nil).

During the year Rusland Hall Estates and North and Partners provided services and materials towards the redevelopment of the school premises. These costs are included within fixed asset additions and total £103,592 (2010 £Nil). These are entities in which Mr M Dwan has an interest.

During the year the company signed a contract with Green2Go Limited, a company in which Mr M Dwan is a director. This was done at arm's length basis and followed the standard tendering process.

During the year the school incurred costs of £720 (2010 £Nil) from Acorn Coaching and Development Limited. Mr K G Longney, a governor of the school, is a director of the company.

6 Finance costs

	2011	2010
	£	£
Loan interest	85,094	109,772
Hire purchase interest	2,677	738
Interest on bank overdraft	8,780	12,402
Fees in advance scheme	57,042	13,205
	<u>153,593</u>	<u>136,117</u>

7 Analysis of total resources expended

	Staff costs	Other	Depreciation	2011	2010
	£	£	£	Total	Total
				£	£
Cost of generating funds					
Finance costs	-	153,593	-	153,593	136,117
Associated summer school cost	75,608	72,260	-	147,868	71,786
Charitable activities					
Academic costs	2,386,427	121,507	-	2,507,934	2,589,053
Welfare costs	469,797	299,041	-	768,838	781,748
Property costs	198,134	491,351	172,749	862,234	906,077
Grants, awards and prizes	-	2,462	-	2,462	2,393
Management and administration costs	411,773	215,659	-	627,432	647,101
Other expenses	-	100,498	-	100,498	42,112
Marketing costs	-	150,145	-	150,145	127,881
Governance costs	-	12,110	-	12,110	12,840
Total resources expended	<u>3,541,739</u>	<u>1,618,626</u>	<u>172,749</u>	<u>5,333,114</u>	<u>5,317,108</u>

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NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2011

8 Net incoming/(outgoing) resources

These are stated after charging/(crediting)

	2011	2010
	£	£
Operating lease rentals for equipment	7,857	8,683
Depreciation of tangible fixed assets	172,749	257,636
Fees payable to the Company's auditor for the audit for the Company's accounts	9,250	9,250
Dividends received	(4,166)	(4,049)
Rental income	(30,255)	(20,877)
Profit on disposal of fixed assets	(60,654)	(2,595)
	<u> </u>	<u> </u>

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL
NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2011

9 Tangible fixed assets

	Freehold land and buildings £	Fixtures & fittings, equipment & motor vehicles £	Total £
At cost or valuation			
At 1 September 2010	6,203,347	2,211,420	8,414,767
Additions	187,299	155,735	343,034
Disposals	(72,800)	(36,039)	(108,839)
Revaluations	8,307,154	-	8,307,154
At 31 August 2011	14,625,000	2,331,116	16,956,116
Depreciation			
At 1 September 2010	798,822	1,370,674	2,169,496
Provided for in year	-	172,749	172,749
Eliminated on disposal	-	(34,973)	(34,973)
Revaluations	(798,822)	-	(798,822)
At 31 August 2011	-	1,508,450	1,508,450
Net book value:			
At 31 August 2011	14,625,000	822,666	15,447,666
At 31 August 2010	5,404,525	840,746	6,245,271

Comparable historical costs for the land and buildings included at valuation:

	£
Cost	
At 1 September 2010	4,438,027
Additions	187,299
Disposals	(2,360)
At 31 August 2011	4,622,966
Depreciation based on cost	
At 1 September 2010 and at 31 August 2011	540,256
Net book value:	
At 31 August 2011	4,082,710
At 31 August 2010	3,897,771

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NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2011

9 Tangible fixed assets - continued

The freehold land and buildings were revalued on 31 August 2011 at an existing open market value, by Mr A C Peill FRICS on behalf of Peill & Company Ltd

Included within freehold land and buildings is an amount of £1,755,500 (2010 £1,828,300) attributable to land, which is not depreciated

Included within the assets above are motor vehicles held under hire purchase contracts with a net book value at 31 August 2011 of £43,600 (2010 £8,089) Depreciation charged on these assets in the year was £9,374 (2010 £2,697)

10 Investments

Equities investment fund for charities income units

	Number of units held No.	Cost £	Balance at 31 August 2010 £	Revaluation £	Balance at 31 August 2011 £
Endowed funds	2,299	5,872	23,772	3,173	26,945
Restricted funds	2,982	8,707	30,833	4,115	34,948
Unrestricted funds	2,011	6,713	20,794	2,775	23,569
	<u>7,292</u>	<u>21,292</u>	<u>75,399</u>	<u>10,063</u>	<u>85,462</u>

