

Co. House.

Charity Registered No. 526973
Company Registration No. 00914963

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL AND
WINDERMERE PREPARATORY SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013**

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

CONTENTS

	Page
Information	1
Governors' report	2 - 8
Independent auditors' report	9 - 10
Statement of financial activities	11
Statement of total recognised gains and losses	12
Balance sheet	13
Cash flow statement	14
Notes to the cash flow statement	15
Notes to the financial statements	16 - 29

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

**INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2013**

Governors

Mr P Redhead	Chairman	Resigned 16 November 2012
Dr C D Snaith	Deputy Chairman	
Mr A Bennett		Resigned 29 October 2012
Mr M Dwan	Chairman from 16 November 2012	
Mr S Howe MVO		
Mrs V Jowett		Resigned 26 August 2013
Mr K G Longney		
Mr R C W Parkinson		
Mr G Servante		
Mrs J Harris		
Miss D Done		Appointed 16 November 2012

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 and Senior Leadership Team

Head of Windermere School	Mr I Lavender
Head of Windermere Preparatory School	Mr B Freeman
School Business Manager, Clerk to the Governors and Company Secretary	Mr D P Coates

Company number 00914963
Charity number 526973

Principal and 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
Cheshire
WA3 3JD

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

**GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2013**

The members of the Windermere Educational Trust Limited's Governing Body present their Annual Report for the year ended 31 August 2013 under the Charities Act 2011 and the Companies Act 2006, together with the audited financial statements for the year.

REFERENCE AND ADMINISTRATIVE INFORMATION

Windermere Educational Trust Limited ("The Trust") was founded in 1863 in Lytham St Anne's. It is constituted as a Company Limited by Guarantee, registered in England, no. 00914963, and is also registered with the Charity Commission under Charity No. 526973. As such it is entitled to claim exemption from the charge to tax on income and capital gains.

The Trust operates one school under the trading names Windermere School and Windermere Preparatory School. In addition the Trust also operates under the trading names Windermere International Summer School and Ducklings.

Details of the members of the governing body, together with the Trust's officers and principal advisors, are given on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The Trust is governed by its Memorandum of Association and Articles of Association last amended on 9 November 2005.

Governing Body

The Governing Body is self-appointed with one third of its members required to retire by rotation at each AGM. The first appointed, or longest serving since last reappointment, are the first to retire. Members retiring by rotation can be re-elected.

New members of a Governing Body are elected on the basis of nominations of the Governors and the executive officers based on the candidates' professional qualities, experience, personal competence and local availability.

Recruitment and Training of Governors

New Governors are inducted into the workings of the Trust and its school, including Governing Body policy and procedures, at an induction workshop specially organised for them by the Heads and Business Manager. The new Governors also attend specialist external courses on the roles and responsibilities of charity trustees.

Members of the Governing Body attend external Trustee training and information courses designed to keep them informed and updated on current issues in the sector and regulatory requirements.

Organisational Management

The Members of the Governing Body, as the Charity Trustees, are legally responsible for the overall management and control of the Trust and its Senior and Preparatory Schools. They meet five times a year. The work of implementing their policies is carried out by three Committees:

The Finance and General Purposes Committee scrutinise revenue, the budget and capital expenditure. This Committee also supervise and finalise the audited financial statements and annual report for approval by the Governing Body. The Finance and General Purposes Committee is chaired by Mr G Servante (previously by Mr M Dwan until 16 November 2012).

The Risk Management Group monitors all strategic health and safety risks facing the Trust. This Group, chaired by Dr C Snaith, reports to the Governing Body at each board meeting.

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

The Nominations Committee, chaired by Mr K Longney, oversees the orderly succession for appointments to the Board.

The day to day running of the school is delegated to the respective Heads and Business Manager, supported by their Senior Management Teams. The Heads and the Business Manager attend all meetings of the Governing Body's Committees with the exception of the Nominations Committee.

Employment Policy

The Trust actively supports the attainment of the highest standards of education through rigorous and continuous evaluation of quality and performance, the application of best practise and a wide spread desire to improve standards. We cooperate with local charities and educational bodies in our on-going endeavours to widen public access to the schooling we provide, to optimise the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive at the School.

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial and economic performance of the School.

Risk Management

The Governors have given consideration to the major risks to which the Trust is exposed. The Governing Body has ultimate responsibility for managing any risks faced by the Trust. Detailed consideration of risks is delegated to the Risk Management Group. The structure of the Group comprises two members of the Governing Body, assisted by the School's Senior Leadership Team.

The risk management process identifies risks and, where necessary, recommends controls to mitigate and monitor those risks that are assessed as high. The generic controls used by the Trust to minimise risks include:

- Detailed terms of reference together with formal agendas for Risk Management Group and Board activity;
- Formal strategic development planning, reviewed termly and assisted by the Finance and General Purposes Committee;
- Comprehensive budgeting and management accounting;
- Established organisational structures and lines of reporting;
- Formal written policies including clear authorisation and approval levels;
- Vetting procedures as required by law for the protection of children.

The Governing Body considers the economic turbulence and the recession to be the most significant risk and of cause for concern.

A number of families with children at the School have been affected by the recession and controls have been put in place to mitigate this risk.

Notwithstanding the economic situation the Trust has experienced year on year increases in pupil numbers within its Schools and the boarding houses are currently operating at full or very nearly full capacity.

The Governing Body, therefore, decided last year to increase all fees by just 1.5% per term for years 3 to 13 with the exception of the International fee which was frozen for the third term.

The Trust increased pay scales for 2012/13 by 1% on 1 January 2013 and a further 1% on 1 May 2013 for all staff.

For September 2013 the Governing Body has continued to hold UK pupil fees to just a 1.5% increase per term whilst the International fee remains frozen. Salaries for all staff were increased by 1% on 1 September 2013.

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

Health and safety is always a significant area for Risk Management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). The level and breadth of activity at the Trust Schools is impressive and the risks associated with all activities are minimised by thorough planning and risk assessments.

The Governing Body is satisfied that for all major risks identified appropriate controls have been put in place and maintained to mitigate those risks adequately. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Trust's objects, as set out in the Memorandum of Association, are the advancement of education by providing general instruction of the highest class, together with physical, moral and religious training in the School's management by the Trust.

In furtherance of these Objects and for the public benefit, the Trust has established and administered bursaries, scholarships, awards and other benefactions, and acts as the Trustee and Manager of endowments, bequests and gifts given or established in pursuance of these Objects.

The Board is mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this regard the Board has monitored closely the supplemental guidance produced by the Charity Commission, in particular its public benefit guidance on advancement of education and on fee-charging.

Vision

To be the best small school in Britain.

Mission Statement

The Trust's mission is to produce confident and compassionate people, to encourage individual success for community good, through teaching excellence, supportive pastoral care and experience of the Schools' environment.

The Trust's 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. This ethos is embedded within the School creating a culture that challenges pupils to excel.

Intended Impact

Within its charitable Objects, the Trust's intention is to provide a first-class education through strong academic tuition and by developing broader skills that enables every pupil to realise his or her potential to the full. This involves emphasis on the co-curriculum through cerebral, sporting, artistic, team-building and social skills. This policy builds self-confidence and life skills in our pupils and inculcates a desire to learn and a willingness to contribute to the wider community whilst at school and in later life.

Aims

The Trust's aims for the public benefit are:

- 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; and
- 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.

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

Primary Objectives

To achieve these aims the primary objectives of the Trust are:

- To provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- To provide a happy and secure pastoral environment in which pupils can learn to live together and thus foster a sense of community, co-education, respect for one another, and good citizenship;
- To provide pupils with the opportunity to take advantage of a breadth of co-curricular activities in order to develop positively all aspects of their character;
- To provide pupils with the opportunity to take decisions based on their own judgement and to communicate those decisions appropriately and effectively;
- To provide financial support to enable children whose parents are unable to afford the full fees to benefit from the Schools' education;
- To provide a clear, simple and effective management structure capable of taking timely decisions and allocating necessary resources appropriately; and
- To provide the necessary administrative and logistic framework to meet the needs of members of staff and pupils alike.

Strategies to Achieve the Primary Objectives

The Governing Body has focused on the development and refurbishment of the Teaching and Learning facilities within the school. At the senior school significant refurbishment works have taken place in the classrooms and in particular within the Languages, Humanities, P.E. and Learning Support departments.

A new build Maths block is due to be completed in October 2013 adding 2 new maths classrooms and a departmental office.

During the year Crampton Hall was fully refurbished and is now a first class lecture hall and auditorium equipped with 3D technology to offer a truly inspirational educational experience.

Refurbishment continued at the Preparatory school with the Year 5 classroom being refurbished. In addition the entire basement has been overhauled to improve the changing room facilities for pupils.

Over the last 12 months significant investment has been made in the I.T. infrastructure across both sites with the renewal of all network servers, wireless systems and switch gear. In addition, work has commenced to upgrade all classroom projectors to interactive projectors which will further enhance the learning experience.

A Service programme, which commenced in September 2011 with Year 11 pupils, was extended during the year to include Year 10 pupils. Pupils are engaged in a variety of activities for one afternoon per fortnight for the benefit of the local community. Examples of activities undertaken include repairing footpaths on the fells, conservation work in the grounds of a local visitors' centre and visits to the residents of a local care home.

Principal Activity

The Trust's principal activity, as specified in the Memorandum of Association, is the advancement of education and, in this, the School has, once again, had a successful year. The Preparatory School averaged 137 pupils (2012: 132) and the Senior School 273 pupils (2012: 262).

Public Benefit

Windermere Educational Trust Limited remains committed to the aim of providing public benefit in accordance with its founding principles. Charity law has recently introduced a requirement to demonstrate that public benefit for charitable purposes where it has hitherto been presumed in the absence of evidence to the contrary. This in turn calls for more detailed disclosures concerning our aims.

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

The awarding of bursaries for the needy is a measurable means of providing public benefit. The Board takes the view that bursaries awarded to those who would not otherwise be able to afford the fees are important, but not to the exclusion of the much wider benefit that the Trust provides within the community. Those pupils who attend our School and who receive financial support contribute to the School community in a variety of ways, and so the benefit is not purely to these pupils but to the Trust and, in some cases, to the wider community. This year the Trust awarded bursaries, scholarships and other awards totalling £1.2m (2012: £1.2m). Within this, means-tested awards based on a sliding scale according to financial circumstances totalling £516k were awarded to 52 pupils, including 3 for full fees (2012: 46 bursaries totalling £495k).

In addition to bursaries, the Trust has engaged in many other activities that provide benefit to the public within the Trust's objectives. It is difficult to measure accurately the financial cost of this public benefit. The benefit provided by bursaries and other activities can then be considered alongside the benefit of educating the 330 UK pupils which, in itself, has saved the exchequer some £1.64m¹.

The Trust is an important part of the local community with, in 2012-13, some 143 full and part-time employees and visiting teachers – making it one of the largest employers in the district. By far the largest proportion of the Trust's 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.

Other examples of charitable activity include:

Windermere Preparatory School

- Community litter picks
- Mothers and toddler sessions offered weekly at a nominal charge
- Sponsored "Big Toddle" raising funds for Barnados
- Fundraising for Children in Need, Comic Relief and Mountain Rescue
- Easter gifts delivered to residents at a local nursing home
- The Preparatory School hosts the Young Spring Venture for one week each summer. This is a charity that promotes classical music tuition and development
- Pupils of both Schools participate in the local "Fix the Fells" scheme which is run by the Friends of the Lake District
- A cross country event is held for local primary schools
- Shoe Box appeal for overseas disadvantaged children
- The Pre-Preparatory choir sing Christmas carols at a local nursing home
- "Chemical Magic" show, a science extravaganza, for local junior schools (hosted at the senior school)

Windermere School

- Young carers, a free respite residential holiday for young teenagers who care for a relative, run by School staff and students
- Fundraising for Children in Need, Comic Relief, Cancer UK and Help for Heroes
- Tiger Kloof Project. A range of fundraising activities are held each year in support of this project

The following make use of the School's facilities at no charge:

- Rock School utilise the music rooms and instruments for examinations
- Cumbria Baroque Choir rehearse at the School
- Cumbria Schools Lawn Tennis Association held their AGM at the School
- Community Choir, made up of individuals from the local community rehearse in Crampton Hall, led by the School's Head of Music
- Sporting facilities available for County Association fixtures

ACHIEVEMENTS AND PERFORMANCE

The Senior School's consistently excellent performance in public examinations was maintained again this year with 90% (2012: 84%) of pupils obtaining 5 or more A* - C grade GCSEs and 39% (2012: 38%) of grades were either A* or A.

¹ £4,207 per primary pupil and £5,502 per secondary pupil, using Department for Education 2011-12 figures

WINDERMERE EDUCATIONAL TRUST LIMITED

T/A WINDERMERE SCHOOL AND WINDERMERE PREPARATORY SCHOOL

With regards to the International Baccalaureate, the Senior School pupils, once again, achieved some very high results. The average result was 33 (2012: 33) out of a possible 45.

The School retains its place amongst the top schools in the country for academic performance which, combined with the added breadth of the educational experience, enables pupils to reach their full potential. A significant number of pupils from the Senior School moved into their first choice University place. At the Preparatory School every final year pupil moved to their first choice senior school.

Attaining excellent academic achievement did not prejudice sporting and cultural activities this year. The School has a policy of sport for all and as a result many teams represented the School in a plethora of sports. There have again been notable successes this year at a variety of levels. The Senior School played 237 cricket, hockey, football, tennis, basketball, table tennis, and netball matches with success in approximately 50% of these.

Several students continue to represent the School at County level in a number of disciplines.

The Trust's commitment to maintaining excellence in the School's facilities has been reinforced by the capital programme. Capital expenditure during the year amounted to £721k. The extensive range of capital projects in recent years has included major refurbishment of several classrooms across both Schools, Crampton Hall and the changing rooms at the Preparatory School.

FINANCIAL REVIEW

Results for the year

The net incoming resources for the year amounted to £5,903k (2012: £5,419k). The net surplus for the year was £122k (2012: deficit of £123k) as shown in the Statement of Financial Activities.

Reserves Policy

The Trust's free reserves at the year-end amounted to £679k (2012: £591k) representing retained unrestricted income reserves against a policy level of £800k to provide cover for at least two months' operating costs, in line with normal practice elsewhere in the Independent Schools sector. 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 by the Trust for use by the Schools although there are some properties that could be divested should the need arise. Note 1.5 describes the Trust's accounting policy in relation to fixed assets.

FUTURE PLANS

The core elements of the Trust's Development Plan are:

- To continue to ensure the campuses offer a safe and attractive environment for pupils, staff and visitors;
- To provide a happy and secure pastoral environment, suitable for both day and boarding pupils, in which all pupils are offered opportunities for leadership and service to others;
- To provide a stimulating learning environment in which pupils can develop their academic potential to the full;
- To offer all pupils the opportunities of experiencing a broad range of intellectual, cultural, sporting and wider-community influences;
- To increase the capability of the Trust to offer education to children whose parents are unable to afford full fees;
- To provide an enjoyable and appropriately challenging environment within which members of staff may develop their careers;
- To ensure that the Trust plays a significant part in the life of the local community, sharing facilities and seeking local partnerships wherever possible.

These aims underpin development plans which have been developed for each of the areas and so the Trust continues to enhance its ability to provide a first-class education to its pupils.

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

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Governing Body is responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governing Body to prepare financial statements for each financial year. Under that law the Governing Body has 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 Governing Body 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 charitable company and of the surplus or deficit of the charitable company for that period. In preparing these financial statements, the Governing body is required to:

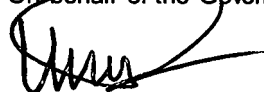
- Select suitable accounting policies and apply them consistently;
- Make judgements and accounting estimates that are reasonable and prudent;
- State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governing Body is responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO THE AUDITORS

So far as each of the Directors, as members of the Governing Body, is aware there is no relevant audit information of which the Company's auditors are unaware. Additionally each member of the Governing Body has taken all the necessary steps that he or she ought to have taken as a member of the Governing Body in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditors are aware of that information.

On behalf of the Governing Body:



Mr M Dwan
Chairman of Governing Body
11 December 2013

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

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WINDERMERE EDUCATIONAL TRUST LIMITED
FOR THE YEAR ENDED 31 AUGUST 2013**

We have audited the financial statements of Windermere Educational Trust Limited for the year ended 31 August 2013 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 11 to 29. 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 Statement of Trustees' Responsibilities set out on page 8 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 2013, and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the 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 AUDITORS' REPORT TO THE MEMBERS OF WINDERMERE EDUCATIONAL TRUST
LIMITED - Continued
FOR THE YEAR ENDED 31 AUGUST 2013**

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**

31 March 2014
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**Chartered Accountants
Registered Auditor**

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 INCLUDING INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	Unrestricted funds		Restricted funds		2013	2012
		General	Designated funds	Restricted funds	Endowed funds	£	£
		£	£	£	£		
INCOMING RESOURCES							
Income from charitable activities:							
Fees receivable	2	5,807,653	-	-	-	5,807,653	5,203,758
Sundry and other income		124,955	-	-	-	124,955	59,593
Incoming resources from generated funds:							
Summer School		255,840	-	-	-	255,840	263,782
Rents and letting of premises		10,468	-	-	-	10,468	20,830
Bank and other interest		428	-	-	-	428	1,938
Investment income		-	427	632	488	1,547	4,299
Donations	3	30,092	-	27,539	-	57,631	199,190
Other incoming resources		14,108	615	912	702	16,337	1,297
Total incoming resources		6,243,544	1,042	29,083	1,190	6,274,859	5,754,687
RESOURCES EXPENDED							
Cost of generating funds:							
Finance costs	6	178,193	-	-	-	178,193	160,106
Associated Summer School costs		193,723	-	-	-	193,723	175,132
		371,916	-	-	-	371,916	335,238
Net incoming resources available for charitable application		5,871,628	1,042	29,083	1,190	5,902,943	5,419,449
Charitable activities:							
Academic costs - recurring		3,014,165	-	-	-	3,014,165	2,817,822
Academic costs - exceptional		-	-	-	-	-	44,666
Welfare costs		812,844	-	-	-	812,844	772,950
Property costs - recurring		1,023,856	-	3,574	-	1,027,430	880,224
Property costs - exceptional		-	-	-	-	-	25,432
Grants, awards and prizes		-	427	-	488	915	2,541
Management and administration costs - recurring		578,468	-	-	-	578,468	754,656
Management and administration costs - exceptional		-	-	-	-	-	18,600
Other expenses		35,208	-	-	-	35,208	80,872
Marketing costs - recurring		285,095	-	-	-	285,095	120,396
Marketing costs - exceptional		17,500	-	-	-	17,500	-
Total charitable expenditure		5,767,136	427	3,574	488	5,771,625	5,518,159
Governance costs		9,435	-	-	-	9,435	20,658
Total resources expended	7	6,148,487	427	3,574	488	6,152,976	5,874,055
Net incoming/(outgoing) resources before transfers		95,057	615	25,509	702	121,883	(119,368)
Transfers between funds		(6,845)	-	2,423	4,422	-	-
Net incoming/(outgoing) resources	8	88,212	615	27,932	5,124	121,883	(119,368)
Unrealised losses on investment assets		-	-	-	-	-	(3,150)
Net movement in funds		88,212	615	27,932	5,124	121,883	(122,518)
Fund balances brought forward	15	591,022	10,957,040	136,634	45,842	11,730,538	11,853,056
Fund balances carried forward	15	679,234	10,957,655	164,566	50,966	11,852,421	11,730,538

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 2013

	2013 £	2012 £
Net incoming/(outgoing) resources for the year	121,883	(119,368)
	<hr/>	<hr/>
Surplus/(deficit) for the financial year for Companies Act 2006 purposes	121,883	(119,368)
Unrealised losses on investment assets	-	(3,150)
	<hr/>	<hr/>
Total recognised gains and losses relating to the year	121,883	(122,518)
	<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

BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	2013 £	2012 £
Fixed assets			
Tangible assets	9	16,487,359	15,967,426
Investments	10	-	82,312
		<u>16,487,359</u>	<u>16,049,738</u>
Current assets			
Stock		4,550	5,400
Debtors	11	326,659	271,896
Cash at bank and in hand		2,386	45,045
		<u>333,595</u>	<u>322,341</u>
Creditors: amounts falling due within one year	12	(2,835,857)	(2,435,439)
Net current liabilities		<u>(2,502,262)</u>	<u>(2,113,098)</u>
Total assets less current liabilities		13,985,097	13,936,640
Creditors: amounts falling due after more than one year	13	(2,132,676)	(2,206,102)
Total net assets		<u>11,852,421</u>	<u>11,730,538</u>
Endowed funds	15(b)	50,966	45,842
Restricted funds	15(c)	164,566	136,634
Unrestricted funds	15(d)	11,636,889	11,548,062
Total funds		<u>11,852,421</u>	<u>11,730,538</u>

Approved by the Governors and authorised for issue on 11 December 2013



Mr M Dwan
Chairman



Mr G Servante
Governor

Company number 00914963

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

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

	Note	2013 £	2012 £
Net cash inflow from operating activities	1	700,587	587,558
Returns from investments and servicing of finance			
Dividends received		1,547	4,299
Interest received		428	1,938
Interest paid		(178,193)	(160,106)
		(176,218)	(153,869)
Capital expenditure			
Payments for tangible fixed assets		(721,130)	(506,584)
Receipts from sale of tangible fixed assets		28,738	2,349
Receipts from sale of investments		84,541	-
		(607,851)	(504,235)
Net cash outflow before financing		(83,482)	(70,546)
Financing			
Fees in advance scheme		(166,320)	343,758
Capital element of hire purchase contracts		(23,232)	(24,374)
Repayment of long term bank loans		(70,370)	(67,496)
Net cash (outflow)/inflow from financing		(259,922)	251,888
(Decrease) / increase in cash	2	(343,404)	181,342

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

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2013

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

	2013	2012
	£	£
Net incoming/(outgoing) resources	121,883	(119,368)
Dividends received	(1,547)	(4,299)
Interest received	(428)	(1,938)
Interest paid	178,193	160,106
Depreciation	186,623	192,190
Profit on sale of fixed assets	(16,393)	(1,297)
Decrease in stock	850	6,559
(Increase)/decrease in debtors	(54,763)	27,259
Increase in creditors	286,169	497,929
Fixed asset donations	-	(169,583)
	<u>700,587</u>	<u>587,558</u>
Net cash inflow from operating activities	<u>700,587</u>	<u>587,558</u>

2 Analysis of net debt

	Opening	Cash flow	Other non - cash charges	Closing
	£	£	£	£
Cash	45,045	(42,659)	-	2,386
Bank overdraft	-	(300,745)	-	(300,745)
	<u>45,045</u>	<u>(343,404)</u>	<u>-</u>	<u>(298,359)</u>
Debt:				
Finance leases	(45,437)	23,232	-	(22,205)
Fees in advance fee scheme	(1,792,704)	166,320	-	(1,626,384)
Debts falling due within one year	(58,830)	-	1,197	(57,633)
Debts falling due greater than one year	(1,301,282)	70,370	(1,197)	(1,232,109)
	<u>(3,198,253)</u>	<u>259,922</u>	<u>-</u>	<u>(2,938,331)</u>
Net debt	<u>(3,153,208)</u>	<u>(83,482)</u>	<u>-</u>	<u>(3,236,690)</u>

3 Reconciliation of net cash flow to movement in net debt

	2013	2012
	£	£
(Decrease)/increase in cash	(343,404)	181,342
Cash outflow/(inflow) from fees in advance scheme and lease financing	189,552	(319,384)
New finance leases	-	(36,835)
Cash outflow from bank loan	70,370	67,496
	<u>(83,482)</u>	<u>(107,381)</u>
Movement in net debt	(83,482)	(107,381)
Net debt at 31 August 2012	(3,153,208)	(3,045,827)
	<u>(3,236,690)</u>	<u>(3,153,208)</u>
Net debt at 31 August 2013	<u>(3,236,690)</u>	<u>(3,153,208)</u>

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2013

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 revised by the Governors to a market value at 31 August 2013.

1.2 Going concern

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 Statement of Financial Activities 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 Statement of Financial Activities 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 then 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 2013**

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 and physical moral and religious 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.

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

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2013

2	Fees	2013	2012
		£	£
	Gross fees	7,025,614	6,362,192
	Scholarships	(185,949)	(233,240)
	Bursaries	(516,403)	(495,111)
	Staff allowances	(303,876)	(247,854)
	Sibling/Service allowance	(211,733)	(182,229)
	Net fees	5,807,653	5,203,758
3	Donations	2013	2012
		£	£
	Donated assets	-	169,583
	Other donations received	57,631	29,607
		57,631	199,190
4	Staff costs	2013	2012
		£	£
	Salaries	3,329,175	3,307,992
	Social security costs	257,973	257,027
	Pension costs	298,909	289,434
		3,886,057	3,854,453
	The average number of employees during the year was as follows:	2013	2012
	Teaching staff	73	79
	Welfare staff	29	32
	Maintenance and gardens	11	11
	Administrative staff	14	15
		127	137

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

£80,001 - £90,000

1

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

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

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2013

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 2013, Mr M Dwan, a Governor of the school, had a balance with the school under the fees in advance scheme amounting to £180,088 (2012: £180,088). Discounts have been given from this scheme in the year totalling £8,860 (2012: £8,417). At 31 August 2013 the school owed £nil (2012: £10,014) to Mr M Dwan in relation to equipment paid for on behalf of the school.

As at 31 August 2013, Mr G Servante, a Governor of the school, also had a balance with the school under the fees in advance scheme amounting to £nil (2012: £30,506). Discounts have been given from this scheme in the year totalling £1,042 (2012: £1,164).

During the year the school received charitable donations from Helping Hands Trust Limited amounting to £12,900 (2012: £6,311). Mr M Dwan, a Governor of the school is a Trustee of this charity.

During the year the school incurred costs of £nil (2012: £24,320) from North Consulting Limited. Mr M Dwan, a Governor of the school is a director of the company.

During the previous year Rusland Hall Estates and North & Partners provided services and materials towards the redevelopments of the school premises. These costs, included within fixed asset and property costs, totalled £nil (2012: £185,528). The market value of these goods and services as concluded by an independent valuation obtained from Walker Technical Project Services Limited amounted to £nil (2012: £355,111). The difference between market value and actual amount paid being £nil (2012: £169,583) has been shown in the accounts as a charitable donation. These are entities in which Mr M Dwan has an interest.

During the year Green2Go Limited, a company in which Mr M Dwan is a director provided services to the school totalling £7,948 (2012: £32,359). At the year end there was a balance owing to Green 2 Go Limited of £nil (2012: £649).

During the year the school incurred costs of £nil (2012: £972) from Acom Coaching and Development Limited. Mr K G Longney, a governor of the school is a director of the company.

During the year the school incurred costs of £24,424 (2012: £58,548) from Cassidy & Ashton Group Limited. Mrs J Harris, a governor of the school is related to a director of Cassidy & Ashton Group Limited.

During the year the school incurred costs of £6,204 (2012: £3,359) from Windermere Wine Stores Limited. Mrs J Harris, a governor of the school is a director of the company.

