

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

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2016

WEDNESDAY



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

CONTENTS

	Page
Information	1
Governors' report (including the Strategic Report)	2 - 8
Independent auditor's report	9 - 10
Statements of financial activities	11 - 12
Balance sheet	13
Cash flow statement	14
Notes to the financial statements	15 - 26

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

**INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2016**

Governors

M Dwan	Chairman
S Howe MVO	(Resigned 20 January 2017)
R C W Parkinson	(Resigned 20 January 2017)
J Harris	
D Done	(Resigned 17 May 2016)
J Dearden	
C Burrow	(Appointed 18 November 2016)
M Rothwell	(Appointed 18 November 2016)

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).

Senior Leadership Team

Head Master	I Lavender
Deputy Head (Pastoral)	J Parry
Head of Elleray Campus	R Thomas
Deputy Head (Academic)	E Vermeulen
Director of Student Pathways and Careers	J King
School Business Manager	S Ross
Deputy Head (Academic) – resigned 31 August 2016	S King
Head of Admissions – resigned 30 June 2016	J Scott
Operations Manager	R Hennah

Company Secretary

J Dearden

Company number 00914963
Charity number 526973

Principal and Registered Office

Browhead
Patterdale Road
Windermere
Cumbria
LA23 1NW

Bankers

HSBC Bank plc
15 Crescent Road
Windermere
Cumbria
LA23 1EF

Independent Auditor

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

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

**GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2016**

The members of the Windermere Educational Trust Limited's Governing Body present their Annual Report (including the Strategic Report), which also contains the requirements of a directors' report under the Companies Act 2006, for the year ended 31 August 2016 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 and Wales, no. 00914963, and is registered with the Charities Commission under Charity No. 526973.

The Trust operates on two sites known as Windermere School, for those in Year 7 and above, and the Ellera Campus, for pupils in Pre-School to Year 6 and below. The Trust also operates under the trading name Windermere International Summer School.

There is one Governing Body. 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 20 January 2017.

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. Governors 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, including Governing Body policy and procedures, at a series of induction meetings specially organised for them by the Head, the Clerk and other Governors. Governors carry out an annual skills audit and undertake to procure additional support or training to ensure the appropriate skills remain available to assist the School in meeting its strategic and operational objectives.

Organisational Structure

The Members of the Governing Body, as the Charity Trustees, are legally responsible for the overall management and control of the Trust. They meet between four and six 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, capital expenditure and monitor financial risk. 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 J Dearden and reports to the Governing Body at each board meeting.

The Risk Management Group monitors all strategic risks, other than financial risks, facing the Trust. This Group is chaired by Mr S Howe and reports to the Governing Body at each board meeting.

The Nominations Committee, chaired by Mr RCW Parkinson oversees the orderly succession for appointments to the Board and senior management.

**GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2016**

Each Chair of each committee co-opts members of the Governing body and any additional external expertise they deem appropriate for matters under consideration by each committee.

The day to day running of the school is delegated to the Headmaster supported by the Senior Management Team and Senior Leadership Team. The Headmaster attends 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 practice and a 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.

Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to appraise staff of current issues.

Trust Management

The Governors give 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 appropriate subcommittee. The structure of these committees comprises appropriate membership from the Governing Body, assisted by the Schools' Senior Management and Leadership Teams and any external expertise that may be required from time to time.

The Trust management process and the resulting reports identifies risks, assesses their impact and likelihood 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:

- Terms of reference for each committee and Trust Board activity;
- 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 Trust has experienced consistent demand for places within its Schools in the last two years with the boarding houses operating at full or very nearly full capacity.

The Governing Body, therefore, decided for the Academic Year 2015/16 to increase all fees by just 0.4% per term for all years.

The Trust increased pay scales for 2015/16 by 1% on 1 September 2015 for all staff.

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.

**GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2016**

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 and moral guidance in the Schools' 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.

Despite a continuing difficult economic climate the Trust has again exceeded £1m of support provided by way of bursary, discount or financial support.

Vision

To be the best small school in Britain.

Mission Statement

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

Our vision and mission are shaped by our determination to encourage self-knowledge, articulated by our school motto: Vincit qui se vincit – One conquers who conquers oneself. Today that means: overcome yourself and you will achieve.

The School challenges students to excel, to have sufficient self-reliance to know that determination can overcome adversity, and to be of value to society.

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 schools' 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.

**GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2016**

Strategies to Achieve the Aims

In the Windermere School Strategic Paper 2014-2020, the concept of Individual Pathways was first articulated and the long term aim was to increase educational opportunities for the wide range of students admitted to the school. Whilst recognising that the IB Diploma programme is an outstanding course, it is not the right course for everyone and the strategy was to develop pathways for all students. To assist with the creation and development of this programme the position for a Director of Student Pathways was approved to help guide students towards courses of study which would help them access opportunities beyond school. The clear aim was to develop individual pathways and expand the curricular opportunities available in the Sixth Form. This has been developed further with the introduction of the International Baccalaureate Careers Programme (IBCP), additional BTECs in the Sixth Form and a Science BTEC in Key Stage 4.

Another part of the strategy was to strengthen the reputation of the school in the locality by strengthening its community links. The Service programme was refreshed and the introduction of school meals to local primary schools sought to build on this.

Within the estates, the Governing Body has continued its focus on the development and refurbishment of the Teaching and Learning and Boarding facilities. At the Ellera Campus, the Art Centre was relocated to larger purpose designed premises, and a multimedia hub was created as a central breakout and study area. At the Senior School, the IT Suite was completely refurbished and the boarding accommodation in Westmoreland House was improved with replacement furniture and fittings in all rooms.

Principal Activity

The Trust's principal activity, as specified in the Memorandum of Association, is the advancement of education.

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.

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 Schools 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 (2015: £1.3m). Within this, means-tested awards based on a sliding scale according to financial circumstances totalling £569k were awarded to 70 pupils, including 4 for full fees (2015: 69 bursaries totalling £580k).

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 value of this public benefit. The benefit provided by bursaries and other activities can then be considered alongside the benefit of educating the 338 UK pupils which, in itself, has saved the exchequer some £1.3m.

The Trust is an important part of the local community with, in 2015/16, some 134 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.

**GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2016**

Other Charitable Activities

In addition to its primary purpose, the Trust provides a number of services and experiences to local primary schools free of charge. These include a 'Chemical Magic' Show, Watersports Day, Languages Day and Geography Day, in addition to hosting an annual Cross County Event for 26 local primary schools. Sailing and Watersports tuition at the School's lake front Watersports Centre is provided on a weekly basis to a local primary school at minimal charge, and the Trust also provides a high quality School Meals Service to two other schools, in addition to supplying the local 'Meals on Wheels' service.

Twice per year the Elleray Campus hosts Forest Fun Days which are open to any child between the ages of two and seven, free of charge, and which provide a range of fun outdoor experiences. The Trust also frequently lets the School's facilities at no charge to local community or charitable groups such as the Community Choir, Rotary Club, County Sports Associations and Blackwell Sailing who provide free of charge sailing activities for those with a disability.

Pupils also make significant contributions to the local community and charities, locally and internationally.

The School runs a Service programme for Years 10 and 11, where pupils engage 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, assisting at the local food bank and visits to the residents of local care homes.

The School also works closely with the Tiger Kloof Educational Institute in South Africa. Each year ten pupils from the Senior School visit South Africa to volunteer in a soup kitchen, nursery and disabled centre. The School and the pupils actively fundraise for Tiger Kloof throughout the year by way of events and activities.

Pupils engage in regular fundraising activities for other charities. Amounts were raised in 2015/16 for Children in Need, St John's Hospice, the TOMA Fund, the Lullaby Trust and Diabetes UK.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

In 2016 the Trust celebrated the best GCSE results since the School became non-selective in 2000, with 95% (2015: 91%) of pupils obtaining 5 or more A* - C grade GCSEs, and 51% (2015: 41%) of grades were either A* or A.

With regards to the International Baccalaureate, the School achieved its highest ever pass rate of 100%. The average result was 33.5 (2015: 32) out of a possible 45, with 25% of the cohort achieving over 40 points. On a global scale, only five per cent of IB students attain a score of forty or more.

The School leapt up the Sunday Times league Table for the top 400 Independent Schools, from 314 in 2015, to 178 in 2016. In terms of Sixth Form results, we were 121st. Almost all pupils who applied to university secured their first choice.

Attaining excellent academic achievement did not prejudice sporting and cultural activities this year.

