

Charity Registration No. 526973

Company Registration No. 00914963 (England and Wales)

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
LEGAL AND ADMINISTRATIVE INFORMATION

Governors	J Harris J Dearden C Burrow A Hodson A Chamberlain M Dwan M Rothwell	(Appointed 8 September 2017) (Appointed 16 November 2018) (Resigned 12 September 2018) (Resigned 12 September 2018)
Secretary	S Ross	
Charity number	526973	
Company number	00914963	
Principal address	Browhead Windermere Cumbria LA23 1NW	
Registered office	Browhead Windermere Cumbria LA23 1NW	
Auditor	Jackson Stephen LLP James House Stonecross Business Park Yew Tree Way Warrington Cheshire WA3 3JD	
Bankers	HSBC Bank plc 64 Highgate Cumbria Kendal LA9 4TF	

WINDERMERE EDUCATIONAL TRUST LIMITED

T/A WINDERMERE SCHOOL

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WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT)
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors of Windermere Educational Trust Limited present their annual report and audited accounts for the year ended 31 August 2018 and confirm they comply with the requirements of the Charities Act 2011, the Charities SORP (FRS 102) and the Companies Act 2006.

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 three sites known as Windermere School, the Browhead Campus, for those in Year 7 and above, the Elleray Campus, for pupils in Pre-School to Year 6 and Hodge Howe, our Sailing and Outdoors Centre on the shore of Windermere. 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.

WINDERMERE EDUCATIONAL TRUST LIMITED
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GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

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 Nominations Committee, chaired by Mrs C Burrow, oversees the orderly succession for appointments to the Board and senior management.

The Estates Committee meet when required to discuss the capital plan and the current curriculum and boarding needs.

Some governors have delegated responsibilities. For example, Mrs J Harris oversees all aspects of Safeguarding and Mrs A Hodson oversees the Early Years provision.

The Chair of each committee co-opt 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.

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GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

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 School's 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.

Demand for places in the Senior School increased throughout 2017/18, whilst demand at the Elleray Campus remained static. The Governing Body decided to increase fees at the Senior School by 2% at the start of 2017/18 with a further 1% for the Summer Term. Fees at Elleray were increased by 1% for the year.

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 employing a competent and qualified Operations Manager, and a thoroughly trained Educational Visits Coordinator. The Trust also use an external Advisory Agency for school visits, Kym Allen Associates. The Board used The Peninsula Group to advise on Health & Safety Matters throughout 2017/18, moving to Kym Allen Associates in September 2018.

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 and moral guidance in the School's management by the Trust. In furtherance of these Objects and for the public benefit, the Trust has established and administers 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 2016. 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 £1.5m of support provided by way of bursary, discount or financial support.

Vision

To be the best small school in Britain.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

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 enable 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:

1. Inspire our 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 strive for **excellence** in all things;
2. Support our 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;
3. Use our **unique** location at the heart of mountains, lakes and rivers as our greater classroom for adventure and adventurous learning, where our students will learn directly about the environment, each other and themselves;
4. Foster a **democratic** and accountable culture where our students contribute fully to school and community life and take increasing responsibility for their own learning and actions;
5. Encourage a **global** perspective by providing opportunities for all our students irrespective of gender, race and beliefs and encouraging them to value and respect differences.

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. In 2016 the School was accredited to deliver the International Baccalaureate Careers Programme and obtained a 100% pass rate in 2017/18.

Within the estates, the Governing Body has continued its focus on the development and refurbishment of the Teaching and Learning, and Boarding facilities. The main project during the year involved the refurbishment of the Sports Hall.

Principal Activity

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

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

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 £1.5m (2017: £1.3m). Within this, means-tested awards based on a sliding scale according to financial circumstances totalling £766k were awarded to 79 pupils, including 4 for full fees (2017: 84 bursaries totalling £708k). Bursary awards represented 10.5% of gross income in 2018 (2017: 9.9%).

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 290 UK pupils which, in itself, has saved the exchequer some £1.6m.

The Trust is an important part of the local community with 139 full and part-time employees in 2017/18 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 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 shore 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 five other schools.