6 Finance costs

	2013	2012
	£	£
Loan interest	79,717	81,742
Hire purchase interest	4,339	2,947
Interest on bank overdraft	6,715	6,909
Discounts on fees in advance scheme	87,422	68,508
	<hr/>	<hr/>
	178,193	160,106
	<hr/>	<hr/>

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

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2013

7 Analysis of total resources expended

	Staff costs	Other	Depreciation	2013	2012
	£	£	£	Total	Total
				£	£
Cost of generating funds					
Finance costs	-	178,193	-	178,193	160,106
Associated summer school cost	115,284	78,439	-	193,723	175,132
Charitable activities					
Academic costs - recurring	2,663,837	350,328	-	3,014,165	2,817,822
Academic costs – exceptional	-	-	-	-	44,666
Welfare costs	498,612	314,232	-	812,844	772,950
Property costs - recurring	196,918	643,889	186,623	1,027,430	880,224
Property costs – exceptional	-	-	-	-	25,432
Grants, awards and prizes	-	915	-	915	2,541
Management and administration costs - recurring	271,562	306,906	-	578,468	754,656
Management and administration costs – exceptional	-	-	-	-	18,600
Other expenses	-	35,208	-	35,208	80,872
Marketing costs - recurring	122,344	162,751	-	285,095	120,396
Marketing costs - exceptional	17,500	-	-	17,500	-
Governance costs	-	9,435	-	9,435	20,658
Total resources expended	3,886,057	2,080,296	186,623	6,152,976	5,874,055

8 Net incoming/(outgoing) resources

These are stated after charging/(crediting):

	2013	2012
	£	£
Operating lease rentals for equipment	26,594	7,720
Depreciation of tangible fixed assets	186,623	192,190
Exceptional costs in the year	17,500	88,698
Fees payable to the Company's auditor for the audit of the Company's accounts	6,950	6,950
Dividends received	(1,547)	(4,299)
Rental income	(10,468)	(20,830)
Profit on disposal of fixed assets and investments	(16,393)	(1,297)

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

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2013

9 Tangible fixed assets

	Freehold land and buildings £	Fixtures & fittings, equipment & motor vehicles £	Total £
At cost or valuation			
At 1 September 2012	15,158,910	2,503,161	17,662,071
Additions	416,245	304,885	721,130
Disposals	-	(57,980)	(57,980)
At 31 August 2013	15,575,155	2,750,066	18,325,221
Depreciation			
At 1 September 2012	-	1,694,645	1,694,645
Provided for in year	-	186,623	186,623
Eliminated on disposal	-	(43,406)	(43,406)
At 31 August 2013	-	1,837,862	1,837,862
Net book value:			
At 31 August 2013	15,575,155	912,204	16,487,359
At 31 August 2012	15,158,910	808,516	15,967,426

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

	£
Cost	
At 1 September 2012	5,156,876
Additions	416,245
At 31 August 2013	5,573,121
Depreciation based on cost	
At 1 September 2012 and at 31 August 2013	540,256
Net book value:	
At 31 August 2013	5,032,865
At 31 August 2012	4,616,620

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

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2013

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 (2012: £1,755,500) 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 2013 of £30,058 (2012: £54,570). Depreciation charged on these assets in the year was £8,019 (2012: £14,997).

10 Investments

Equities investment fund for charities income units:

	Balance at 1 September 2012 £	Disposals £	Balance at 31 August 2013 £
Endowed funds	25,952	(25,952)	-
Restricted funds	33,660	(33,660)	-
Unrestricted funds	22,700	(22,700)	-
	<u>82,312</u>	<u>(82,312)</u>	<u>-</u>

11 Debtors

	2013 £	2012 £
Fee debtors	226,629	193,733
Other debtors and prepayments	100,030	78,163
	<u>326,659</u>	<u>271,896</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 2013

12 Creditors: amount falling due within one year

	2013	2012
	£	£
Bank overdraft	300,745	-
Mortgage loan (note 14)	29,300	24,478
Bank loans (note 14)	28,333	34,352
Net obligations under hire purchase contracts (note 14)	12,243	17,658
Trade creditors	364,878	194,757
Fees received in advance	975,425	933,962
Other creditors including taxation and social security	-	19,079
Fees in advance scheme	1,012,176	1,115,685
Acceptance deposits	39,330	42,901
Accruals	73,427	52,567
	<u>2,835,857</u>	<u>2,435,439</u>
Debt due in one year or less	<u>370,621</u>	<u>76,488</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

	2013	2012
	£	£
Mortgage loan (note 14)	1,139,832	1,179,818
Bank loans (note 14)	92,277	121,464
Net obligations under hire purchase contracts (note 14)	9,962	27,779
Acceptance deposits	276,397	200,022
Fees in advance scheme	614,208	677,019
	<u>2,132,676</u>	<u>2,206,102</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 2013

