

Warminster School

(a company limited by guarantee)

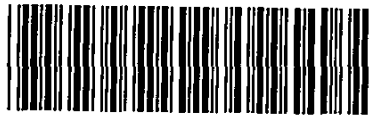
Annual Report & Financial Statements

For the year ended 31 August 2011

Companies House Registered Number: 2990649

Charity Registration Number: 1042204

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Warminster School Annual Report & Financial Statements for the year ended 31 August 2011

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Governors' Report for the year ended 31 August 2011

The Governors of Warminster School present their annual report for year ended 31 August 2011, together with the audited Financial Statements for the year, and confirm that the latter comply with the requirements of the Companies Act 2006, the Company's Memorandum and Articles of Association, the Charities Act 2006 and the Charities Statement of Recommended Practice (SORP) 2005 (updated 2008)

Governors, Members and Advisors

Principal Address and Registered Office	Warminster School Church Street Warminster Wiltshire BA12 8PJ
Governors (also Members)	R A Payn Esq – Chairman # Ms C Drennan (appointed 1 st October 2010) C J B Goodbody Esq + D M Green Esq Lady Hunt-Davis MA (Child Protection Governor) The Rt Hon Sir David Latham A P Lewis Esq J I McComas Esq # T R Moore Esq J E M Pakenham Esq # R D Stratton OBE DL Esq # # Member of the Finance Committee + Member of the Health and Safety Committee
Patrons	The Marquess of Bath The Bishop of Salisbury Mrs D P Goodger R C Southwell QC The Rev'd Canon E J Townroe
Company Secretary and Bursar	Mrs A Martin
Headmaster	M Priestley Esq
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 31 Great George Street Bristol BS1 5QD
Solicitors	Thring Townsend 2 Midland Bridge Road Bath BA1 2HQ Withy King James Street West Bath BA1 2BT
Bankers	Lloyds TSB Bank Plc Canons House Canons Way Bristol BS99 7LB

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Reference and Administrative Information

Warminster School originates from a boys school founded in 1707 and a girls school founded in 1874. The schools merged in 1973. Warminster School is a Charity, registered number 1042204, and also a company limited by guarantee, registered number 2990649. The Governors, executive officers and the principal address of Warminster School are listed on page 2, together with the particulars of the Charity's professional advisors.

Structure, Governance and Management

Governing document

The Charity is governed by its Memorandum and Articles of Association dating from 1994 on incorporation, and last amended in 2005.

Governing bodies

The Memorandum and Articles of Association state that the Directors of the charitable company shall be known as Governors, and the Members of the charitable company be known as Members. The Governors and Members who held office during the year are shown on page 2.

The structure of the Charity consists of one Governing Body of not more than twelve Governors for Warminster School, which incorporates Warminster Preparatory School.

Recruitment and Training of Governors

New Governors are appointed by ordinary resolution of the Governors at a General Meeting on the basis of nominations received, and eligibility is subject to personal competence, specialist skills and availability. New Governors are inducted into the workings of the Charity and the School, including the policies and procedures, at training meetings organised for them by the Chairman, the Headmaster and the Bursar. Governors' training needs are assessed on an individual basis and training is given as appropriate. An in-house training session was held in October 2010 and will be updated regularly in order to ensure that all Governors are up to date with current legislation and good practice.

Organisational Management

The Governors are legally responsible for the overall management and control of Warminster School including Warminster Preparatory School and meet at least three times a year. The work of implementing some of their policies is carried out by the members of the Finance Committee who meet at least two to three weeks before each meeting of the full Governing Body to approve the budgets and finalise the audited Financial Statements and Annual Report for approval by the Governors. The Finance Committee is chaired by Mr J E M Pakenham and is the committee which also deals throughout the year with the business risk management of Warminster School. Other Finance Committee members are listed on Page 2.

The day to day running of the School is delegated to the Headmaster, the Headmaster of Warminster Preparatory School and the Bursar. The Headmaster is supported by the Leadership Team of Warminster School, which includes the Headmaster of the Preparatory School. The Headmaster, the Headmaster of the Preparatory School and the Bursar attend meetings of the Finance Committee and the full Governing Body.

Separate additional Governors meetings are held once a term to deal with the affairs of the Senior School and the Preparatory School.

Directors' indemnities

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Company also purchased and maintained throughout the financial year Directors' and Officers' liability insurance in respect of itself and its Directors.

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Group Structure and Relationships

The Charity has a wholly owned non-charitable subsidiary, School Retailers Limited, trading as Warminster School Shop. The principal activity of this subsidiary is to provide the School uniform.

School Retailers Limited had a satisfactory trading year, however with effect from June 2012, Warminster School's uniform will be provided by an online retailer external to the Group. It is therefore intended that School Retailers will cease trading within the next 12 months and the company is therefore not regarded as a going concern. In accordance with FRS 18, and because School Retailers Limited is not regarded as a going concern, School Retailers Limited prepared their financial statements on a break up basis rather than a going concern basis. A provision of £7,901 has been included in their stock balance as at 31 August 2011 to reflect management's plans for the sale of existing stock at discounted values and their assessment of the probable recoverability of the items currently held. No other figures within their financial statements have been affected due to the use of the break up basis. The closure of School Retailers Limited does not have a significant impact on the School's ability to continue in operation.

Warminster School activity supports the attainment of the highest standards in the Independent Schools sector, partly through networking with other major Schools and partly through peer group studies for the evaluation of quality and performance improvement methods. We also cooperate with many local charities in our ongoing endeavours to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils, in the public interest, an awareness of the social context of the all round education they receive at the School. Warminster School also benefits from the generosity of the parents through the Warminster School Association. This is a separate entity from the Charity. Their support is greatly appreciated.

Risk Management - Including Principal Risks and Uncertainties

The Governors are responsible for the management of the risks faced by the Charity. Detailed considerations of the risks are delegated to the Finance Committee, which is assisted by the Headmaster, the Headmaster of the Preparatory School and the Bursar. Risks are identified, assessed and controls are established throughout the year. A formal review of the Charity's Risk Management process is undertaken on an annual basis with the last review taking place on 1st July 2011. The key controls used by the Charity include:

- formal agendas for all Committee and Board activities,
- detailed terms of reference for all Committees,
- comprehensive strategic planning, budgeting and management accounting,
- established organisational structure and lines of reporting,
- formal written policies,
- clear authorisation and approved levels, and
- vetting procedures as required by law for the protection of the vulnerable.

Through the risk management process established for the Charity, the Governors are satisfied that major risks are identified and appropriately mitigated where necessary. The key risk is maintaining pupil numbers and this is mitigated through an active recruitment programme. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Financial Risk Management

The Charity's operations expose it to a variety of financial risks that include the effects of changes in credit risk, liquidity risk and interest rate risk. The school is exposed to credit risk as its main customers are the parents of pupils. The school is active in discussing payment terms with parents and agreeing payment plans through a third party where required. The school is exposed to liquidity risk but minimises the exposure by actively monitoring the monthly cash flow. Similarly the school is also exposed to a rise in interest rates which it minimises by ensuring a reasonable contingency amount within the appropriate budget heading. In addition, the Charity has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Charity.

The Charity is not exposed to commodity price risk as a result of its operations.

Warminster School

Objects, Aims, Objectives and Activities

Charitable Objects

The Charity's objects, as set out in its Memorandum and Articles of Association, are the advancement of education by carrying on Warminster School as a School for the education of children as boarding or day pupils, in accordance with the principles and spiritual values of the Church of England

Public Benefit Aims and intended impact

To achieve these objects, the public benefit aim is to provide the best possible independent education, both through strong academic tuition, and through developing wider sporting, artistic, and social skills in all its pupils. This is intended to provide an environment where each pupil can develop and become an independent learner whilst fulfilling their potential, thus helping to build self-confidence and to inculcate a desire to contribute to the wider community

In the furtherance of these aims the School Governors, as the charity trustees, have complied with the duty in s 4 of the Charities Act 2006 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act

Objectives for the year

The major academic focus, in line with the School's objectives as identified in the strategic development plan, has been on high academic and extra-curricular achievement in accordance with the talents of each pupil. Success in achieving these goals has been significant – as evidenced by our public examinations results and the distinction shown by Warminster students in all fields of extra-curricular endeavour. In addition, the School has focussed on further widening of access to the education provided by the schools, continuing the summer schools for overseas students, which also puts the school's facilities to good educational use when not otherwise needed

Strategy to achieve the year's objectives

The Governors have continued to review the School's academic curricula in order to ensure that the School provides challenging and stimulating schemes of work for all pupils across the ability range. MidYIS (Middle Years (7 – 9) data drawn from Independent Schools) data is being actively used to ensure that the School offers strong 'value-added' to our pupils. A programme of boarding house redevelopment is already well advanced and continuing. Pastoral care remains a very high priority. The School has established a variety of cultural, environmental and charitable links, including an Eco-Schools scheme to make School practices more environmentally friendly and to increase awareness of environmental issues. The School has also established links with the Hannah School in Ghana with staff exchanges (in both countries) and a staff-led pupils trip to Ghana having already taken place. The School continues to further develop links with local junior schools in both the state and independent sectors and seeks to facilitate wider community access to our schools' facilities. Warminster Preparatory School supports a series of local charities

Principal activities of the year

The Charity principally provides education in Warminster to boys and girls from the ages of 3-11 in Warminster Preparatory School and from 11-18 in the Senior School. It also hires its facilities to educational summer schools from overseas, provides access to the School's sporting facilities to pupils from two other local state junior schools and to the community and uses its kitchen facilities to provide hot food daily to a local Primary School

As part of the Agreement with the Church of England Cley Hill Team Ministry, the School provides the IT, telephone and fax facilities for The Minster, Warminster and helps with the costs of the Team

In a transaction approved by the Charities Commission, the School, on 26th March 2003, granted a lease on a tract of School land to the local Cricket Club for £1 a year. The land has been used to build a full-length, two-pitch, indoor training school. These facilities are now used by other local schools and Cricket Clubs, as well as by the School

Warminster School

Grant making policy

This year the value of scholarships, grants, prizes and bursaries made to the School's pupils out of unrestricted funds totalled £1,242,752 (2010 £1,229,334). Of this, over £309,290 (3.46% of fee income) was awarded in Scholarships and £349,772 (3.91% of fee income) in bursaries, all of which are means-tested according to the school's policy and criteria. The remainder of the funds cover standardised discounts to members of the armed forces, members of staff and siblings of current pupils. The School does not benefit from any endowments to fund scholarships. The policy of the Governors is to make awards on the basis of the individual's educational, musical, artistic or sporting potential, or to relieve hardship where the pupil's education and further prospects would otherwise be at risk. Details of all such awards for fee-assistance, together with the terms and conditions for each kind of award, are available from the Bursary.

Review of achievements and performance for the year

Operational performance of the School:

Warminster Senior School

The school has continued its very successful track record, both academically and in other measures of performance.

Academic

Now a member of HMC, which represents the Heads of over 250 of the UK's leading independent schools, Warminster School celebrated some very strong public examination results in 2011. International Baccalaureate (IB), A Level and GCSE examination results testify that the school remains on a strongly upward trajectory. IB results saw our figure for IB points per graduate sustained at around 33 points per Diploma graduate. Having been the first school in the South-West to adopt the International Baccalaureate for our Sixth Form alongside the traditional A Level programme, we have established an enviable reputation as a successful centre of IB delivery. The school was very pleased that so many of the cohort comfortably exceeded the 24-point threshold to achieve their Diploma. We maintained our 'points average' well above the global average but of particular note was the fact that four candidates scored in the forties out of 45 points – the first time that Warminster School has achieved so many outstanding results. That was a particularly welcome feature of our performance and indeed this excellence at the top end was something we saw strongly in both A Levels and GCSE, too. In terms of A Levels, our results at A2 were record-breaking. Of particular note was the increase in the percentage of A* - B grades, which reached 55% of all examinations sat – this is the highest ever achieved in the School's history. Of these, 7% of all results were at A* grade – a considerable increase on the results of 2010. In addition more than 25% of entries were at either A* or A grade. The pass rate overall was 99%. In terms of GCSEs, whilst the proportion of our cohort securing five passes at A*-C grades fell slightly from last year's record level, we were delighted to secure a record number of A* grades (13% of all subject entries).

Extra-Curricular Review

With over seventy different clubs and societies for our pupils to choose from, Warminster School is also proud of its wide range of stimulating co-curricular opportunities.

Highlights of the year included an outstanding production of 'Beauty and the Beast', which was felt by many to have taken the music, drama and performing arts at Warminster School to new heights – and to an ever-expanding audience. 'Beauty and the Beast' (November 2010) outsold 'Les Misérables' (2008) by 50%. The school supported our armed services via the 'Tickets for Troops' initiative and also offered forty free tickets for the Saturday matinee performance to the local 'Mencap' organisation. Pleasingly, a good number of primary schools attended.

With two such strong lead performers (Patrick James and Ellie Taylor-Roberts), this is a performance whose excellence will be hard to match in future years. Perfectly encapsulated in 'Beauty and the Beast' were many of the features this school most prizes: collaboration, for instance, staff and pupils, supporting each other, working jointly towards a shared goal, and clearly thoroughly enjoying the process. Participation is another strong feature, for those taking lead roles and supporting roles on stage, in the wings, as well as in the orchestra, were not 'music specialists' or 'drama specialists' but rather the same people who participate with equal enthusiasm (and often distinction) on the games field, in art and design, in the Combined Cadet Force and the Duke of Edinburgh scheme and in a whole range of other activities.

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The school is proud of the fact that so many of the pupils here have a rich and broad experience

On Saturday 29th January 2011, our staff and pupils put on the 24-Hour Musical, performing "Grease" (a full West End show) with just 24 hours' rehearsal time (indeed, only 16 hours were available if one excludes the overnight break and the lunch and supper break) It was a truly magnificent performance with everybody (parents, pupils and staff) throwing everything behind the process

The Art Department ran a trip to Berlin over half-term in October 2010 Twenty-two students – all studying Art at GCSE or in the Sixth Form – spent five action-packed days in Berlin The exciting itinerary included gallery visits, walking tours, sketching in the Berlin Zoo, seeing the famous Reichstag glass dome at night and a cruise along the River Spree Having visited Paris the previous year, the Art Department now aims to offer Art and Photography students an overseas experience every year

The school continues to develop its programme of visiting speakers to enrich the educational experience offered to its pupils On Thursday 14 October 2010 we welcomed historian and novelist Allan Mallinson He spoke on the themes of his recent book, "The Making of the British Army" In the Spring Term of 2011, we welcomed Dennis Silk, who spoke memorably and movingly on the poetry of his great friend, Siegfried Sassoon, of whose appreciation society he is the President

The school continued to extend its broad vision of education by offering important guidance to its pupils and parents, for instance via a talk from 'Drugs Education UK' (DRED) which related directly to the issues faced by young people and which raised awareness regarding substance misuse in the UK Similarly, Sixth Formers benefited from a graphic and harrowing 'road safety' presentation

The Sports Department undertook an ambitious sports tour to Holland in the October half term of 2010 Our sports department took 56 pupils from Years 7-9 (both boys and girls) and they were able to field four teams who enjoyed both hockey and rugby fixtures

Boys' Sport has seen the following Team Honours secured for Hockey Boys Under 11 County Runners Up, Boys Under 14 Hampshire Collegiate Invitational Champions, Boys Under 14 County Champions, Boys Under 16 County Champions, Boys Under 18 Indoor County Champions Once again we have a high number of pupils selected for county hockey, netball and rugby honours

The Duke of Edinburgh Award continues to thrive under the leadership of Cheryl Nurdin At Bronze level, we have thirty active participants Around thirty completed the Award At Gold level, a record number secured their award On 10 November 2010 we welcomed Brigadier Ranald Munro (TA), Assistant Commander the 4th Division, for our regular biennial inspection of the CCF A corporate lawyer in civilian life, he was accompanied by several regular soldiers Brigadier Munro was impressed by the pupils and their purposeful demeanour and polite behaviour Despite MoD cutbacks, we continue to receive good support from parents who are well placed to do so Cadet Mark Bennett was selected to be the Lord Lieutenant's Cadet for the year 2010-11 – an honour which involves ceremonial duties and much military finery

Royal Wedding on Friday 29th April 2011, the school remained open to celebrate the Royal Wedding, and the day took the form of a 'Red, White & Blue Mufti Day' A number of charitable endeavours took place throughout the year Red Nose Day on Friday 18th March 2011 was a 'mufti day' on which even Governors, attending a Governors' meeting, wore mufti and made a donation!

Over the summer holiday of 2011, the school undertook much purposeful and worthwhile activity The Music (Swing Band and Choir) Tour to Italy was masterminded by the Director of Music, Mr Martineau, and a group of pupils went kayaking in the Norwegian fjords under the leadership of Mr Wicks The Combined Cadet Force had a very successful adventure training expedition in Okehampton in Devon, involving 24 cadets and 4 staff Activities included hiking, dinghy sailing, raft building, kayaking, windsurfing, mountain biking, rock climbing and orienteering

In terms of the fabric of the school, the summer holiday also saw considerable enhancements, building on the work of the last few years which have seen a wide-scale enhancement of the School around Church Street The entrance, stairs and corridors to School House have been enhanced, the netball courts have been resurfaced, and there has been a good deal of external painting and window renovation to St Boniface Within the boarding houses, we have created a new common room and dormitory in Northdown and a new dorm in the Old Vicarage, and plenty of other projects Meanwhile, our plans for a major development in Culverhouse Yard are advancing and planning permission for that project has been granted

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Warminster Preparatory School

The Preparatory School continues to thrive and enjoyed a very successful year despite the national economic downturn. The School began the academic year with a healthy roll and welcomed numerous new pupils over the three terms. The School operates a system of bursaries and scholarships from which many families benefit.

The pupils in the Preparatory School continue to enjoy a broad and engaging curriculum. A curriculum review led to an increase in the amount of teaching time allocated for English and Maths in Years 5 and 6, French is to be streamed in Year 6 and German was introduced in September 2011. The focus on the quality of teaching continues to be the main goal of the management team and the Headmaster 'team-taught' with many colleagues as part of their annual appraisal scheme.

The children enjoyed a whole school art project and pupils from the Senior School visited to create an installation based around the theme of age. The School held its annual 'Technology week' where the pupils enjoyed working with a variety of visiting specialists. This year's theme of 'Robotics' inspired the groups to work with various machines and devices. The week began with a demonstration of a bomb disposal robot by one of our parents (no live ordnance was involved!).

The pupils enjoyed a very active year of sports fixtures with both wins and losses teaching the pupils vital lessons for life ahead. All pupils from Year 3-6 have an opportunity to represent the school in at least one sport during the year as part of our inclusive policy. The use of an indoor swimming pool enabled Reception, Year 1 and 2 to enjoy lessons throughout the year.

The pupils have taken part in numerous charitable events. At Christmas over 100 shoe boxes were collected for Romanian orphans. Each box contained Christmas presents, a simple wash kit and appropriate stationery and pupils took part in the 'Jumped Rope for Heart' to raise funds for the British Heart Foundation. A School fair was organised by pupils and raised funds for the 'Pakistan Flood Disaster'. The School continues to raise funds for various charitable causes and is supporting spinal research this year.

The School continues to host a Brownie pack. Access for the neighbouring Primary School has been arranged at no cost to enable local children to make use of the school's astro-turf and this has proved a very popular facility.

The pupils have all participated in a number of musical and dramatic events. These included a nativity, a pantomime and a musical. The new director of music has developed two choirs, a guitar group, African drumming group, recorder group, cello group and rock band. Almost 100 pupils play an individual instrument.

Trips are an important part of a dynamic education and the pupils have certainly enjoyed many wonderful outings this year. The trips included:

- Year 6 trip to a Chateau in Normandy
- Year 4 spent three days as Romans near Dorchester
- Year 3 were evacuated to the Swindon Steam Museum as part of a WWII project
- Year 2 spent a day as Victorians
- Year 1 visited Farleigh Hungerford Castle

The school has been successful in applying for a Comenius project which began in September 2011. The countries involved include Romania, Spain, Bulgaria, Turkey, Poland and Italy. Pupils from at least one school in each country will complete work and send it to all the other schools in the project around the theme of literary characters.

The pupils are enjoying a very active, challenging and diverse curriculum at the Prep School. The Headmaster and management team continue to review and develop activities for the pupils. Staff training and development are on-going and pupil numbers are healthy.

Warminster School

Financial review and results for the year

Financial statements

The total income has increased by 6.4%. This has been achieved partly through increasing numbers, particularly boarders, within the Prep School and a strong increase in boarders in the Senior School. Expenditure has been tightly controlled to ensure that an appropriate surplus is available to build the educational provision and for the maintenance of the site. Over the year the School has invested a total of over £45,000 in a new boiler and heating system for St Boniface building, completing the works to the Victorian building on the Prep School site, resurfacing the senior school tennis and netball courts, refurbishing and equipping the school laundry, reroofing a classroom building and completing the works to provide additional changing rooms in the Sports Hall. Various other small refurbishing projects including a refurbishing the kitchen in a senior boys' boarding house, new catering equipment, double glazing to a junior boarding house and adapting areas within boarding houses to accommodate the increasing numbers have all improved the general quality of accommodation and facilities throughout both schools.

Reserves policy

The capitalised expenditure on the Charity's premises and equipment is financed by our secured bank borrowings. The Charity's unrestricted funds stood at £5.25M (2010 £4.75M) as at 31st August 2011. These funds are held to finance the assets of the school and to cover normal fluctuations in working capital. The Charity's assets are sufficient to meet its obligations and our current policy is to continue to build up our resources by means of annual operating surpluses. During the coming year Governors, together with the Bursar, will review and update the policy.

Future plans

A new Strategic Development Plan has been developed and approved by the Governors and has been opened up to all members of staff, both teaching and non-teaching, so that all staff can be involved in moulding a shared vision of the School's future development. During the past year much work has resulted in obtaining planning permission for a new hall and classrooms extending from a current maintenance building to be refurbished for supporting educational provision. The School's uniform provision is to be transferred to an online provider from June 2012 at which time School Retailers Ltd will cease trading. The new Strategic Development Plan identifies a mission and vision for the School, alongside fourteen specified goals. These are elucidated below.

The 'Mission' of Warminster School is "to provide an independent education to a broad cross-section of the communities we serve." Thus Warminster School exists to provide a high-quality but not exclusive academic education to a variety of boys and girls (a significant minority of whom are boarders), varying in age from three to eighteen years and varying also across a relatively broad ability range – a characteristic which we celebrate.

As well as achieving excellent academic results with a strong emphasis on the notion of 'value-added', Warminster School pupils learn here to enjoy each other's company, to lead committed and active lives, to benefit from a broad and outward-looking school experience within a culture which welcomes and celebrates participation, to rejoice in their own and each others' achievements and to develop a range of skills which will enrich their lives and equip them for life beyond school.

The 'Vision' of Warminster School is "to be recognised as providing a high-quality all-round education to children aged 3-18, in a happy and mutually supportive environment." Thus we wish to establish the School as one of the most dynamic and respected in the South-West, with an enviable and deserved reputation for its excellent academic outcomes with commendable 'value-added' results for pupils of all abilities, accessible, broad and appropriate curriculum, culminating in a range of Sixth Form courses based on a choice between the traditional A Level route and the International Baccalaureate Diploma, strong systems of pastoral care based on its Christian Foundation, a recognition of the spiritual dimension of education, the warmth of relationships between staff and pupils, and the tutorial system, warm and supportive family atmosphere in which individuality and tolerance flourish, ongoing significant investment in School facilities, and a wide range of opportunities for pupils wishing to participate in the performing and creative arts, in the areas of Design and Technology, in a diverse extra-curricular programme including sport, community service and charitable and environmental projects, the Combined Cadet Force and the Duke of Edinburgh Award.

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The fourteen specified goals within the Strategic Development Plan are listed below

- 1 To offer to all pupils a rich, rewarding, challenging and diverse experience which they will enjoy at the time and find valuable after leaving school,
- 2 To achieve and to maintain excellence in all teaching departments by recruitment and retention of the best teachers in order to deliver an accessible, broad and appropriate curriculum,
- 3 To offer pupils the opportunity to participate in the traditional major games and to excel in such activities at the top level by offering excellence in coaching and facilities,
- 4 To be professional and up-to-date in our use of Information Technology,
- 5 To allow pupils to enjoy participating and collaborating in the field of the creative and performing arts and to build upon our growing reputation in these areas,
- 6 To train, nurture and develop our academic and support staff so that they are enabled to do their jobs, enhance their skills, and progress their careers,
- 7 To maintain through the organisation and support of our tutorial and boarding arrangements a deserved reputation for high quality pastoral care for both day and boarding pupils,
- 8 To identify the wants and needs of existing and potential parents, and to meet them within the financial constraints of the School, and within the context of the School's educational objectives,
- 9 To develop and maintain a surplus of income over expenditure by sound and productive financial management so that the School can drive and implement a programme of development to improve the School's educational provision,
- 10 To review actively the appropriate profile and size of the School and its constituent parts, so that the School can deliver an appropriate education whilst maintaining a healthy financial position,
- 11 To provide a safe, suitable, and cost-effective environment for the School by managing, maintaining, and developing the School estate,
- 12 To encourage all members of the School community to feel they belong to a dynamic and caring society based on Christian values which inform the educational and economic activities of the School,
- 13 To ensure good relations with the local and wider community, in part so that in its operations, within the School as well as in the world outside, the School meets appropriately any statutory test of public benefit,
- 14 To promote environmentally sustainable living within the School community and to educate pupils to be aware of the importance of sustainable development

Statement of Governors' Responsibilities

The governors (who are also directors of Warminster School for the purposes 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 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 governors are required to

- select suitable accounting policies and then apply them consistently,
- observe the methods and principles in the Charities SORP,
- 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,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The governors are responsible for keeping proper 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.

In so far as the governors are aware

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information

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Connected persons

Details of transactions with connected persons are shown in note 24 to the financial statements

Independent Auditors

PricewaterhouseCoopers LLP have expressed their willingness to continue in office being eligible for re-appointment under the provisions of the Companies Act 2006

Signed for and on behalf of the board

R A Payn
(Chairman)

9.12.2011

(date signed)

Warminster School

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF WARMINSTER SCHOOL LIMITED

We have audited the financial statements of Warminster School for the year ended 31 August 2011 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes. 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).

Respective responsibilities of governors and auditors

As explained more fully in the Statement of Governors' Responsibilities, the governors (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.

This report, including the opinions, has been prepared for and only for the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

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 governors, and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Governors' Report to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2011 and of its incoming resources and application of resources, including its income and expenditure and cash flows, for the year then ended,
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Governors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

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

Warminster School

- the financial statements are not in agreement with the accounting records and returns, or
- certain disclosures of governors' remuneration specified by law are not made, or
- we have not received all the information and explanations we require for our audit



Fiona Westwood (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol 15 December 2011

Warminster School

Statement of financial activities (including the income and expenditure account) for the year ended 31 August 2011

	Notes	Unrestricted funds £	Restricted funds £	Total funds 2011 £	Total funds 2010 £
Incoming resources					
Incoming resources from generated funds					
School Retailers Limited – gift aid	(24)	-	-	-	4,364
Investment income	(3)	11,601	-	11,601	12,854
Activities for generating funds	(5)	155,412	-	155,412	146,233
Voluntary income		10,297	-	10,297	2,985
Income from charitable activities					
School fees and extras	(2)	8,506,158	-	8,506,158	7,999,341
Other educational income	(5)	9,560	-	9,560	8,860
Other incoming resources	(5)	8,412	-	8,412	6,499
Total incoming resources		8,701,440	-	8,701,440	8,181,136
Resources expended					
Cost of generating funds					
Other ancillary activities		149,920	-	149,920	136,658
Charitable activities					
School's operating costs		8,033,525	45	8,033,570	7,593,201
Governance costs	(6)	21,901	-	21,901	20,737
Total resources expended	(7)	8,205,346	45	8,205,391	7,750,596
Net incoming/(outgoing) resources (net income/(expenditure)) before other recognised gains and losses					
	(3)	496,094	(45)	496,049	430,540
Gains & losses on the revaluation of investment assets	(10)	67	-	67	328
Net movement in funds		496,161	(45)	496,116	430,868
Fund balances brought forward		4,751,882	6,980	4,758,862	4,327,994
Fund balances carried forward		5,248,043	6,935	5,254,978	4,758,862

All of the charitable company's activities are classed as continuing. The charitable company has no recognized gains and losses other than shown in the Statement of Financial Activities for the two periods.

There is no material difference between the net movement in funds on ordinary activities and the retained funds for the year stated above and their historical cost equivalents.

The notes on pages 17 to 31 form part of these financial statements.

Warminster School


Balance Sheet as at 31 August 2011

	Notes	£	2011 £	£	2010 £
Fixed assets					
Tangible assets	(9)		8,745,649		8,688,559
Investments	(10)		<u>5,496</u>		<u>5,429</u>
			8,751,145		8,693,988
Current assets					
Stocks	(11)	4,770		4,770	
Debtors	(12)	486,119		285,478	
Cash at bank and in hand		<u>2,998</u>		<u>3,205</u>	
		493,887		293,453	
Creditors amounts falling due within one year	(13)	<u>(2,310,832)</u>		<u>(2,439,340)</u>	
Net current liabilities			(1,816,945)		(2,145,887)
Total assets less current liabilities			6,934,200		6,548,101
Creditors: amounts falling due after more than one year	(13)		<u>(1,679,222)</u>		<u>(1,789,239)</u>
Net assets	(23)		<u>5,254,978</u>		<u>4,758,862</u>
Accumulated funds					
Accumulated fund - unrestricted	(15)		5,248,043		4,751,882
Prize fund – restricted	(16)		5,415		5,460
Other fund – restricted	(16)		<u>1,520</u>		<u>1,520</u>
Total funds (Including revaluation reserve of £1,660 (2010: £1,593))			<u>5,254,978</u>		<u>4,758,862</u>

The notes on pages 17 to 31 form part of these financial statements

Approved by the Board on (date) and signed for and on behalf of the board

R A Payn
(Chairman)


9.12.2011.

(date signed)

Warminster School is a company limited by Guarantee No 2990649

Warminster School

Cash flow statement for the year ended 31 August 2011

	Notes	2011	2010
			£
Reconciliation of net incoming resources to net cash inflow from operations			
Operating surplus		496,049	430,540
Interest received		(80)	-
Investment income received		(313)	(188)
Interest paid		58,899	56,999
Depreciation		223,136	215,067
Loss on disposal of fixed assets		9,195	1,438
(Increase) in stocks		-	(930)
(Increase) / Decrease in debtors		(200,641)	87,745
Increase in creditors		101,749	507,815
Net cash inflow from operations		687,994	1,298,486
Cash flow statement			
Net cash inflow from operations		687,994	1,298,486
Returns on investments and servicing of finance	(21)	(60,164)	(61,071)
Capital expenditure and proceeds	(21)	(289,421)	(413,322)
Financing	(21)	(104,000)	(109,798)
Increase in cash		234,409	714,295
Reconciliation of net cash flow to movement in net debt			
	(22)		
Increase in cash in the year		234,409	714,295
Cash outflow from decrease in debt and lease finance		104,000	109,798
Change in net debt resulting from cash flows		338,409	824,093
Net debt brought forward		(2,673,675)	(3,497,768)
Net debt carried forward		(2,335,266)	(2,673,675)

The notes on pages 17 to 31 form part of these financial statements

Warminster School

Notes to the financial statements for the year ended 31 August 2011

1 Accounting policies

The accounting policies of the School have been applied consistently throughout the year and in prior years. There have been no material changes in accounting policy during the year to 31 August 2011.

Basis of accounting

The charitable company's financial statements have been prepared on the going concern basis under the historical cost convention, modified by the revaluation of investments, and in accordance with applicable accounting standards in the United Kingdom, the Companies Act 2006 and the current Statement of Recommended Practice on accounting and reporting by charities: the Charities SORP 2005 (updated 2008).

Consolidation

The charitable company has taken advantage of the exemption provided by Paragraph 383 of the Charities SORP 2005 not to prepare group financial statements as the results of the subsidiary undertaking are not material to the group as a whole. Accordingly, these financial statements present information about the charitable company as a single undertaking.

School fees and extras

School fees and extras represent teaching fees and related income invoiced termly in advance, net of scholarships and other allowances. This income is recognised on a receivable basis when there is a binding commitment for the transfer of funds to the School. Fees and Extras relate to goods and services provided wholly within the United Kingdom. Fees received in advance are held as creditors on the balance sheet. An accrual is made for any income due to the School, which has not been invoiced in the year.

Voluntary Income and other income

As well as its principal fee income stream, the School generates incoming resources in the following categories which are recognised on an accruals basis:

- Investment income
- Activities for generating funds, including rent and lettings income
- Other income, which comprises registration fees, management charges and voluntary income

Donations and legacies are recognised on a cash basis unless there is a legally binding commitment for the transfer of funds before cash is received, in which case the income is recognised at this point. Donations subject to specific wishes of donors are credited to relevant 'restricted funds'.

Funds for Special Purposes

Funds are classed as unrestricted and restricted. Unrestricted funds can be utilised for any of the charities' operating expenditure. Restricted funds are monies to be used for a specific purpose, for example speech day prizes. Details are shown in the notes to the financial statements.

Expenditure

Expenditure is allocated to expense headings on a direct cost basis. The irrecoverable element of VAT is included with the item of expense to which it relates.

- Costs of generating funds are those costs incurred in attracting other income to the School.
- Charitable activities includes all types of expenditure incurred in providing teaching and boarding programmes.
- Governance costs are those costs incurred in the governance of the School. These include the fees for statutory audit and governors' liability insurance.

Warminster School

Foreign Currencies

Transactions in foreign currencies are translated into sterling at the rates of exchange ruling on the date of the transaction. Exchange differences are taken into account in arriving at the net incoming resources.

Pension Schemes

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Governors by the Scheme Administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the Charity. In accordance with FRS 17, therefore the scheme is accounted for as a defined contribution scheme and contributions are charged to the Statement of Financial Activities when payable. The Charity also contributes to individual personal pension schemes for various non-teaching staff at rates according to individual employment contracts. Further details are given in note 17 to the financial statements.

Tangible Fixed Assets

All tangible fixed assets are held in the balance sheet at cost. Cost includes the purchase price of the asset plus all other costs incurred in bringing the asset into use. Subsequent expenditure is capitalised where it extends the life or increases the value of the asset.

Long leasehold and freehold properties

The Charity owns a number of buildings and areas of land within and around the town of Warminster. Many of these properties are historic.

The Charity does not depreciate the historic or listed freehold and long leasehold buildings or buildings which are attached to, or extensions of, such property. In the opinion of the Governors, any depreciation in respect of such buildings would be immaterial due to the high residual value of the properties concerned. Governors regularly commission an appropriate valuation of these buildings to support this policy and conduct an annual impairment review. The recent valuation indicates that the net realisable value of the properties is substantially greater than the carrying value as shown in the financial statements.

Recent purpose-built academic blocks are depreciated at 2% per annum straight line. Work at the school's expense carried out to Leasehold property is depreciated at the appropriate rate to write off the work by the end of the Lease.

Other fixed assets

The policy with regard to other assets is that all significant assets purchased for more than £1,000 will be capitalised. Fixed assets are held at cost which includes the purchase price and any costs of putting the asset into use. Depreciation as provided is expected to write off the cost of the fixed assets within their useful lives. The following methods and rates of depreciation applied during the year:

Short Leasehold Property	2%	Straight Line
Sports Facilities	4%	Straight Line
Furniture, Fittings & Equipment	20%	Straight Line
Motor Vehicles	33%	Straight Line

Included within the heading 'Furniture, Fittings & Equipment' are the capital cost of the School's computer network system. Peripheral computer equipment, such as work stations and printers, is written off in the year of purchase. The useful economic lives and residual assets of fixed assets are reviewed annually.

Investments

All Investments are held in the United Kingdom. Investments are included in the balance sheet at market value at the balance sheet date. Any unrealised gains or losses are reflected in the Statement of Financial Activities. The investment in the School's subsidiary is stated at cost.

Warminster School

Stocks

Stocks are valued at the lower of cost and net realisable value on a first in first out basis. Stocks are reviewed annually and a provision created for any slow moving or obsolete stock where required.

Leased Assets

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the Statement of Financial Activities on a straight line basis over the lease term.

Warminster School

2 School fees income

	2011	2010
	£	£
School fees and Extras Income comprises the following		
Gross Fees	9,748,910	9,228,675
Less Scholarships, Bursaries and Other Remissions Granted	(1,242,752)	(1,229,334)
	<u>8,506,158</u>	<u>7,999,341</u>

3 Net incoming resources

The net incoming resources for the year is stated after charging	2011	2010
	£	£
Depreciation		
Owned Assets	215,842	207,773
Leased Assets	7,294	7,294
Auditors' remuneration		
Audit	16,950	16,460
Other Services -Teachers' Pension Return	890	860
Operating lease rentals		
Land and buildings	45,851	34,501
Equipment	15,352	15,030
Loss on Disposal of Fixed Assets	9,195	1,438
Interest receivable and similar income		
Interest on overdue debts	11,208	12,666
Bank interest	80	-
COIF Charities Investment Fund	313	188
	<u>11,601</u>	<u>12,854</u>
Interest payable and similar charges		
Interest payable on overdraft	6,259	10,901
Interest payable on loans	26,356	27,771
Bank charges	27,942	21,690
Hire purchase interest and charges	-	898
	<u>60,557</u>	<u>61,260</u>

Warminster School

4 Employee information

Staff costs	2011 £	2010 £
Wages, salaries and termination payments	4,713,325	4,427,069
Social security costs	326,290	301,404
Pension costs (note 17)	478,808	436,881
	<u>5,518,423</u>	<u>5,165,354</u>

The average number of employees including part time staff (full time equivalent) during the year was

	2011 Number	2010 Number
Teaching and house staff	113	109
Administration	16	16
Other	52	50
	<u>181</u>	<u>175</u>

The Governors received no remuneration (2010 £nil) Governors' travelling and training expenses are reimbursed where claimed Expenses amounting to £240 were paid to Governors in 2011 (2010 £nil)

Included within the School's operating costs (note 7) are amounts paid to a Governor in respect of supply teaching £213 (2010 £nil) and £1,650 in respect of providing accommodation to pupils during exeat weekends These payments were made on an arms length basis and do not form part of the Schools governance costs

The number of employees whose emoluments were £60,000 or above

	2011 Number	2010 Number
£60,000-£69,999	1	1
£80,000-£89,999	1	1
	<u>2</u>	<u>2</u>

All employees' above have retirement benefits accrued under defined benefit schemes Of those staff whose emoluments were between £60,000 and £69,999 pension contributions amounting to £10,935 (2010 £8,750) were paid For those with emoluments between £80,000 and £89,999 pension contributions amounting to £14,676 (2010 £12,267) were paid

Warminster School

5 Other income

	2011 £	2010 £
Other activities for generating funds		
Insurance commissions	338	255
Rent	1,248	30
Summer lettings income	153,826	145,948
	155,412	146,233
Other educational income		
Registration fees	9,560	8,860
Other incoming resources		
Management charges	2,413	2,459
Miscellaneous	5,999	4,040
	8,412	6,499

6 Governance costs including audit

	2011 £	2010 £
<i>Services provided by the company's auditor including VAT</i>		
- Fees payable for the audit	20,340	19,541
- Fees payable for other services – Teachers' Pension return	1,068	943
Governors' liability insurance	253	253
Governors' expenses (note 4)	240	-
	21,901	20,737

Warminster School

7 Analysis of total resources expended

	Staff costs	Other costs	Depreciation	Total 2011	Total 2010
	£	£	£	£	£
Costs of generating funds					
Lettings costs	-	89,363	-	89,363	75,398
Financing costs (note 3)	-	60,557	-	60,557	61,260
	-	149,920	-	149,920	136,658
Charitable activities					
Teaching	4,009,497	440,537	45,644	4,495,678	4,161,261
Welfare	733,970	638,771	1,437	1,374,178	1,306,558
Premises	304,080	756,434	159,655	1,220,169	1,135,136
Support costs of schooling	470,876	456,269	16,400	943,545	990,246
School's operating costs	5,518,423	2,292,011	223,136	8,033,570	7,593,201
Governance costs (note 6)	-	21,901	-	21,901	20,737
Total resources expended	5,518,423	2,463,832	223,136	8,205,391	7,750,596

8 Taxation

The School is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. The Charity is an exempt body under notice 701/30 but is registered for VAT due to reverse charge liabilities in respect of overseas agent commissions.

Warminster School

9 Tangible fixed assets

	Long L'hoid & freehold property £	Short L'hoid & sports facilities £	Furniture, fittings & equipment £	Motor vehicles £	Total £
Cost					
At 1 September 2010	8,491,577	182,355	1,147,010	193,742	10,014,684
Additions	105,275	-	184,379	-	289,654
Disposals	(3,857)	-	(45,138)	(34,737)	(83,732)
At 31 August 2011	8,592,995	182,355	1,286,251	159,005	10,220,606
Accumulated Depreciation					
At 1 September 2010	383,763	127,792	657,301	157,269	1,326,125
Disposals	-	-	(39,566)	(34,738)	(74,304)
Charged in the year (note 3 and 7)	86,757	7,294	112,685	16,400	223,136
At 31 August 2011	470,520	135,086	730,420	138,931	1,474,957
Net book value:					
At 31 August 2011	8,122,475	47,269	555,831	20,074	8,745,649
At 31 August 2010	8,107,814	54,563	489,709	36,473	8,688,559

The long leasehold property held by the Charity is a 99 year lease which ends on 27 June 2064. However, during the last 21 years of the lease period the Charity has the option to acquire the freehold reversion for £10. The lease has therefore been treated as a freehold. In line with the School's accounting policy for historic buildings, the leasehold property has not been depreciated.

The cost of freehold and long leasehold buildings not being depreciated (note 1) is £4,188,876 (2010 £4,188,876).

Warminster School

10 Fixed asset investments

UK Listed Investments	2011	2010
	£	£
Market value as at 1 September 2010	5,419	5,091
Revaluation in year	67	328
Market value as at 31 August 2011	5,486	5,419

The listed investment represents 571 55 shares in the Charities Official Investment Fund. The trustees believe that the carrying value of the investments is supported by their underlying net assets.

Unlisted Investments

Subsidiary undertaking at cost	10	10
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Total Investments

Net book value	5,496	5,429
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Subsidiary Undertaking

The Charity's investment in its subsidiary company represents the cost of acquisition of 100% of the ordinary share capital of School Retailers Limited, a company registered in England and Wales.

School Retailers Limited operates a shop on the School site and its principal activity is to supply uniforms and associated clothing to pupils. The total taxable profit is donated under gift aid to the Charity.

At 31 August 2011, the aggregate of the share capital and reserves of School Retailers Limited amounted to £21,148 (2010: £21,148). The profit for the year was £nil (2010: £4,064) before a gift aid payment of £nil (2010: £4,064) to Warminster School.

11 Stocks

	2011	2010
	£	£
Provisions	4,770	4,770

12 Debtors

	2011	2010
	£	£
Trade Debtors (Fees and Extras)	222,317	199,005
Amount Due from Subsidiary Undertaking	5,547	19,501
Other Debtors	166,087	23,640
Prepayments	92,168	43,332
	486,119	285,478

Warminster School

13 Creditors

	Amounts falling due within one year		Amounts falling due after more than one year	
	2011 £	2010 £	2011 £	2010 £
Bank overdraft (secured)	573,802	808,418	-	-
Bank loans (secured)	100,000	100,000	1,568,462	1,668,462
Fees in advance	742,752	700,469	-	-
Advanced fees (note 14)	90,334	44,236	18,760	24,777
Deposits	345,643	318,770	-	-
St Boniface Sports Field Purchase	4,000	4,000	92,000	96,000
Trade creditors	28,461	80,303	-	-
Other taxes and social security	109,911	101,887	-	-
Other payroll creditors	62,490	57,462	-	-
Accruals and deferred income	253,439	223,795	-	-
	2,310,832	2,439,340	1,679,222	1,789,239

	<1 Year	1 – 2 Years	2 – 5 Years	>5 years
	£	£	£	£
Bank Loans	100,000	100,000	300,000	1,168,462
	100,000	100,000	300,000	1,168,462

The bank overdraft and bank loan are secured by way of a legal charge over the charitable company's long leasehold properties. The bank loan capital is repayable by way of an annual instalment of £100,000. Interest is charged on the outstanding balances at a rate of 1.75% over the bank's base rate for the bank overdraft and 1.00% over the bank's base rate for the bank loan.

Warminster School

14 Advanced Fees

In specific circumstances the School can receive fees in advance in respect of certain pupils
The advance payments held by the School as at 31 August 2011 will be applied to offset fees as follows

	2011	2010
	£	£
Within 1 year	90,334	44,236
Within 1 to 2 years	18,760	12,389
Within 2 to 5 years	-	12,388
	<u>109,094</u>	<u>69,013</u>

The balance represents the accrued liability under the contracts The capital movements during the period were

	2011	2010
	£	£
Balance brought forward	69,013	88,720
New contracts	341,520	82,549
Amounts utilised to pay fees or refunded	<u>(301,439)</u>	<u>(102,256)</u>
Balance carried forward	<u>109,094</u>	<u>69,013</u>

15 Unrestricted Funds

	2011	2010
	£	£
Accumulated fund		
Balance brought forward	4,751,882	4,320,951
Surplus of income over expenditure for the year	<u>496,161</u>	<u>430,931</u>
Total unrestricted accumulated fund	<u>5,248,043</u>	<u>4,751,882</u>

Warminster School

16 Restricted Funds

	2011 £	2010 £
Prize fund		
Balance brought forward	5,460	5,505
Funds received during the year	-	-
Expenditure for the year	(45)	(45)
Balance carried forward	5,415	5,460
Other fund		
Balance brought forward	1,520	1,538
Funds received during the year	-	-
Expenditure for the year	-	(18)
Balance carried forward	1,520	1,520

The prize fund represents donations from former staff and pupils of the School. The funds are used to provide speech day prizes.

The other fund represents monies received from the Old Verlucian Foundation. The funds from the Old Verlucian Foundation are used for the purpose of purchasing books for the School's library.

17 Pensions Obligations

The Charity participates in the following Pension Schemes

- (a) the Teachers' Pension Scheme (defined benefit), and
- (b) defined contribution pension schemes, the assets of which are held separately from those of the Charity in independently administered funds

The total pension cost charge represents contributions payable by the Charity to these schemes as follows

	2011 £	2010 £
Defined Benefit Scheme	402,026	364,107
Defined Contribution Schemes	76,782	72,774
	478,808	436,881

The following contributions had not been paid to the Schemes at the year end

	2011 £	2010 £
Defined Benefit Scheme	49,649	44,122
Defined Contribution Schemes	10,543	9,567
	60,192	53,689

Warminster School

Teachers Pension Scheme

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

The Teachers' Pension Budgeting and Valuation Account

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of The Teachers' Pension Scheme

Not less than every four years the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions. The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate (SCR) is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years), a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement has also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

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

The defined contribution pension schemes are run for the non-teaching staff.

Warminster School

18 Lease commitments

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

	Land and Buildings	Equipment	Total
	£	£	£
Between 2 and 5 years	-	15,352	15,352
After more than 5 years	32,501	-	32,501
	<u>32,501</u>	<u>15,352</u>	<u>47,853</u>

19 Capital commitments

At 31 August 2011, capital expenditure commitments were as follows

	Contracted but not provided for		Agreed but not contracted or provided for	
	2011	2010	2011	2010
	£	£	£	£
On land and buildings	38,628	26,610	-	48,390
On equipment	-	-	10,282	-
On motor vehicles	-	-	-	-
	<u>38,628</u>	<u>26,610</u>	<u>10,282</u>	<u>48,390</u>

The capital commitment contracted but not provided for relates to a new grounds department machinery storage building. Capital commitment agreed but not contracted for relates to a project to replace computers within the Design Technology departments IT suite.

20 Company limited by guarantee

The liability of the Members is limited. In the event of the charitable company being wound up, the Members have undertaken to contribute to the assets of the charitable company such amounts as may be required not exceeding £1 each. There were 11 members of the charitable company at the year end.

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21 Gross cash flows

	2011 £	2010 £
Returns on Investments and Servicing of Finance		
Interest received	80	-
Interest paid	(60,557)	(60,361)
Finance lease interest paid	-	(898)
Investment income received	313	188
	<u>(60,164)</u>	<u>(61,071)</u>
Capital expenditure and proceeds		
Payments to acquire tangible fixed assets	(289,654)	(413,322)
Proceeds from disposal of fixed assets	233	-
	<u>(289,421)</u>	<u>(413,322)</u>
Financing		
Capital element of loan repayments	(104,000)	(104,000)
Capital element of finance lease repayments	-	(5,798)
	<u>(104,000)</u>	<u>(109,798)</u>

22 Analysis of changes in net debt

	Balance at 1 September 2010 £	Cash Flows £	Balance at 31 August 2011 £
Cash at bank and in hand	3,205	(207)	2,998
Overdraft	(808,418)	234,616	(573,802)
Debt due within one year	(104,000)	-	(104,000)
Debt due after one year	<u>(1,764,462)</u>	<u>104,000</u>	<u>(1,660,462)</u>
Total	<u>(2,673,675)</u>	<u>338,409</u>	<u>(2,335,266)</u>

23 Allocation of the Charity's Net Assets

	Tangible Fixed Assets £	Investments £	Cash £	Current and long term assets / liabilities £	Total £
Restricted funds	-	-	-	6,935	6,935
Unrestricted funds	8,745,649	5,496	2,998	(3,506,100)	5,248,043
At 31 August 2011	<u>8,745,649</u>	<u>5,496</u>	<u>2,998</u>	<u>(3,499,165)</u>	<u>5,254,978</u>

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24 Transactions with connected persons

School Retailers Limited

During the year under review, the amount receivable from School Retailers Limited under gift aid was £nil [2010 £4,364] School Retailers Limited is under the control of Warminster School, as the Charity owns the entire share capital of this company

The company's debtors amounted to £4,841 (2010 £1,886) in respect of sales invoices that were outstanding at the year end

The company's creditors amounted to £5,516 (2010 £20,593), all of which was due to Warminster School (2010 £19,501)

The full trading results of School Retailers Limited are as follows

	2011	2010
	£	£
Turnover	50,697	49,173
Cost of sales	(40,526)	(34,529)
Gross profit	10,171	14,644
Cost of administration	(10,171)	(10,280)
Operating profit	-	4,364
Interest receivable and similar income	-	-
Gift aid payable to Warminster School	-	(4,364)
Profit for the financial year	-	-
Surplus brought forward	21,138	21,138
Surplus carried forward	21,138	21,138

Scholarships and Discounts Awarded to Governors' Children

J I McComas Esq has two children enrolled (2010 two) at the School His children received Scholarships totalling £5,082 (2010 £4,932) plus a Younger Child Discount of £635 (2010 £617) during the year under review

All of these scholarships and discounts were awarded on an arms length basis

The Governors received no remuneration (2010 £nil) Governors' travelling and training expenses are reimbursed where claimed Expenses amounting to £240 were paid to Governors in 2011 (2010 £nil)

Included within the School's operating costs (note 7) are amounts paid to a Governor in respect of supply teaching £213 (2010 £nil) and £1,650 in respect of providing accommodation to pupils during exeat weekends These payments were made on an arms length basis and do not form part of the Schools governance costs