11 Debtors

	2011 £	2010 £
Fee debtors	157,955	127,694
Other debtors and prepayments	141,200	64,448
	<u>299,155</u>	<u>192,142</u>

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NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2011

12 Creditors: amount falling due within one year

	2011	2010
	£	£
Bank overdraft	137,278	693,975
Mortgage loan (note 14)	13,272	9,238
Bank loans (note 14)	35,592	34,847
Net obligations under hire purchase contracts (note 14)	12,434	5,000
Fees received in advance	669,078	658,680
Other creditors including taxation and social security	3,360	3,360
Fees in advance scheme	876,112	459,684
Acceptance deposits	20,895	18,633
Accruals	137,167	165,387
	<u>1,905,188</u>	<u>2,048,804</u>
Debt due in one year or less	<u>198,576</u>	<u>743,060</u>

The bank overdraft, loans and mortgage loan are secured by a charge over certain freehold land and buildings

13 Creditors: amounts falling due after more than one year

	2011	2010
	£	£
Mortgage loan (note 14)	1,224,231	1,243,887
Bank loans (note 14)	154,513	189,074
Net obligations under hire purchase contracts (note 14)	20,542	1,754
Acceptance deposits	114,859	123,554
Fees in advance scheme	572,834	277,161
	<u>2,086,979</u>	<u>1,835,430</u>

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NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2011

14 Loans analysis and net obligations under hire purchase contracts

	2011	2010
	£	£
a) Loans		
Analysis of loans		
Not wholly repayable within five years by instalments		
Mortgage	1,237,503	1,253,125
Bank loan	135,401	149,560
Wholly repayable within five years		
Bank loan	54,704	74,361
	<u>1,427,608</u>	<u>1,477,046</u>
Included within current liabilities	(48,864)	(44,085)
	<u>1,378,744</u>	<u>1,432,961</u>
Instalments not due within five years	<u>1,159,030</u>	<u>1,213,452</u>
Maturity analysis		
In one year or less	48,864	44,085
In more than one year but no more than two years	58,616	53,103
In more than two years but no more than five years	161,098	166,406
In more than five years	<u>1,159,030</u>	<u>1,213,452</u>

The above comprises

(i) a mortgage loan which is due for repayment over 20 years on commencement of repayments, the loan was interest only until 28 February 2011. It is secured upon certain freehold land and buildings owned by the School. The interest rate is 6.41% fixed for the life of the loan, and repayments will be monthly.

(ii) Two bank loans repayable over five and ten years respectively. These loans are subject to an interest rate at the bank's base rate. They are both secured upon certain freehold land and buildings held by the school.

b) Net obligations under hire purchase contracts

Repayable within one year	12,434	5,000
Repayable between one and five years	20,542	1,754
	<u>32,976</u>	<u>6,754</u>
Included in liabilities falling due within one year	(12,434)	(5,000)
	<u>20,542</u>	<u>1,754</u>

Net obligations under hire purchase contracts are secured by fixed charges on the assets concerned

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NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2011

15 Funds

a) Allocation of charity funds

	Tangible fixed assets £	Investments £	Net current assets/(liabilities) £	Long term liabilities £	Total £
Endowed funds	-	26,945	18,164	-	45,109
Restricted funds	-	34,948	79,568	-	114,516
Unrestricted funds					
- designated funds	10,934,340	23,569	-	-	10,957,909
- general funds	4,513,326	-	(1,690,825)	(2,086,979)	735,522
Total	15,447,666	85,462	(1,593,093)	(2,086,979)	11,853,056

b) Endowed funds

	Balance at 1 September 2010 £	Incoming resources £	Resources expended £	Transfers & investment losses £	Balance at 31 August 2011 £
Endowed fund	40,360	1,313	(1,313)	4,749	45,109

Endowed funds consist of investments

Notional interest at 9.5% is charged to the School general fund balances not represented by specific investments

c) Restricted funds

	Balance at 1 September 2010 £	Incoming resources £	Resources expended £	Transfers & investment profits £	Balance at 31 August 2011 £
Blackwell Scholarship fund	89,549	1,704	-	(10,380)	80,873
Film and media fund	28,000	-	-	-	28,000
Multilingual communication fund	5,643	-	-	-	5,643
Total	123,192	1,704	-	(10,380)	114,516

The Blackwell Scholarship Fund was established in 1981, when Blackwell School, Windermere closed. The fund is specifically to provide scholarships for pupils wishing to attend the School - priority to be given to the Junior Department.