14 Loans analysis and net obligations under hire purchase contracts

	2013	2012
	£	£
a) Loans		
Analysis of loans		
Not wholly repayable within five years by instalments:		
Mortgage	1,169,132	1,204,296
Bank loan	106,610	121,208
Wholly repayable within five years:		
Bank loan	14,000	34,608
	<u>1,289,742</u>	<u>1,360,112</u>
Included within current liabilities	(57,633)	(58,830)
	<u>1,232,109</u>	<u>1,301,282</u>
Instalments not due within five years	<u>1,009,356</u>	<u>1,080,366</u>
Maturity analysis		
In one year or less	57,633	58,830
In more than one year but no more than two years	48,453	57,649
In more than two years but no more than five years	174,300	163,267
In more than five years	<u>1,009,356</u>	<u>1,080,366</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 are 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	12,243	17,658
Repayable between one and five years	9,962	27,779
	<u>22,205</u>	<u>45,437</u>
Included in liabilities falling due within one year	(12,243)	(17,658)
	<u>9,962</u>	<u>27,779</u>

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

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

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2013

15 Funds

a) Allocation of charity funds

	Tangible fixed assets £	Net current assets/(liabilities) £	Long term liabilities £	Total £
Endowed funds	-	50,966	-	50,966
Restricted funds	36,680	127,886	-	164,566
Unrestricted funds				
- designated funds	10,934,340	23,315	-	10,957,655
- general funds	5,516,339	(2,704,429)	(2,132,676)	679,234
Total	16,487,359	(2,502,262)	(2,132,676)	11,852,421

b) Endowed funds

	Balance at 1 September 2012 £	Incoming resources £	Resources expended £	Transfers & investment losses £	Balance at 31 August 2013 £
Endowed fund	45,842	1,190	(488)	4,422	50,966

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 2012 £	Incoming resources £	Resources expended £	Transfers & investment profits £	Balance at 31 August 2013 £
Blackwell Scholarship fund	90,276	1,544	-	2,423	94,243
Film and media fund	28,000	-	-	-	28,000
Multilingual communication fund	5,643	-	-	-	5,643
Crampton Hall development fund	12,715	27,539	(3,574)	-	36,680
Total	136,634	29,083	(3,574)	2,423	164,566

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.

The Crampton Hall Development Fund has been set up to raise funds for the restoration and preservation of Crampton Hall.

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

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2013

15 Funds - continued

d) Unrestricted funds

	Balance at 1 September 2012 £	Incoming resources £	Resources expended £	Transfers & investment profits/(losses) £	Balance at 31 August 2013 £
Designated funds:					
Surplus on revaluation	10,934,340	-	-	-	10,934,340
Mildred Hill Fund	22,700	1,042	(427)	-	23,315
Total designated funds	10,957,040	1,042	(427)	-	10,957,655
General Fund					
Profit and loss	591,022	6,243,544	(6,148,487)	(6,845)	679,234
Total unrestricted funds	11,548,062	6,244,586	(6,148,914)	(6,845)	11,636,889

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, as the school no longer depreciates land and buildings.

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.

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

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2013

16 Financial commitments

At 31 August 2013, the Company had annual commitments under non-cancellable operating leases as follows:

	2013	Other	2012
	£		£
Leases which expire:			
Less than one year	-		354
Between two and five years	291,150		7,372
	<u>291,150</u>		<u>7,372</u>

17 Capital commitments

	2013	2012
	£	£
Contracted for but not provided in the financial statements	184,000	120,000
	<u>184,000</u>	<u>120,000</u>

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 £298,909 (2012: £289,434).

The Teachers' Pension Scheme (TPS)

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010). These regulations apply to teachers in schools that are maintained by local authorities and other educational establishments, including academies, in England and Wales. In addition teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and are paid by public funds provided by Parliament. 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 under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation 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 that real rate of return.

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

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2013

19. Teachers' Pension Scheme Changes (continued)

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.

The last valuation of the TPS related to the period 1 April 2001 to 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.

Actuarial scheme valuations are dependent on assumptions about the value of future costs, the design of benefits and many other factors. Many of these assumptions are being considered as part of the work on the reformed TPS, as set out below. Scheme valuations therefore remain suspended. The Public Service Pensions Bill, which is being debated in the House of Commons, provides for future scheme valuations to be conducted in accordance with Treasury directions. The timing for the next valuation has still to be determined, but it is likely to be before the reformed schemes are introduced in 2015.

Lord Hutton published his final report in March 2011 and made recommendations 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 and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on 9 March 2012 and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

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. Importantly, 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 just 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 were to be phased in from April 2012 on a 40:80:100% basis.

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

**NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2013**

19 Pension costs - continued

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The academy is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the academy 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.

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

Latest actuarial valuation	30 September 2011
Actuarial method	Projected Unit Method
Investment returns pre-retirement	4.9% per annum
Investment returns post-retirement:	
Actives/deferreds	4.2% per annum
Pensioners	4.2% per annum
Salary scale increases	2.9% per annum
Market value of assets at date of last valuation	£790 million
Proportion of members' accrued benefits covered by the actuarial value of the assets	84%

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.