The School encourages sport for all whilst supporting those students aiming to excel. In 2015-16 the School competed in over 200 fixtures in a range of sports including; Hockey, Football, Netball, Basketball, Cross-Country, Table Tennis, Cricket, Tennis, Athletics and Rounders, winning around half of these. Pupils went on to represent the County in Hockey, Netball, Cross Country, Cricket, Tennis and Athletics. Two pupils were selected for the Pennine Pumas Hockey squad and another pupil competed for Cumbria in the ESAA Nationals, throwing the javelin as North Inter Counties Champion. The U13 Boys In2Hockey Team were County Champions, and went on to finish 4th in the North West. The U14 Netball Team were County finalists and the U16 Boys Hockey Team were County Runners-up and North West Regional Finalists.

In Sailing, Windermere School is still the only school in the United Kingdom to be recognised as a centre of excellence for racing. In 2015-16, five students qualified for the GBR junior race teams and a further two qualified for the Northern Squad. The School also entered a number of teams into the World Championships in Spain.

**GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2016**

In the Arts, pupils produced and performed an 'exciting and engaging' Tempest at the Shakespeare School's Festival to much critical acclaim, whilst the choir opened the Ambleside Festival of the Fells with a flash mob performance of 'These Boots were made for Walking'. The School holds concerts in a variety of local venues throughout the year.

EVENTS DURING THE YEAR

In December 2015, the School suffered flooding during the storms which affected many homes and businesses in the north of England. There was no damage at the Elleray Campus, minor damage at the Senior School, but more significant damage at the School's Watersports Centre, Hodge Howe, which is on the shore of Lake Windermere. The School was fully insured and remedial works have been ongoing. The School has taken the opportunity to make improvements to the jetties and boathouses to prevent further damage should flooding occur again. The majority of the insurance monies received up to the settlement of the claim in September 2016 have been included in these accounts. The School continues to insure against flooding.

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 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 for its pupils.

FINANCIAL REVIEW

Results for the year

Gross fee income reduced by 7.2% to £6,743k (2015: £7,264k). Although concessions reduced by 5.5% there was still an overall net fee income reduction of 7.5% to £5,523k (2015: £5,973k). Despite this total incoming resources of £6,465k were on par with the previous year (2015: £6,490k) on account of a successful Summer School, and also insurance monies received, whilst costs decreased again slightly to £6,465k (2015: £6,508k) resulting in net incoming resources of £1k (2015: outgoing resources of £18k). Net incoming resources before depreciation totalled £297k (2015: £425k).

Reserves Policy

The Trust's free reserves at the year-end amounted to £740k (2015: £702k) representing retained unrestricted income reserves. The Trust has adopted a policy of maintaining free reserves at a level to provide reasonable cover for operating costs with any surplus to be re-invested into improvement of the estates and school facilities. Under this policy, the Trust has invested well in excess of £1m over the past three years.

Fixed Assets

Tangible fixed assets are held by the Trust for use by the School 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.

**GOVERNORS' REPORT (INCLUDING THE STRATEGIC REPORT)
FOR THE YEAR ENDED 31 AUGUST 2016**

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Governing Body (who are the directors of Windermere Educational Trust Limited for the purposes of company law) is responsible for preparing the Annual Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governing Body to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, 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 judgments 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 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 hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STATEMENT OF DISCLOSURE TO THE AUDITORS

In so far as the Directors are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The directors have taken all steps that they ought to have taken to make themselves aware of that information.

On behalf of the Governing Body:



Mr M Dwan
Chairman of Governing Body

20 January 2017

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDERMERE EDUCATIONAL TRUST LIMITED
FOR THE YEAR ENDED 31 AUGUST 2016**

We have audited the financial statements of Windermere Educational Trust Limited for the year ended 31 August 2016 which comprise the statements of financial activities, the balance sheet, the cash flow statement and related notes, and the related notes, as set out on pages 11 to 26. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

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

Respective responsibilities of trustees and auditor

As explained more fully in the Governors' Responsibilities Statement included within the Governors' Report, 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 Governors' Report (including the Strategic Report) to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2016, 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 (including the Strategic 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**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WINDERMERE EDUCATIONAL TRUST
LIMITED - Continued
FOR THE YEAR ENDED 31 AUGUST 2016**

Matters on which we are required to report by exception

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

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

Jackson Stepler LLP

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

30 January 2017

**Chartered Accountants
Registered Auditor**

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

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

		Unrestricted funds		Restricted	2016	2015
	Note	General	Designated	funds	£	£
		£	£	£		
Income and Endowments:						
Donations and Legacies	2	5,138	-	-	5,138	24,622
Charitable activities:						
Fees receivable	3	5,522,697	-	-	5,522,697	5,972,761
Sundry and other income		193,281	-	-	193,281	110,593
Other trading activities:						
Summer School		490,127	-	-	490,127	345,789
Rents and letting of premises		3,050	-	-	3,050	3,822
Investments		-	-	-	-	321
Other incoming resources		251,120	-	-	251,120	31,945
Total		<u>6,465,413</u>	<u>-</u>	<u>-</u>	<u>6,465,413</u>	<u>6,489,853</u>
Expenditure on:						
Raising funds:						
Finance costs	6	154,588	-	-	154,588	131,625
Associated Summer School costs		287,035	-	-	287,035	228,996
		<u>441,623</u>	<u>-</u>	<u>-</u>	<u>441,623</u>	<u>360,621</u>
Net incoming resources available for charitable application		<u>6,023,790</u>	<u>-</u>	<u>-</u>	<u>6,023,790</u>	<u>6,129,232</u>
Charitable activities:						
Academic costs		3,220,926	-	3,717	3,224,643	3,252,844
Welfare costs		846,395	-	-	846,395	834,195
Property costs		862,361	-	-	862,361	741,296
Management and administration costs		522,990	-	-	522,990	566,180
Other expenses		49,102	-	-	49,102	89,300
Marketing costs		186,597	-	20,592	207,189	206,857
Depreciation		283,201	-	13,204	296,405	442,847
Governance costs		14,017	-	-	14,017	13,544
Total expenditure on charitable activities		<u>5,985,589</u>	<u>-</u>	<u>37,513</u>	<u>6,023,102</u>	<u>6,147,063</u>
Total	7	<u>6,427,212</u>	<u>-</u>	<u>37,513</u>	<u>6,464,725</u>	<u>6,507,684</u>
Net income/(expenditure)	8	38,201	-	(37,513)	688	(17,831)
Revaluation		-	9,525,920	-	9,525,920	-
Net movement in funds		<u>38,201</u>	<u>9,525,920</u>	<u>(37,513)</u>	<u>9,526,608</u>	<u>(17,831)</u>
Total funds brought forward	14	<u>701,848</u>	<u>10,521,695</u>	<u>43,179</u>	<u>11,266,722</u>	<u>11,284,553</u>
Total funds carried forward	14	<u>740,049</u>	<u>20,047,615</u>	<u>5,666</u>	<u>20,793,330</u>	<u>11,266,722</u>

Net incoming resources before depreciation for the year totalled £297,093 (2015: £425,016).

All income and expenditure are derived from continuing activities.

The statement of financial activities includes all gains and losses recognised in the year.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME & EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2016

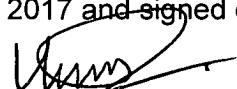
Comparative information						
Year ended 31 August 2015						
	Note	Unrestricted funds	Designated funds	Restricted funds	Endowed funds	2015
		General	£	Restricted	£	£
		£	£	funds	funds	
		£	£	£	£	£
Income and Endowments:						
Donations and Investments	2	24,022	-	600	-	24,622
Charitable activities:						
Fees receivable	3	5,972,761	-	-	-	5,972,761
Sundry and other income		110,593	-	-	-	110,593
Other trading activities:						
Summer School		345,789	-	-	-	345,789
Rents and letting of premises		3,822	-	-	-	3,822
Investments		321	-	-	-	321
Other incoming resources		31,945	-	-	-	31,945
Total		6,489,253	-	600	-	6,489,853
Expenditure on:						
Raising funds:						
Finance costs	6	131,625	-	-	-	131,625
Associated Summer School costs		228,996	-	-	-	228,996
		360,621	-	-	-	360,621
Net incoming resources available for charitable application		6,128,632	-	600	-	6,129,232
Charitable activities:						
Academic costs		3,248,177	-	4,667	-	3,252,844
Welfare costs		834,195	-	-	-	834,195
Property costs		730,222	-	11,074	-	741,296
Management and administration costs		566,180	-	-	-	566,180
Other expenses		89,300	-	-	-	89,300
Marketing costs		206,857	-	-	-	206,857
Depreciation		442,847	-	-	-	442,847
Governance costs		13,544	-	-	-	13,544
Total expenditure on charitable activities		6,131,322	-	15,741	-	6,147,063
Total	7	6,491,943	-	15,741	-	6,507,684
Net income/(expenditure)	8	(2,690)	-	(15,141)	-	(17,831)
Transfers between funds		93,480	(23,315)	(14,357)	(55,808)	-
Net movement in funds		90,790	(23,315)	(29,498)	(55,808)	(17,831)
Total funds brought forward	14	611,058	10,545,010	72,677	55,808	11,284,553
Total funds carried forward	14	701,848	10,521,695	43,179	-	11,266,722

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

**BALANCE SHEET
FOR THE YEAR ENDED 31 AUGUST 2016**

	Note	2016 £	2015 £
Fixed assets			
Tangible assets	9	25,312,675	15,998,012
		<u> </u>	<u> </u>
Current assets			
Stock		4,554	4,695
Debtors	10	377,815	291,132
Cash at bank and in hand		27,365	102,023
		<u> </u>	<u> </u>
Creditors: amounts falling due within one year	11	(409,734 2,608,385)	(397,850 2,478,922)
		<u> </u>	<u> </u>
Net current liabilities		(2,198,651)	(2,081,072)
		<u> </u>	<u> </u>
Total assets less current liabilities		23,114,024	13,916,940
Creditors: amounts falling due after more than one year	12	(2,320,694)	(2,650,218)
		<u> </u>	<u> </u>
Total net assets		20,793,330	11,266,722
		<u> </u>	<u> </u>
Funds of the charity			
Restricted funds	14	5,666	43,179
Unrestricted funds	14	20,787,664	11,223,543
		<u> </u>	<u> </u>
Total funds		20,793,330	11,266,722
		<u> </u>	<u> </u>

The financial statements were approved by the board of Governors and authorised for issue on 20 January 2017 and signed on its behalf by



M Dwan
Chairman

Company number 00914963

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2016

	Note	2016 £	2015 £
Cash flows from operating activities	19		
Net cash provided by operating activities		338,064	184,274
Cash flows from investing activities			
Interest income		-	321
Interest paid	(154,588)	(131,625)	
Payments to acquire tangible fixed assets	(91,255)	(251,312)	
Receipts from sale of tangible fixed assets	399	80	
		(245,444)	(382,536)
		92,620	(198,262)
Cash flows from financing activities			
Fees in advance scheme	(39,336)	(118,284)	
Capital element of hire purchase contracts	-	(9,962)	
Repayment of bank loans	(127,942)	(124,779)	
		(167,278)	(253,025)
Change in cash and cash equivalents in the reporting period		(74,658)	(451,287)
Cash and cash equivalents at 1 September 2015		102,023	553,310
Cash and cash equivalents at 31 August 2016		27,365	102,023

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2016**

1 Summary of significant accounting policies

1.1 General information and basis of preparation

Windermere Educational Trust Limited is a charitable company limited by guarantee in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements. The nature of the charity's operations and principal activities are educating children in the Lake District.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

These financial statements for the year ended 31 August 2016 are the first for Windermere Educational Trust Limited prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland. The date of transition was 1 September 2014. The financial statements of Windermere Educational Trust Limited for the year ended 31 August 2015 were prepared in accordance with previous Generally Accepted Accounting Practice ('UK GAAP') and SORP 2005. Some of the FRS 102 recognition, measurement, presentation and disclosure requirements and accounting policy choices differ from previous UK GAAP. Consequently, the trustees have amended certain accounting policies to comply with FRS 102 and Charities SORP (FRS102). The reported financial position and financial performance for the previous period are not affected by transition to FRS 102.

1.2 Funds

Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the trustees for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The cost of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.3 Income recognition

All incoming resources are included in the Statement of Financial Activities (SoFA) when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

For donations to be recognised the charity will have been notified of the amounts and the settlement date. If there are conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2016

1.3 Income recognition - continued

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying goods and services in order to raise funds and is recognised when entitlement has occurred.

1.4 Expenditure recognition

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds includes all costs associated with raising funds for its charitable purposes and includes all costs associated with non-charitable trading.
- Expenditure on charitable activities includes costs associated with UK educational operations; and
- Other expenditure represents those items not falling into the categories above.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside of the control of the charity.

1.5 Tangible fixed assets

Tangible fixed assets are stated at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended. For assets where cost or valuation can not be reliably valued, then the assets are valued at depreciated replacement cost.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a straight line basis over its expected useful life as follows:

Freehold land	Nil
Freehold buildings	2% per annum straight line basis
Fixtures and fittings	20% per annum straight line basis
Motor vehicles	25% per annum straight line basis

1.6 Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**NOTES TO THE FINANCIAL STATEMENTS – Continued
FOR THE YEAR ENDED 31 AUGUST 2016**

1.7 Loans and borrowings

Loans and borrowings are initially recognised at the transaction price including transaction costs. Subsequently, they are measured at amortised cost using the effective interest rate method, less impairment. If an arrangement constitutes a finance transaction it is measured at present value.

1.8 Impairment

Assets not measured at fair value are reviewed for any indication that the asset may be impaired at each balance sheet date. If such indication exists, the recoverable amount of the asset, or the asset's cash generating unit, is estimated and compared to the carrying amount. Where the carrying amount exceeds its recoverable amount, an impairment loss is recognised in profit or loss unless the asset is carried at a revalued amount where the impairment loss is a revaluation decrease.

1.9 Leases

Assets acquired under finance leases are capitalised and depreciated over the expected useful life of the asset. Minimum lease payments are apportioned between the finance charge and the reduction of the outstanding lease liability using the effective interest method. The related obligations, net of future finance charges, are included in creditors.

Rentals payable and receivable under operating leases are charged to the SoFA on a straight line basis over the period of the lease.

1.10 Employee benefits

When employees have rendered service to the charity, short-term employee benefits to which the employees are entitled are recognised at the undiscounted amount expected to be paid in exchange for that service.

1.11 Pension benefits

Retirement benefits to employees of the charitable company are provided by the Teachers' Pension Scheme ('TPS') and The Pension Trust Growth Plan. These are defined benefit schemes and the assets are held separately from those of the charitable company.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the charitable company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 18, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

For The Pension Trust Growth Plan, the contributions are determined by a qualified actuary on the basis of financial valuations using a projected unit method. The Pension Trust Growth Plan is a multi-employer scheme and there is sufficient information available to unlock detailed benefit accounts. The plan is therefore treated as a defined contribution scheme for accounting purposes and contributions are recognised in the period to which they relate.

1.12 Tax

The charity is an exempt charity within the meaning of schedule 3 of the Charities Act 2011 and is considered to pass the tests set out in Paragraph 1 Schedule 6 Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2016

1.13 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

1.14 Critical accounting statements and areas of judgement

Accounting estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The trustees do not consider there are any estimates or assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Critical areas of judgement

The trustees consider there are no areas considered critical to the charitable company's financial statements.

2 Donations

	2016 £	2015 £
Other donations received	5,138	24,622
	<u>5,138</u>	<u>24,622</u>

3 Fees

	2016 £	2015 £
Gross fees	6,742,781	7,264,435
Scholarships	(268,074)	(266,187)
Bursaries	(569,013)	(580,452)
Staff allowances	(226,694)	(248,902)
Sibling/service allowance	(156,303)	(196,133)
Net fees	<u>5,522,697</u>	<u>5,972,761</u>

4 Staff costs

	2016 £	2015 £
Salaries	3,424,743	3,324,511
Social security costs	281,175	253,410
Pension costs	393,523	357,186
	<u>4,099,441</u>	<u>3,935,107</u>

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2016

4 Staff costs - continued

The average number of employees during the year was as follows:

	2016 Number	2015 Number
Teaching staff	73	79
Welfare staff	31	23
Maintenance and gardens	13	17
Administrative staff	17	16
	<u>134</u>	<u>135</u>

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

	2016 Number	2015 Number
£60,001 - £70,000	1	1
£80,001 - £90,000	1	1
	=	=

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

Key management personnel

The key management personnel of the charitable company comprise the trustees and the senior management team as listed on page 1. The total amount of employee benefits received by key management personnel for their services to the charitable company was £451,612.

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 2016, M Dwan, a Governor of the school, had a balance with the school under the fees in advance scheme amounting to £133,574 (2015: £180,088). Discounts have been given from this scheme in the year totalling £8,098 (2015: £8,860).

During the year the school received charitable donations from Helping Hands Trust Limited amounting to £27,949 (2015: £13,599). M Dwan is a Trustee of this charity.

During the year North & Partners Technical Limited, a company in which M Dwan is a director, provided materials and services to the school totalling £nil (2015: £4,215).

During the year the school incurred costs from Windermere Wine Stores Limited totalling £4,542 (2015: £3,858). J Harris is a director of the company.

As at 31 August 2016, J Dearden, a Governor of the school, had a balance with the school under the fees in advance scheme amounting to £90,000 (2015: £90,000). Discounts have been given from this scheme in the year totalling £4,428 (2015: £4,428).

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2016

6 Finance costs

	2016	2015
	£	£
Loan interest	51,459	51,290
Hire purchase interest	-	383
Interest on bank overdraft	-	823
Discounts on the fees in advance scheme	103,129	79,129
	<u>154,588</u>	<u>131,625</u>

7 Analysis of total resources expended

	Staff costs	Other	Depreciation	2016	2015
	£	£	£	Total	Total
				£	£
Expenditure funds					
Finance costs	-	154,588	-	154,588	131,625
Associated summer school cost	153,550	133,485	-	287,035	228,996
Charitable activities					
Academic costs	2,831,888	392,755	-	3,224,643	3,252,844
Welfare costs	523,058	323,337	-	846,395	834,195
Property costs	199,813	662,548	-	862,361	741,296
Management and administration costs	283,428	239,562	-	522,990	566,180
Other expenses	-	49,102	-	49,102	89,300
Marketing costs	107,704	99,485	-	207,189	206,857
Depreciation	-	-	296,405	296,405	442,847
Governance costs	-	14,017	-	14,017	13,544
Total resources expended	<u>4,099,441</u>	<u>2,068,879</u>	<u>296,405</u>	<u>6,464,725</u>	<u>6,507,684</u>

8 Net income/(expenditure)

These are stated after charging/(crediting):

	2016	2015
	£	£
Operating lease rentals for equipment	184,687	188,542
Depreciation of tangible fixed assets	296,405	442,847
Fees payable to the Company's auditor for the audit of the Company's accounts	7,810	7,660
Rental income	(3,050)	(3,822)
Loss on disposal of fixed assets	5,708	3,240
	<u> </u>	<u> </u>

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2016

9 Tangible fixed assets

	Freehold land and buildings £	Fixtures & fittings, & equipment £	Motor vehicles £	Total £
At cost or valuation				
At 1 September 2015	15,300,000	3,129,408	46,514	18,475,922
Additions	-	91,255	-	91,255
Disposals	-	(1,317,142)	(12,042)	(1,329,184)
Revaluation	9,525,920	-	-	9,525,920
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2016	24,825,920	1,903,521	34,472	26,763,913
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 September 2015	-	2,442,965	34,945	2,477,910
Provided for in year	-	289,178	7,227	296,405
Eliminated on disposal	-	(1,312,481)	(10,596)	(1,323,077)
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2016	-	1,419,662	31,576	1,451,238
	<hr/>	<hr/>	<hr/>	<hr/>
Net book value:				
At 31 August 2016	24,825,920	483,859	2,896	25,312,675
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2015	15,300,000	686,443	11,569	15,998,012
	<hr/>	<hr/>	<hr/>	<hr/>

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

	£
Cost	
At 1 September 2015 and at 31 August 2016	5,710,611
	<hr/>
Depreciation based on cost	
At 1 September 2015 and at 31 August 2016	540,256
	<hr/>
Net book value:	
At 31 August 2016	5,170,355
	<hr/>
At 31 August 2015	5,170,355
	<hr/>

The freehold land and buildings have been valued on a depreciated replacement cost basis, which has resulted in the revaluation in the year.

Included within freehold land and buildings is an amount of £1,755,500 (2015: £1,755,500) attributable to land, which is not depreciated.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2016

10 Debtors

	2016	2015
	£	£
Fee debtors	130,502	168,378
Other debtors and prepayments	247,313	122,754
	<u>377,815</u>	<u>291,132</u>

11 Creditors: amount falling due within one year

	2016	2015
	£	£
Bank loans (note 13)	130,097	126,199
Trade creditors	80,806	302,656
Fees received in advance	946,923	647,328
Other creditors including taxation and social security	15,554	133,916
Fees in advance scheme	1,126,609	972,056
Acceptance deposits	178,376	205,739
Accruals	130,020	91,028
	<u>2,608,385</u>	<u>2,478,922</u>

12 Creditors: amounts falling due after more than one year

	2016	2015
	£	£
Bank loans (note 13)	1,725,511	1,857,351
Acceptance deposits	219,200	222,995
Fees in advance scheme	375,983	569,872
	<u>2,320,694</u>	<u>2,650,218</u>

13 Loans

	2016	2015
	£	£
Bank Loan	1,855,608	1,983,550
	<u>1,855,608</u>	<u>1,983,550</u>
Payable within one year	130,097	126,199
Payable between one and five years	552,649	543,781
Payable in more than five years	1,172,862	1,313,570
	<u>1,855,608</u>	<u>1,983,550</u>

The bank loan is repayable over fifteen years. The loan is subject to an interest rate that is equal to the Bank of England base rate + 2%. It is secured upon certain freehold land and buildings held by the School and a fixed and floating charge over other assets.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2016

14 Funds

Allocation of charity funds

	Tangible fixed assets £	Net current assets/(liabilities) £	Long term liabilities £	Total £
Restricted funds	5,666	-	-	5,666
Unrestricted funds				
- designated funds	20,047,615	-	-	20,047,615
- general funds	5,259,394	(2,198,651)	(2,320,694)	740,049
Total	25,312,675	(2,198,651)	(2,320,694)	20,793,330

Restricted funds	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Transfers & investment profits £	Balance at 31 August 2016 £
Film and media fund	18,666	-	(18,666)	-	-
Multilingual communication Fund	5,643	-	(5,643)	-	-
Crampton Hall development fund	18,870	-	(13,204)	-	5,666
Total	43,179	-	(37,513)	-	5,666

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.

Unrestricted funds

	Balance at 1 September 2015 £	Incoming resources £	Resources expended £	Revaluation £	Balance at 31 August 2016 £
Designated funds:					
Surplus on revaluation	10,521,695	-	-	9,525,920	20,047,615
Total designated funds	10,521,695	-	-	9,525,920	20,047,615
General Fund Profit and loss	701,848	6,465,413	(6,427,212)	-	740,049
Total unrestricted funds	11,223,543	6,465,413	(6,427,012)	9,525,920	20,787,664

The surplus on the revaluation reserve records the unrealised surpluses arising on the revaluation of land and property.

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2016

15 Financial commitments

At 31 August 2016, the total future minimum lease payments under non-cancellable operating leases were as follows:

	2016	<i>Other</i>	2015
	£		£
Leases which expire:			
Less than one year	187,550		46,028
Between two and five years	488,438		90,684
	<u> </u>		<u> </u>

16 Capital commitments

	2016	2015
	£	£
Contracted for but not provided in the financial statements	-	547,872
	<u> </u>	<u> </u>

17 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.

18 Pension costs

The School's employees belong to two principal pension schemes, the Teachers' Pension Scheme for teaching staff and The Pensions Trust's Growth Plan for support staff. The total pension cost for the year was £393,523 (2015: £357,186).

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) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014.

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2016

18 Pension costs – continued

The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4% from September 2015, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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%

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL

NOTES TO THE FINANCIAL STATEMENTS - Continued
FOR THE YEAR ENDED 31 AUGUST 2016

19 Reconciliation of net expenditure to net cash flows from operating activities

	2016	2015
	£	£
Net Income/(expenditure) for the reporting year	688	(17,831)
Adjusted for:		
Interest paid	154,588	131,625
Investment income	-	(321)
Loss on sale of fixed assets	5,708	3,240
Depreciation of tangible fixed assets	296,405	442,847
Decrease/(increase) in stock	141	(71)
Increase in debtors	(86,683)	(47,919)
Decrease in creditors	(32,783)	(327,296)
Net cash provided by operating activities	<u>338,064</u>	<u>184,274</u>