Resources expended represent applicable grants. Notional interest at 9.5% is charged to the School general funds on fund balances not represented by specific investments.

The film and media fund and the multilingual communication fund were set up to provide equipment and support for film and media studies, along with the development of the website to be multilingual.

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NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2011

15 Funds - continued

d) Unrestricted funds

	Balance at 1 September 2010 £	Incoming resources £	Resources expended £	Transfers & investment profits/(losses) £	Balance at 31 August 2011 £
Designated funds					
Surplus on revaluation	1,828,364	-	-	9,105,976	10,934,340
Mildred Hill Fund	20,794	1,149	(1,149)	2,775	23,569
Total designated funds	1,849,158	1,149	(1,149)	9,108,751	10,957,909
General Fund					
Profit and loss	628,668	5,424,587	(5,330,652)	12,919	735,522
Total unrestricted funds	2,477,826	5,425,736	(5,331,801)	9,121,670	11,693,431

The surplus on the revaluation reserve records the unrealised surpluses arising on the revaluation of land and property. No release from the revaluation reserve has taken place this year in respect of depreciation, because the assets have been revalued in the year.

Mildred Hill, a former senior teacher at St Anne's School, established a fund to allow the award of scholarships in recognition of all round ability and contribution to the School. The scholarships provide up to 20% of fees and are currently awarded in the 6th Form, at the discretion of the Governors and in consultation with the Head.

Notional interest at 9.5% is charged to the School general funds, scholarship bursaries and Mildred Hill on Fund balances not represented by specific investments.

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NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2011

16 Financial commitments

At 31 August 2011, the Company had annual commitments under non-cancellable operating leases as follows

	2011	Other	2010
	£		£
Leases which expire			
Less than one year	-		5,014
Between two and five years	6,414		3,669

17 Capital commitments

	2011	2009
	£	£
Contracted for but not provided in the financial statements	34,325	28,307

18 Share capital

The charity has no share capital being a company limited by guarantee. Each member is required to contribute an amount not exceeding £1 per member in the event of a winding up situation.

19 Pension costs

The School's employees belong to two principal pension schemes, the Department for Education & Skills Teachers' Pension Scheme for teaching staff and The Pensions Trust's Growth Plan for support staff. The total pension cost for the year was £251,203 (2010: £248,880).

The Teachers' Pension Scheme (TPS)

The Teachers' Pension Scheme is an unfunded defined benefit scheme. Contributions on a pay as you go basis are credited to the exchequer under arrangements governed by the Superannuation Act 1972.

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

Latest actuarial valuation	31 March 2004
Actuarial method	Prospective Benefits
Investment returns	6.5% per annum
Salary scale increases	5.0% per annum
Market value of assets at date of last valuation	£162,650 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	100%

Employer contributions to the scheme are 14.1%.

FRS 17

Under the definitions set out in Financial Reporting Standard 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 FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.

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**NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2011**

19 Pension costs - continued

The Pensions Trust's Growth Plan

The School participates in The Pensions Trust's Growth Plan (the Plan). The Plan is funded and is not contracted-out of the State scheme. It is a multi-employer pension plan. Contributions paid into the Plan up to and including September 2001 were converted to defined amounts of pension payable from Normal Retirement Date. From October 2001 onwards, contributions were invested in personal funds which have a capital guarantee and which convert to pension on retirement, either within the plan or by the purchase of an annuity.

The pensions costs is assessed every three years. The assumptions and other data regarding the valuation of the Plan are as follows:

Latest actuarial valuation	30 September 2008
Actuarial method	Projected Unit Method
Investment returns pre-retirement	7.6% per annum
Investment returns post-retirement	
Actives/deferreds	5.1% per annum
Pensioners	5.6% per annum
Salary scale increases	5.0% per annum
Market value of assets at date of last valuation	£742 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	96%

FRS 17

Under the definitions set out in Financial Reporting Standard 17 (Retirement Benefits), the Plan 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 FRS17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme.