

Warminster School

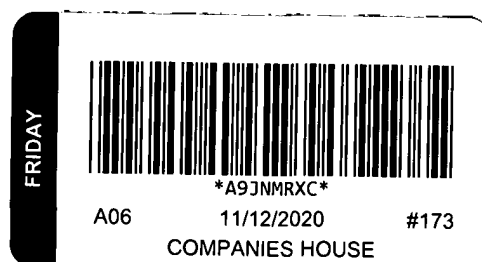
(a company limited by guarantee)

Governors' Report & Financial Statements

For the year ended 31 August 2019

Companies House Registered Number: 2990649

Charity Registration Number: 1042204



Warminster School

Governors' Report & Financial Statements

for the year ended 31 August 2019

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Warminster School

Governors' Report for the year ended 31 August 2019

The Governors of Warminster School present their annual report for year ended 31 August 2019, 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 2011, Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS102) and the current Statement of Recommended Practice on accounting and reporting by charities: the Charities SORP 2015 (FRS102).

Governors, Members and Advisors

Principal Address and Registered Office	Warminster School Church Street Warminster Wiltshire BA12 8PJ
Governors (also Members)	The Rt. Hon Sir David Latham # Ms C Drennan \$ C J B Goodbody ~ Maj Gen A Kennett Mrs A Martin \$ (appointed December 2018) Mr T Lewis J I McComas – Chairman # T R Moore + J E M Pakenham # F Stewart Lt Gen T Urch A D Waters \$ (resigned August 2019) D Wilson \$ Member of the Education Committee # Member of the Finance Committee + Governor with responsibility for Health & Safety ~ Governor with responsibility for Child Protection
Patrons	The Marquess of Bath The Bishop of Salisbury Mrs D P Goodger R C Southwell QC
Company Secretary and Bursar	K Mines
Headmaster	M Williams
Independent Auditors	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors 2 Glass Wharf Bristol BS2 0FR
Solicitors	Middleton & Upsall 94 East Street, Warminster, Wiltshire BA12 9BG
Bankers	Lloyds Bank Plc Canons House, Canons Way Bristol BS99 7LB

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Governors Report (continued)

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 2008.

Governing body

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 and Senior Personnel

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 management of 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. Recent training included attending an in-house session on Child Protection and Safeguarding. Other sessions, similar to these will continue to be provided regularly in order to ensure that all Governors are up to date with current legislation and good practice.

Senior Personnel are recruited on the basis of national advertisement and selection by Governors and other senior personnel. The Governors' Finance Group consider the remuneration of senior personnel annually at their summer term meeting with reference to market information.

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. There are two sub-committees, the Education Committee chaired by Ms Drennan and the Finance Committee chaired by Mr Pakenham. Both committees meet between two or three weeks before each meeting of the full Governing Body to consider their specific issues prior to presenting their recommendations or proposals to the full Board. The Finance Committee is the committee responsible for considering Business Risk throughout the year and reporting on this issue to the full Board during the summer term. Other Finance Committee and Education Committee members are listed on page 2.

In addition, there are two Governors with specific responsibilities for Health & Safety and Child Protection. They are Mr. Moore and Mr Goodbody respectively as listed on page 2.

The day to day running of the School is delegated to the Headmaster, the Head of Prep and the Bursar. The Headmaster is supported by the Leadership Team of Warminster School. The Headmaster, the Deputy Heads and the Bursar attend meetings of the Finance Committee with the addition of the Head of Prep to the Education Committee and the full Governing Body.

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Governors' Report (continued)

Governors' indemnities

As permitted by the Articles of Association, the Governors 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 Governors' and Officers' liability insurance in respect of itself and its Governors.

Group Structure and Relationships

Warminster School actively 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.

The Charity has a wholly owned non-charitable subsidiary, Warminster School Enterprises Ltd., principally providing catering to local Primary Schools. The financial results are included in Note 23. The results of Warminster School Enterprises Ltd are not consolidated with the results of the School on the grounds of materiality.

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, having due regard to guidance on public benefit from the Charities Commission, 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 in which 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. The School's aim is that each pupil leaves Warminster with the best exam results of which he or she is capable, high self-esteem, self-confidence and emotional intelligence. They should also leave possessed of a sense of the duty of service and ready and willing to play their part and contribute as a 21st century global citizen.