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 at a disabled centre (Thussanang). The School and the pupils actively fundraise for Thussanang throughout the year by way of events and activities.

Pupils engage in regular fundraising activities for other charities. Amounts were raised in 2017/18 for Children in Need, the NSPCC, Sparkle, Book Aid, Water Aid, Jeans for Genes and the Andrew Simpson Sailing Foundation.

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Academic

In 2018 the Trust celebrated exceptional GCSE and IGCSE results with 93.3% (2017: 92%) of pupils obtaining 5 or more A* - C grade GCSEs, and 58.5% (2017: 45%) of grades were either A* or A.

With regards to the International Baccalaureate, the School achieved a 96.3% (2017: 100%) pass rate with an average score of 33.7 (2017: 35) out of a possible 45, against a 2017 world average of 29.9. Half of the cohort achieved 34 points or more, and four students gained 40 points or more. Results for the IB Career-related Programme were particularly impressive, with two students achieving a Double Distinction in the Business BTEC course, and another student achieving Double Distinction in the Music BTEC course. This grade is equivalent to achieving a A*A* grade at A level. The students who took the IB Career-Related Programme also enjoyed a 100% pass rate. The School was also named as the Sunday Times IB School of the Year for 2017-18.

The School was inspected routinely by the Independent Schools Inspectorate in February 2018. The quality of the pupil's academic achievements and personal development were found to be excellent, with pupils of all abilities making rapid progress. Pupils were described as highly motivated self-learners, with high levels of self-awareness, maturity and independence, and demonstrating exemplary behaviour.

Co-curricular Activities

The School encourages sport for all whilst supporting those students aiming to excel. In 2017/18 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. A number of pupils went on to represent both the District and the County in a range of sports including: Hockey, Netball, Cross-Country, Cricket, Tennis and Athletics. The U16 Boys and Under 18 hockey teams were County Runners-up both representing Cumbria in the North West Regional Finals. The Under 18 Basketball team successfully defended their Barrow League title and finished second in a tightly contested final of the Round Square Tournament in Denmark. In addition, the School continued to run its Inter-House competitions in Hockey, Netball, Football, Cricket, Tennis and Rounders, tournaments that encourage sport for all. In addition, inter tutor group dodgeball has entered the calendar as a student initiative raising monies for local charities.

The School has also continued to develop its focus on Outdoor Education, a provision described by the ISI Inspection Report as exceptional. During the year, students from Years 3 through to 9 have continued with their Adventure Logbooks which track an individual's progress through their time at Windermere School. During the Summer Term, a team of six achieved third place in the Round Square Adventure Race - an extremely challenging weekend of activities hosted by Windermere School in the Lake District. Students in Years 10, 12 and 13 have also completed Bronze and Gold Duke of Edinburgh's Awards.

Sailing at Windermere is thriving with a number of new students qualifying for the RYA Zone Squads and GBR Teams in various classes, and one student now training with the Great Britain's A Squad, which is the Pre-Olympic Sailing Squad. 15 students competed in the RYA British Youth Junior Sailing Championships - the largest team attending the event from the North. The School sailors have again seen many fantastic results over the year, including the RS Feva European Junior Champions and RYA ET Champions.

During the year the School purchased a 707 Keelboat to teach students both in keelboat racing and through the RYA Keelboat Scheme. The School now has two newly qualified RYA Keelboat Instructors and four students have qualified as RYA Dinghy Instructors.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

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

Net fee income reduced by 0.4% to £5,687k (2017: £5,710k), whilst total income was down by 4% to £6,298k (2017: £6,558k) on account of a decrease in Summer School revenue. Costs reduced by £26k from the previous year coming in at £6,420k (2017: £6,446k) resulting in net expenditure for the year of £122k (2017: net income of £112k). Depreciation costs of £244k (2017: £229k) are included in the cost figures above.

Reserves Policy

The Trust's free reserves at the year-end amounted to £735k (2017: £857k) 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.

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 1.6 describes the Trust's accounting policy in relation to fixed assets.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
GOVERNORS' REPORT (INCLUDING DIRECTORS' REPORT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

Statement of Governors' responsibilities

The Governors, who are also the directors of Windermere Educational Trust Limited for the purpose of company law, are responsible for preparing the Governors' 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 Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Trust and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping adequate accounting records that disclose with reasonable accuracy at any time the financial position of the Trust 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 Trust and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

The auditor, Jackson Stephen LLP, is deemed to be reappointed under section 487(2) of the Companies Act 2006.

Disclosure of information to auditor

Each of the Governors has confirmed that there is no information of which they are aware which is relevant to the audit, but of which the auditor is unaware. They have further confirmed that they have taken appropriate steps to identify such relevant information and to establish that the auditor is aware of such information.

The Governors' report was approved by the Board of Governors.



J Dearden

Chairman of Governing Body

Dated:

1st Feb 2019

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF WINDERMERE EDUCATIONAL TRUST LIMITED

Opinion

We have audited the financial statements of Windermere Educational Trust Limited (the 'Trust') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

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 2018 and of its incoming resources and application of resources, 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the accounts section of our report. We are independent of the Trust in accordance with the ethical requirements that are relevant to our audit of the accounts in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Trust's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Governors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Governors' Report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the Governors' report has been prepared in accordance with applicable legal requirements.

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF WINDERMERE EDUCATIONAL TRUST LIMITED**

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Trust and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the Governors' report.

We have nothing to report in respect of the following matters in relation to which 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; or
- the Governors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Governors' report and from the requirement to prepare a strategic report.

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors, who are also the directors of the Trust for the purpose of company law, are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Governors are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
TO THE MEMBERS OF WINDERMERE EDUCATIONAL TRUST LIMITED**

Use of our report

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, for this report, or for the opinions we have formed.

Jackson Stepler LLP

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

11 February 2019

**Chartered Accountants
Statutory 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 AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted funds £	Designated funds £	Total 2018 £	Total 2017 £
<u>Income from:</u>					
Donations and legacies	3	16,224	-	16,224	3,765
Charitable activities	4	5,831,150	-	5,831,150	5,901,436
Other trading activities	5	450,572	-	450,572	612,696
Other income		-	-	-	40,000
Total income		6,297,946	-	6,297,946	6,557,897
<u>Expenditure on:</u>					
Raising funds	6	176,754	-	176,754	341,070
Charitable activities	7	6,111,333	-	6,111,333	5,973,574
Other	12	132,098	-	132,098	131,637
Total resources expended		6,420,185	-	6,420,185	6,446,281
Net (expenditure)/income for the year/ Net movement in funds		(122,239)	-	(122,239)	111,616
Fund balances at 1 September 2017		857,331	20,047,615	20,904,946	20,793,330
Fund balances at 31 August 2018		735,092	20,047,615	20,782,707	20,904,946

Net incoming resources before depreciation for the year totalled £121,887 (2017: £340,715).

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

All income and expenditure derive from continuing activities.

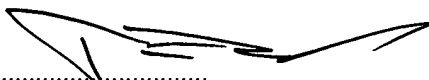
The statement of financial activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
BALANCE SHEET
AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Fixed assets					
Tangible assets	13	25,537,847		25,538,534	
Current assets					
Stocks	15	6,489		6,862	
Debtors	16	141,154		125,131	
Cash at bank and in hand		871,453		496,250	
		<u>1,019,096</u>		<u>628,243</u>	
Creditors: amounts falling due within one year	17	<u>(2,953,437)</u>		<u>(2,594,602)</u>	
Net current liabilities			(1,934,341)		(1,966,359)
Total assets less current liabilities			<u>23,603,506</u>		<u>23,572,175</u>
Creditors: amounts falling due after more than one year	18		(2,820,799)		(2,667,229)
Net assets			<u><u>20,782,707</u></u>		<u><u>20,904,946</u></u>
Income funds					
Endowment funds - designated			20,047,615		20,047,615
Unrestricted funds			735,092		857,331
			<u><u>20,782,707</u></u>		<u><u>20,904,946</u></u>

The financial statements were approved by the Governors on

15 Feb 2019



 J Dearden
 Trustee

Company Registration No. 00914963

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
Cash flows from operating activities					
Cash generated from operations	26		584,134		813,160
Investing activities					
Purchase of tangible fixed assets		(244,458)		(455,592)	
Proceeds on disposal of tangible fixed assets		-		3,350	
Interest paid		(131,079)		(131,637)	
Net cash used in investing activities			(375,537)		(583,879)
Financing activities					
Fees in advance scheme		185,354		133,091	
Proceeds of new bank loans		150,000		250,000	
Repayment of bank loans		(168,748)		(143,487)	
Net cash generated from financing activities			166,606		239,604
Net increase in cash and cash equivalents			375,203		468,885
Cash and cash equivalents at beginning of year			496,250		27,365
Cash and cash equivalents at end of year			<u>871,453</u>		<u>496,250</u>

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

Charity information

Windermere Educational Trust Limited is a private company limited by guarantee incorporated in England and Wales. The registered office is Browhead, Windermere, Cumbria, LA23 1NW.

1.1 Accounting convention

The accounts have been prepared in accordance with the Trust's governing document, the Companies Act 2006 and "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)" (as amended for accounting periods commencing from 1 January 2016). The Trust is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in sterling, which is the functional currency of the Trust. Monetary amounts in these financial statements are rounded to the nearest £.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of freehold properties. The principal accounting policies adopted are set out below.

1.2 Going concern

At the time of approving the financial statements, the Governors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. Thus the Governors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

Unrestricted funds are available for use at the discretion of the Governors in furtherance of their charitable objectives unless the funds have been designated for other purposes.

Designated funds comprise funds which have been set aside at the discretion of the Governors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

1.4 Incoming resources

Income is recognised when the Trust is legally entitled to it after any performance conditions have been met, the amounts can be measured reliably, and it is probable that income will be received.

Cash donations are recognised on receipt. Other donations are recognised once the Trust has been notified of the donation, unless performance conditions require deferral of the amount. Income tax recoverable in relation to donations received under Gift Aid or deeds of covenant is recognised at the time of the donation.

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 the goods and services in order to raise funds and is recognised when entitlement has occurred.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.5 Resources expended

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.

1.6 Tangible fixed assets

Tangible fixed assets are initially measured at cost and subsequently measured at cost or valuation, net of depreciation and any impairment losses.

Depreciation is recognised so as to write off the cost or valuation of assets less their residual values over their useful lives on the following bases:

Freehold buildings	2% per annum straight line basis
Fixtures, fittings and equipment	10% to 33.3% per annum straight line basis
Motor vehicles	25% per annum straight line basis

The gain or loss arising on the disposal of an asset is determined as the difference between the sale proceeds and the carrying value of the asset, and is recognised in net income/(expenditure) for the year.

1.7 Impairment of fixed assets

At each reporting end date, the Trust reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

1.8 Stocks

Stocks are stated at the lower of cost and estimated selling price less costs to complete and sell.

1.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

1.10 Financial instruments

The Trust has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Trust's balance sheet when the Trust becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

**WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018**

1 Accounting policies

(Continued)

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Trust transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank loans are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

Trade creditors are obligations to pay for goods or services that have been acquired in the ordinary course of operations from suppliers. Amounts payable are classified as current liabilities if payment is due within one year or less. If not, they are presented as non-current liabilities. Trade creditors are recognised initially at transaction price and subsequently measured at amortised cost using the effective interest method.

Derecognition of financial liabilities

Financial liabilities are derecognised when the Trust's contractual obligations expire or are discharged or cancelled.

1.11 Taxation

The charitable company 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.

1.12 Employee benefits

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the Trust is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.13 Leases

Rentals payable under operating leases, including any lease incentives received, are charged to income on a straight line basis over the term of the relevant lease.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

1 Accounting policies

(Continued)

1.14 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 method. As stated in note 25, the TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is 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.

2 Critical accounting estimates and judgements

In the application of the Trust's accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

The trustees have considered the valuation of the land and buildings and consider that the assumptions in arriving at the valuations are still appropriate. Depreciation policies have also been considered again this year and are deemed reasonable.

The assumptions regarding the treatment of the Trust's pension schemes within the financial statements have also been considered again this year, with no adjustment to their treatment considered necessary.

3 Donations and legacies

	2018	2017
	£	£
Donations and gifts	<u>16,224</u>	<u>3,765</u>

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

4 Charitable activities

	2018	2017
	£	£
Net fees	5,686,970	5,709,535
Other income	144,180	191,901
	<u>5,831,150</u>	<u>5,901,436</u>

5 Other trading activities

	2018	2017
	£	£
Summer school	363,044	544,912
Rental income	8,955	8,132
Catering income	78,573	59,652
Other trading activities	<u>450,572</u>	<u>612,696</u>

6 Raising funds

	2018	2017
	£	£
Associated summer school costs	176,754	341,070
	<u>176,754</u>	<u>341,070</u>

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

7 Charitable activities

	2018	2017
	£	£
Depreciation and impairment	244,126	223,433
Academic costs	3,308,673	3,192,201
Welfare costs	948,379	925,674
Property costs	765,480	804,188
Management and administration costs	584,000	579,894
Other expenses	41,212	48,354
Marketing costs	206,707	182,004
Restricted funds - depreciation	-	5,666
Governance costs	12,756	12,160
	<u>6,111,333</u>	<u>5,973,574</u>
Analysis by fund		
Unrestricted funds	<u>6,111,333</u>	
	<u>6,111,333</u>	
For the year ended 31 August 2017		
Unrestricted funds		5,967,908
Restricted funds		5,666
		<u>5,973,574</u>

8 Net movement in funds

	2018	2017
	£	£
Net movement in funds is stated after charging/(crediting)		
Depreciation of owned tangible fixed assets	244,126	229,099
Loss/(profit) on disposal of tangible fixed assets	1,019	(2,716)
	<u>245,145</u>	<u>226,383</u>

9 Auditor's remuneration

The analysis of auditor's remuneration is as follows:

	2018	2017
	£	£
Audit of the annual accounts	<u>8,200</u>	<u>8,045</u>

10 Governors

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

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

11 Employees

Number of employees

The average monthly number employees during the year was:

	2018	2017
	Number	Number
Teaching staff	78	74
Welfare staff	31	32
Maintenance and gardens	11	12
Administrative staff	19	19
	<u>139</u>	<u>137</u>

Employment costs

	2018	2017
	£	£
Wages and salaries	3,448,807	3,402,783
Social security costs	317,080	312,037
Other pension costs	403,557	395,521
	<u>4,169,444</u>	<u>4,110,341</u>

The number of employees whose annual remuneration was £60,000 or more were:

	2018	2017
	Number	Number
£80,001 - £90,000	-	1
£90,001 - £100,000	1	-
	<u>1</u>	<u>-</u>

12 Other

	2018	2017
	£	£
Net loss on disposal of tangible fixed assets	1,019	-
Loan interest	51,063	44,974
Discounts on the fees in advance scheme	80,016	86,663
	<u>132,098</u>	<u>131,637</u>

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

13 Tangible fixed assets

	Freehold buildings	Fixtures, fittings and equipment	Motor vehicles	Total
	£	£	£	£
Cost or valuation				
At 1 September 2017	24,825,920	1,529,543	28,131	26,383,594
Additions	-	244,458	-	244,458
Disposals	-	(179,173)	(500)	(179,673)
At 31 August 2018	24,825,920	1,594,828	27,631	26,448,379
Depreciation and impairment				
At 1 September 2017	-	823,075	21,985	845,060
Depreciation charged in the year	-	241,897	2,229	244,126
Eliminated in respect of disposals	-	(178,154)	(500)	(178,654)
At 31 August 2018	-	886,818	23,714	910,532
Carrying amount				
At 31 August 2018	24,825,920	708,010	3,917	25,537,847
At 31 August 2017	24,825,920	706,468	6,146	25,538,534

The freehold land and buildings have been valued by the Trust on a depreciated replacement cost basis on 31 August 2018.

At 31 August 2018, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £5,170,355 (2017 - £5,170,355).

Included within freehold land and buildings is an amount of £1,755,500 (2017: £1,755,500) attributable to land, which is not depreciated.

14 Financial instruments

	2018 £	2017 £
Carrying amount of financial assets		
Debt instruments measured at amortised cost	79,527	96,433
Carrying amount of financial liabilities		
Measured at amortised cost	4,434,224	4,188,014

15 Stocks

	2018 £	2017 £
Food stock	6,489	6,862

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

16 Debtors			2018	2017
			£	£
Amounts falling due within one year:				
Trade debtors			78,248	85,917
Other debtors			1,279	10,516
Prepayments and accrued income			61,627	28,698
			<u>141,154</u>	<u>125,131</u>
17 Creditors: amounts falling due within one year			2018	2017
	Notes		£	£
Bank loans	19		174,558	156,562
Deferred income	20		1,340,012	1,073,817
Trade creditors			73,405	74,060
Other creditors			1,260,539	1,168,678
Accruals and deferred income			104,923	121,485
			<u>2,953,437</u>	<u>2,594,602</u>
18 Creditors: amounts falling due after more than one year			2018	2017
	Notes		£	£
Bank loans	19		1,768,815	1,805,559
Other creditors			1,051,984	861,670
			<u>2,820,799</u>	<u>2,667,229</u>
19 Loans and overdrafts			2018	2017
			£	£
Bank loans			<u>1,943,373</u>	<u>1,962,121</u>
Payable within one year			174,558	156,562
Payable after one year			<u>1,768,815</u>	<u>1,805,559</u>
Amounts included above which fall due after five years:				
Payable by instalments			<u>1,021,506</u>	<u>1,134,484</u>

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

19 Loans and overdrafts

(Continued)

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

20 Deferred income

	2018	2017
	£	£
Arising from fees received in advance	1,340,012	1,073,817

21 Analysis of net assets between funds

	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balances at 31 August 2018 are represented by:				
Tangible assets	5,490,232	20,047,615	-	25,537,847
Current assets/(liabilities)	(1,934,341)	-	-	(1,934,341)
Long term liabilities	(2,820,799)	-	-	(2,820,799)
	<u>735,092</u>	<u>20,047,615</u>	<u>-</u>	<u>20,782,707</u>
	Unrestricted fund £	Designated fund £	Restricted fund £	Total £
Fund balances at 31 August 2017 are represented by:				
Tangible assets	5,490,919	20,047,615	-	25,538,534
Current assets/(liabilities)	(1,966,359)	-	-	(1,966,359)
Long term liabilities	(2,667,229)	-	-	(2,667,229)
	<u>857,331</u>	<u>20,047,615</u>	<u>-</u>	<u>20,904,946</u>

Designated funds relate to the revaluation of fixed assets.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

22 Operating lease commitments

At the reporting end date the Trust had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 £	2017 £
Within one year	198,643	186,390
Between two and five years	92,041	225,519
	<u>290,684</u>	<u>411,909</u>

23 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	<u>476,632</u>	<u>457,097</u>

A number of 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 does not work at the school.

During the year the school received charitable donations from Helping Hands Trust Limited amounting to £20,422 (2017: £27,748). M Dwan, a governor of the school during the year, was a Trustee of this charity.

During the year the school incurred costs from Windermere Wine Stores Limited totalling £3,110 (2017: £2,729). J Harris is a director of the company.

As at 31 August 2018, J Dearden, a Governor of the school, had a balance with the school under the fees in advance scheme amounting to £90,000 (2017: £90,000). Discounts have been given from this scheme in the year totalling £4,428 (2017: £4,428).

24 Members liability

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.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

25 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 £403,557 (2017: £395,521).

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.

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)
- 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.

WINDERMERE EDUCATIONAL TRUST LIMITED
T/A WINDERMERE SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2018

25 Pension costs - continued

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%	

26 Cash generated from operations	2018	2017
	£	£
(Deficit)/surplus for the year	(122,239)	111,616
Adjustments for:		
Interest paid	131,079	131,637
Loss on disposal of tangible fixed assets	1,019	-
Gain on disposal of tangible fixed assets	-	(2,716)
Depreciation and impairment of tangible fixed assets	244,126	229,099
Decrease/(increase) in stocks	373	(2,308)
(Increase)/decrease in debtors	(16,023)	252,684
Increase/(decrease) in creditors	79,604	(33,746)
Increase in deferred income	266,195	126,894
Cash generated from operations	584,134	813,160