The School continues to work hard to build meaningful relationships with the state sector. The response to the School's involvement in an ITV documentary (August 2015) continued to generate interest and debate throughout 2018-19. A pupil from the state school involved thrived at the School and successfully completed his studies this year gaining a good set of GCSEs (2017) and vocational qualifications in Business and Sport. He was successful in gaining a place at Stafford University to study Business management but decided to turn down the offer in place of staying in full time employment.

In the summer term 2019 the School advertised a Community Bursary to be offered to a local pupil who would otherwise not be able to afford to come to Warminster School. We received applications and 2 fully funded pupils will joined in September 2019; one into year 7 and the other into year 9. Both are local in Warminster. One was recommended by the Head of a local Primary School.

The School continues to work very closely with Princecroft, a local primary school and several members of staff and pupils are involved in teaching, either there or at Warminster.

Links with Kingdown School continue to develop. The MFL department have nurtured close links with colleagues at Kingdown School and have conducted language speaking events and results analysis seminars; events that have been extremely beneficial for the pupils and staff involved. Other departments are exploring opportunities for similar initiatives for the upcoming academic year. The Head Boy and Head

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Governors' Report (continued)

Girl at Kingdown were invited to join Warminster pupils at the School Leadership Conference at Wells Cathedral School and accompanied the Head Boy and Head Girl at the annual pupil leadership conference at Wellington College.

The deputy head at Kingdown conducted a project at the School on boys' engagement as part of the requirement of her NPQH.

The School hosted a third TeachMeet on the theme 'Making Marking Meaningful' in October 2018. It was a well-attended event, where teachers from similar schools presented. Guests from state schools came from Woodborough Primary School and Sheldon School, with nine teachers attending.

The School also liaised with a state school for the placement of our PGCE with QTS candidate, who was able to attend a three-week placement to near London, to successfully complete her course and qualify as a teacher in August 2019. This has paved the way for liaising with four more state schools for PGCE placements in 2019-20.

Several members of staff act as Governors of local schools, both state and independent.

Once again, the School has also hosted numerous and regular sporting events for local primary schools; the cross-country event was held this year in October and the school welcomed over 200 pupils from 10 different primary schools in the local area. We also hosted 2 hockey festivals one in September and the second in November, with each event welcoming over 100 pupils from a large variety of both Prep and local Primary schools. The school also hosted for the first time a primary School football event held at the Senior School, and we welcomed 8 schools and over 90 pupils.

During the year, the School hosted its annual Mencap Morning, as well as its annual Community Action Day.

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 2011 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 key objectives of the School remain as before: to maintain the focus on academic excellence, defined as each pupil being challenged and stretched to fulfil their academic potential, but also the nurturing of intellectual curiosity through academic enrichment. In addition, the School remains committed to the importance of the development of character, emotional intelligence and high self-esteem. The emphasis on the co-curricular remains high and standards of sport, drama and music are good, but also continue to improve. The objective remains to make them even better. Developing relationships with feeder schools continues to be an important focus, as is the consolidation of boarding and the recruitment of overseas pupils in order to maintain the School's multi-national and cosmopolitan pupil body.

Another key objective, coming under increasing emphasis, is to ensure that the School's curriculum offers sufficient creativity for the modern workplace and also relevant and expert advice on the changing post-school landscape.

Strategy to achieve the year's objectives

The School strategy focuses on raising the academic success of the School (in terms of value-added rather than league table position) and improving and widening the School's reputation. A key aspect of the strategy is developing entry at Year 9 (13+) by improving relationships with stand-alone prep schools. At the same time, the strategy has focused on the closeness of the link between prep and senior and there has been increased emphasis on the idea of 'one school'.

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, 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 two local primary schools.

As part of the agreement with the Church of England Cley Hill Team Ministry, the School provides the IT,

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Governors' Report (continued)

telephone and fax facilities for The Minster, Warminster and helps with the costs of the Church's Administrative Team.

In a transaction approved by the Charity 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.

Grant making policy

This year the value of scholarships, grants, prizes and bursaries made to the School's pupils out of unrestricted funds totalled £1,538,792 (2018: £1,522,486). Of this, over £298,671 (2018: £282,088) (3% (2018: 3%) of fee income) was awarded in Scholarships and £604,367 (2018: £615,164) 5.9% (2018: 6.4%) 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 fees to overseas and British Agents, 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.

Details of the Reserves Policy, plans for future periods and financial risk management are included within the Strategic Report below.

The Governors' Annual Report was approved by the Board of Governors and signed on its behalf by:


Mrs Alison Martin
Director

30th November 2020

Strategic Report for the year ended 31 August 2019

Achievements and Performance

The Senior School

The School has continued its successful track record, both academically and in other measures of performance. The School received a Regulatory Compliance Inspection from ISI in March 2017 and successfully met the required standards.

Academic

The 2019 cohort generally showed similar results compared to the previous year's results. The overall A Level pass rate of 93% was the same as the previous year. However, the A* to B percentage decreased from 39% to 30%. This cohort had been a concern throughout their seven years at the school.

The GCSE pass rate for five A*-C grades remained static at 85%. A*/A and Grade 9-7 results decreased from 32% to 29%, as did A*-B and Grade 9-6 results decreased from 52% to 45%. Very strong performances were recorded in Music, RS, French and Spanish.

Pastoral

Over the weekends, the boarders have the opportunity to spend time off campus, either in Warminster or further afield to Bath or Salisbury. Furthermore, there continues to be a varied trips calendar for the boarders, every weekend. These include trips ice-skating, swimming, AirHop, shopping trips and the ever popular cinema trip. In addition to this, Houses also have their own House trips, for example residentials to Weymouth, Go-Karting and sessions at CenterParcs.

As a School, we look at ensuring the Boarding Community develops as whole and this is achieved through the Boarders Voice Forum; Community events (Christmas Dinner and discos) and celebrating National Boarding Day (in October) and National Boarding Week (in June).

Safeguarding and child protection training/ updates are given at the start of each term to staff. In addition to this, a number of the residential House staff have undertaken the BSA Boarding training courses which cover management and pastoral care.

The boarders have access to a number of well-being services, including the school counsellor and the School's Health and Wellbeing coach. The coach also runs sessions for individual Houses covering aspects of health and wellbeing, including fitness sessions and self-esteem discussions.

Strategic Report (continued)

Co-curricular

The range of activities on offer this year during the Friday Activity slot as well as at lunchtime and after school has provided pupils with a broad choice. From mixed netball and croquet to the Mental Health Awareness group and Engineering club, pupils have been involved in activities which have allowed them to develop important key skills.

Drama has continued to be well supported by both pupils and staff. In the Autumn term, Senior School Scholars and Prep School Pupils took part in Shakespeare Schools Festival, performing A Comedy of Errors and Macbeth, respectively, at The Merlin Theatre in Frome. During the Spring term, we took our play 'Variations' to Bristol Old Vic as the final part of our National Theatre Connections project. It was a super experience for pupils to perform in a different space, assisted with a professional technical team. During the Summer term, the production of 'Mary Poppins Jr' with a cast of 109 and 3 technical pupils was very impressive. Pupils involved in these events developed, amongst other skills, essential team work and communication skills which will prove invaluable in the workplace of the future.

The highlights of the Autumn term were the Christmas concerts, including the Candlelit Christmas service. The newly formed Cantamus Choir added to the beauty of this event. Lunchtime concerts continue to take place every half term and are well attended and a superb platform for informal performance. The Scholars Recital evening in the Spring term and the inaugural Rock, Pop and Jazz event where both hugely successful and provided another opportunity for pupils to develop their self-confidence and gain a real sense of achievement.

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Strategic Report (continued)

Our Head of Outdoor Pursuits continues to develop the Duke of Edinburgh Awards, Ten Tors and Forest School. Shooting has become a popular sport with our pupils taking part in various competitions. Another successful Prep/Senior Ski expedition took place during the Easter holidays and places are already booked up for 2020. We entered two successful Ten Tors teams in the summer term (35 and 45 Miles). The pupils involved delivered a fantastic assembly on their return and uptake for 2020 looks very promising as a result. Forest School has continued to be integrated into our team building programme for new pupils and some departments have been able to use this area for further learning outside the classroom.

The Warminster Combined Cadet Force continues to go from strength to strength. Field Craft weekends, Survival weekends, the Salamanca formal dinner night, as well as organised workshops delivered by various military units throughout the year provided valuable leadership and personal development opportunities for the cadets. The training year culminated in a successful Annual Camp in Longmoor during the last week of term. Three senior cadets have completed BTEC Level 2 in Teamwork and Personal Development qualifications; others are progressing well.

The Exchange programmes continue to thrive. In addition to successful French and Spanish exchanges this year, our Year 9 Germanists took part in Warminster School's first ever German Exchange programme. Pupils returned enthused and extremely motivated. Fortunately, thanks to the work put into the application by Fran Rodriguez, we received Erasmus+ funding from the British Council for our French exchange for the second year running. With pupils and their parents recognizing the obvious benefits that such opportunities present, our exchanges are continuing to grow in popularity.

Our Artists and Photographers have had the opportunity to exhibit their work in various locations throughout the year. The inaugural 'Imagine Exhibition', displaying the work of Pupils from Years 5-12 was a particular highlight. Various Art competitions and visiting speakers, together with visits to several galleries have provided pupils with the opportunity to develop their talents in this area.

The first year of our new Pupil Mentor Programme has proved to have had a positive impact on all pupils involved. As a result we have decided to continue with plans to cascade the programme. In the Summer term, the selection process began for suitable Pupil Mentors who will be in Years 11-13 academic year 2019/20. Miff Martinek, our Health and Wellbeing coach has been involved in the selection process and will help deliver training in the Autumn term for newly selected Mentors.

The Boarding Pupil Mentoring Programme also proved very successful in the Summer term. Lower Sixth boarders took on the role of mentors to work with the Year 9 pupils who moved into the senior boarding houses in the second half of the term. The older pupils took the role seriously and all feedback from younger pupils and boarding staff was extremely positive. SAS and NR I are looking to repeat this next summer.

Charity

In September we, once again, hosted the MENCAP morning. As expected The Warminster School Community continues to raise impressive sums of monies for various Charities throughout the year. Notable events included fundraising for: Friends of St Michaels School, The RUH Forever Friends Appeal, Dorothy House Hospice, Diagnosing Cancer Early and Red Nose Day. A total of 18 charities benefitted from fundraising by the School Community.

Total monies raised 2018-19 £7,154

Sport

Hockey continues to be a strong School sport with pupils represented at England U16 Girls and 7 pupils at the England Performance Centre. At county level we have 41 pupils playing across the age groups. The girls U15 and boys U12 were undefeated. Both boys and girls 1st XIs had winning seasons.

One pupil earned her first international vest for Wales as she competed in the Celtic Games at Javelin, 2 years below her age group.

In cricket two pupils were selected for the U15 Wiltshire squad. Both the boys played a full season in the 1st XI at school this year, and as Year 11s showed maturity, both taking important wickets and leading the way with the bat for the 1st XI. Cricket continues to grow here at Warminster. Our U12 side had a superb season losing one match all summer and three boys being selected for Wiltshire honours, and our girl's cricket was superb, with 16 fixtures played this summer and a win percentage of over 50.

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Strategic Report (continued)

In rugby we had 4 pupils selected for the U16 Dorset and Wilts and 1 pupil for the Bath Academy. The School was represented at County level by 3 pupils at U13 and U14 level

Sport at Warminster last year grew again on previous years. As a school, we played over 550 competitive fixtures with 64% of pupils representing the school in one of our sports. 2019/20 looks set to be a promising and exciting year for sport at Warminster. The new hockey pitch and tennis and netball courts will add real benefit to our pupils and the local community.

The Prep School

The pupils in Prep continue to enjoy a broad and engaging curriculum. We balance the need for a strong academic base with the many opportunities available to pupils across different subjects. Our pupils benefit from strong form teaching and more specific subject led teaching. Our extra-curricular programme adds an exciting dimension to the education at Warminster Prep. This is supported by our own staff and by opportunities in the community.

Sport and physical exercise are actively promoted at Warminster Prep. In line with our inclusivity policy, each term, every pupil from Years 3-6 has an opportunity to represent the School in a traditional major sport. We host large and small sporting events for other independent and state schools which have included: Wiltshire Cross Country, Primary School's Football Festival and a Rugby & Hockey Festival. The hire of a local indoor swimming pool allows Reception, Year 1 and 2 classes to benefit from lessons throughout the year. Further new activities including triathlon, lacrosse and street dance add to the breadth on offer. Our facilities are used by a local tennis academy who offer lessons to our pupils during term-time and holiday club provision to the wider community. We share our sporting facilities with local primary schools and sporting clubs.

All pupils have participated in a number of musical and dramatic events. These include four major performances for all pupils from Nursery to Year 6. Our Year 6 pupils performed *The Tempest* at the Merlin Theatre, Frome as part of the Shakespeare Schools' Festival. The Head of Music continues to work with three choirs, a string group and wind band. We have nearly seventy pupils playing an instrument taught by a team of ten local peripatetic teachers. Pupils perform in a number of concerts and whole school functions. They have performed outside of school at the Longleat Festival of Light and our local church for Remembrance, both events were open to the general public

Charitable events feature throughout the year. This year we have supported local and national charities including; Royal British Legion Poppy Appeal, Red Nose day, Race for Life and Just William, a Warminster based charity raising funds to support a local family. Events have included fun activities both in school and the wider community.

The School provides a venue for a Brownie pack and two Rainbow groups. Our facilities have been made available to local associations, including Warminster Swimming Club. Access for the neighbouring primary

school has been arranged to enable local children to make use of the School's Astro-turf. Our School Hall was loaned out to a local primary school for their end-of-year play. A very busy programme of outreach events has been organised, including sporting events, plays and musicals. Staff have taught at local primary schools during the week and given support in advisory roles. We have also hosted over a dozen events allowing pupils from local primary schools to come and take part in activities at the School based around Sport, Music, Drama and Modern Foreign Languages. Local primary school pupils have attended the production of the *Lion King*, the Year 3&4 play, French play 'Ticket pour l'espace' and lectures including one by the explorer and novelist Matt Dickenson.

Trips are an important part of a dynamic education and the pupils have benefited from the following:

- Year 6 – Normandy, Farleigh Hungerford Castle, Sports Tour to Weymouth;
- Year 5 – Residential 'Bushcraft' experience, Bristol Hippodrome;
- Years 3 & 4 – Residential to Hooke Court, Bristol Zoo, Bristol Hippodrome, Lulworth Cove;
- Pre-Prep – Old Waldour Castle, Salisbury Playhouse, the police, Avon Valley Country Park.

The pupils continue to enjoy an active, challenging and diverse curriculum at the Prep School. The Head of Prep, with the management team, continue to review and develop activities for the pupils. Staff training and professional development is on-going.

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Strategic Report (continued)

Plans for Future Periods

Warminster School is a registered charity and a partnership of pupils (past and present), parents, staff and governors. Together, these groups form the Warminster community. The School's aims, as outlined on the website, are as follows:

1. A school that is a genuine community, where people are happy, contribute and share their interests.
2. To ensure that every pupil fulfils their academic potential at each stage of their education.
3. Outstanding pastoral care, in which everyone is valued, supported and encouraged.
4. To encourage academic enrichment and the development of intellectual curiosity.
5. To teach children how to think, not what to think.
6. To provide a broad education, with as much emphasis on the co-curricular as on the academic.
7. To place an emphasis on values, character development, leadership, service and learning from failure.
8. To foster a culture of enthusiasm, optimism and participation.
9. To ensure that pupils leave Warminster emotionally intelligent, self-confident and with high self-esteem.
10. To equip the pupils with a global, as well as a national and local, awareness and perspective.
11. To prepare the pupils for the next stage of their life, whatever or wherever that may be.

The School's strategy in fulfilment of these aims remains broadly similar to that of previous years. From an academic point of view, value-added remains crucial and the School intends to remain a school that does allow every pupil to exceed their baseline predictions. There is remains a renewed focus on academic enrichment and intellectual curiosity.

Financial review

Financial statements

The income for 2018-19 has decreased from the prior year. This is due to a shift in the numbers of boarders to day pupils. This is disappointing for the School and has encouraged a focus on boarding recruitment for both home and overseas markets. Expenditure continues to be controlled, however some non-recurrent expenditure had a negative impact on the performance in year. Whilst Governors recognise the effect on performance they were confident that the forecast for the next and subsequent financial years showed an improvement. From 2010 to 2014 pupil numbers, specifically day pupil numbers fell by an average of over 25 pupils per year. This trend was arrested in 2014-15 after which there was a small increase for both September 2015 and September 2016. This continued into September 2017, with a significant increase in pupils joining the school in Years 7 and 9, however numbers have stayed static into September 2018 and 2019. The School continues to look at additional income streams and to focus on recruitment.

Bank Loans

Following the financial performance for the year ending 31 August 2019, Warminster School has breached its banking covenants with Lloyds Bank. The Bank issued a post balance sheet waiver and agreed the current facilities would be extended to December 2020.

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 £5.99M (2018: £6.14M) as at 31st August 2019. Restricted Funds are small. The prize fund represents donations from former staff and pupils of the School and are used to provide speech day prizes. The Old Verlucian Foundation fund represents monies received from the Old Verlucian Foundation and are reserved for the purpose of purchasing books for the School's library.

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 however we recognise the impact of Covid-19 and the potential effect on the working capital. Our current policy has been reviewed in light of this and whilst the aim is to continue to build up our resources by means of annual operating surpluses whilst continuing to invest in resources for current and future pupils this may not be achievable in the subsequent financial year whilst recovery from the pandemic is key.

Strategic Report (continued)

Investment policy

The School holds shares and securities in the Church of England Investment Fund to the value of £8,978. The investment policy is a programme related policy to support future Bursaries.

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 Head of Prep 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. 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. The school has some boarders from European countries. When the UK leaves the European Union, there may be an effect on the income of the Charity. However, at present whilst the UK currency is low compared to the Euro, there is no evidence to suggest a withdrawal of European pupils.

Material Uncertainty related to going concern

The worldwide pandemic (Coronavirus) experienced in 2020 necessitated the closure of the school on 20th March 2020. The Summer Term 2020 was conducted via remote learning in line with the Government's advice. Fees were charged at a reduced rate to recognise the alternative offer. The impact on the School was significant and, although large savings were generated during the remainder of the academic year ending August 2020, a second breach of the loan covenant occurred, as this was anticipated the Bank issued a waiver prior to the year end.

The pandemic had a significant impact on the cash position of the business and negotiations with Lloyds Bank were underway throughout the closure. The School identified a requirement to increase the overdraft limit to £1.5m in order to give time to recover from the loss of income (£1.6m). Lloyds bank agreed to an immediate increase to £1.3m subject to a full Independent Bank Review. Given the uncertainty around the return to school date the Bank agreed that this would be completed in September 2020 when it was hoped the School would have returned and pupil numbers known. The IBR took place in September/October and was detailed. The integrated forecasts were thoroughly scrutinised by an Independent Audit firm and their recommendation was sent to Lloyds. Lloyds have agreed to further support the School and the overdraft has been increased to £1.5m to July 2021.

At the time of signing the pupil numbers are positive and continue to rise throughout the term. The strategic plan has been amended to recognise the delay in pupil number growth.

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Strategic Report (continued)

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.

The Governors' Annual Report and Strategic Report were approved by the Board of Governors and signed on its behalf by:


.....
Mrs Alison Martin
(Director)

Date: 30 November 2020

Warminster School
Governors' Report & Financial Statements for the year ended 31 August 2019

Strategic Report (continued)

The School recognises that there are still risks associated with the Coronavirus pandemic, significantly:

- Pupil numbers do not rise to targets;
- Summer Schools are unable to operate;
- International groups are unable to visit.

The School will continue to work closely with the bank to ensure that these risks are managed and mitigated against.

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 (including the Strategic Report) and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice, comprising FRS 102 "The Financial Reporting Standard applicable in the UK

and Republic of Ireland", and applicable law (United Kingdom Generally Accepted Accounting Practice). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of the 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 Statement of Recommended Practice: Accounting and Reporting by Charities (2015);
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards, comprising FRS 102, 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 charitable company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Governors are responsible for the maintenance and integrity of the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditors are 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 auditors are aware of that information.

Connected persons

Details of transactions with connected persons are shown in note 23 to the financial statements.

Independent auditors' report to the members of Warminster School

Report on the audit of the financial statements

Opinion

In our opinion, Warminster School's financial statements (the "financial statements"):

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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 (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Governors' Report and Financial Statements (the "Annual Report"), which comprise: the balance sheet as at 31 August 2019; the statement of financial activities (including the income and expenditure account), the cash flow statement for the year then ended; and the notes to the financial statements.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remained independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Material uncertainty in relation to going concern

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in note 1 to the financial statements concerning the company's ability to continue as a going concern. The school has been in breach of the financial covenant attached to the term loan provided by the school's lender. In addition, it continues to be reliant on an overdraft also provided by its lender. The lender has undertaken a review of the business and following that review has agreed to continue to make available both the loan and the overdraft for the period to July 2021 when a further review will be performed. Management's cash flow forecasts assume growth in pupil numbers and associated revenue, together with growth in income from letting and other activity. Whether or not this growth is achieved is uncertain, and absent of it, the level of overdraft during 2021 may not be sufficient so as to ensure liquidity is available for the school to meet its liabilities as they fall due. These conditions, along with the other matters explained in note 1 to the financial statements, indicate the existence of a material uncertainty that may cause significant doubt about the company's ability to continue as a going concern. The financial statements do not contain the adjustments that would result if the company was unable to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Governors' report other than the financial statements and our auditors' report thereon. The governors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except to the extent otherwise explicitly stated in this report, any form of assurance 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 an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of 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 based on these responsibilities.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

Independent auditors' report to the members of Warminster School (continued)

Strategic Report and Governors' Report

In our opinion, based on the work undertaken in the course of the audit the information given in the Governors' Report, including the Strategic Report, for the financial year for which the financial statements are prepared is consistent with the financial statements; and the Strategic Report and the Governors' Report has been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Governor's Report. We have nothing to report in this respect.

Responsibilities for the financial statements and the audit

Responsibilities of the governors for the financial statements

As explained more fully in the Governors' *Responsibilities Statement* set out on page 12, 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 in accordance with the applicable framework and for being satisfied that they give a true and fair view. The governors' are also responsible for such internal control as they 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 charitable company'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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' 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 auditors' 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: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditors' report.

Use of this report

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.

Other required reporting

Companies Act 2006 exception reporting

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.



Colin Bates (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Bristol

3 December 2020

Statement of financial activities (including the income and expenditure account) for the year ended 31 August 2019

	Note	Unrestricted funds £	Restricted funds £	Total funds 2019 £	Total funds 2018 £
Incoming resources					
Donations and legacies	(5)	24,096	-	24,096	35,025
Income from Investments	(3)	10,063	-	10,063	10,514
Other trading activities	(5)	71,696	-	71,696	65,716
Income from charitable activities					
School fees and extras	(2)	8,630,395	-	8,630,395	8,882,428
Other educational income	(5)	23,207	-	23,207	23,200
Other income	(5)	2,880	-	2,880	63
Total income		8,762,337	-	8,762,337	9,016,946
Resources expended					
Expenditure on Raising funds	(7)	122,953	-	122,953	126,608
Expenditure on Charitable activities	(7)	8,784,533	-	8,784,533	8,578,782
Total expenditure	(7)	8,907,486	-	8,907,486	8,705,390
Net gains on investments	(10)	-	-	-	574
Net losses on disposals		-	-	-	(261,812)
Net (expenditure)/income	(3)	(145,149)	-	(145,149)	311,556
Net movement in funds		(145,149)	-	(145,149)	50,318
Fund balances brought forward at the beginning of the year		6,128,400	6,935	6,135,335	6,085,017
Fund balances carried forward at the end of the year		5,983,251	6,935	5,990,186	6,135,335

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

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 18 to 34 form part of these financial statements.

Balance Sheet as at 31 August 2019

	Note	2019 £	2018 £
Fixed assets			
Tangible assets	(9)	10,131,431	10,256,669
Investments	(10)	<u>8,978</u>	<u>8,978</u>
Total Fixed Assets		10,140,409	10,265,647
Current assets			
Stocks and work in progress	(11)	32,887	15,859
Debtors	(12)	541,110	392,042
Cash at bank and in hand		<u>4,540</u>	<u>6,893</u>
Total Current Assets		578,537	414,794
Creditors: amounts falling due within one year	(13)	<u>(4,336,144)</u>	<u>(2,262,546)</u>
Net current liabilities		(3,757,607)	(1,847,752)
Total assets less current liabilities		6,382,802	8,417,895
Creditors: amounts falling due after one year	(13)	<u>(392,616)</u>	<u>(2,282,560)</u>
Net assets	(23)	<u>5,990,186</u>	<u>6,135,335</u>
The Funds of the Charity			
Restricted income funds	(17)	6,935	6,935
Unrestricted income funds	(16)	<u>5,983,251</u>	<u>6,128,400</u>
Total charity funds (including revaluation reserve of £673 (2018: £673))		<u>5,990,186</u>	<u>6,135,335</u>

The notes on pages 19 to 30 form part of these financial statements.

The Financial Statements on pages 12 to 30 were approved by the Board of Governors on 22nd June 2020 and signed on its behalf by:



Mrs Alison Martin
(Director)

Date: 30 November 2020

Warminster School is a company limited by Guarantee No. 2990649

Cash flow statement for the year ended 31 August 2019

		2019	2018
	Note	£	£
Cash Flows from Operating Activities			
Net cash inflow/(outflow) from operations	21 (ii)	(108,147)	215,837
Cash Flows from Investing Activities			
Interest from Investments		-	282
Purchase of Fixed Assets		(163,669)	(463,410)
Cash inflow from the Sale of Property		-	298,869
Net Cash used in Investing Activities		(163,669)	(164,259)
Cash Flows from Financing Activities			
Repayments of borrowings		(102,737)	(102,608)
Cash inflows from new borrowings		-	-
Net Cash used in Financing Activities		(102,737)	(102,608)
Change in cash and cash equivalents in the reporting period.	21 (i)	(374,553)	(51,030)

Notes to the financial statements for the year ended 31 August 2019

1 Accounting policies

Warminster School is a charitable company limited by guarantee and a UK registered charity. The address of its registered office is Warminster School, Church Street, Warminster, Wiltshire BA12 8PJ.

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 2018.

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, including Financial Reporting Standard 102 'the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS102), the Companies Act 2006 and the current Statement of Recommended Practice on accounting and reporting by charities: the Charities SORP 2015 (FRS102) and the Charities Act 2011. The charity is a public benefit entity.

Going Concern

The School had two bank loans and an overdraft facility that were due for renewal in 2017. Terms to extend these facilities were agreed with the School's lenders and proposals and agreed by the bank's credit committee. This resulted in the amalgamation of the two loans and included the cost of renegotiating the loan. The Governors reviewed the School's cash flow projections and considered that the new facilities ensures that the School is able to meet, and will continue to be able to meet, its ongoing commitments.

During the year to 31 August 2019 the School breached covenants on its lending agreement with Lloyds Bank and has therefore had to classify the loan as a current liability. A post year end waiver has been issued by the bank. Lloyds Bank continues to support the School with both parties working collaboratively to ensure that forecasts are adhered to.

Prior to the outbreak of Covid 19 in 2020 the Governors' had concluded that no material uncertainties exist that may cast significant doubt about the ability of the School to continue as a going concern. However this has now been reviewed.

In School income was negatively impacted during 2019-20 with reduced fees charged in the Summer Term 2020 along with no summer School income. The decrease in income has been offset by savings in operating costs, salaries and also by utilising the Coronavirus Job Retention Scheme. It is likely that the surplus will be negatively affected in 2019-20 and a further waiver will be required for the bank covenant at the year end. The full impact of the virus on the pupil numbers for September 2020 is not yet known however we anticipate an impact on both the domestic and international pupil numbers. The School continues to work to mitigate against this, but there is currently uncertainty as to the full effect on the school. Although the School is confident that we can manage the financial challenges posed by the pandemic and secure bank support, it represents a material uncertainty that may cast significant doubt about the School's ability to continue as a going concern. The Governors still have a reasonable expectation that the School will have adequate resources to continue in operational existence for the foreseeable future. For this reason the going concern basis has been adopted for preparing the accounts.

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.

Warminster School
Governors' Report & Financial Statements for the year ended 31 August 2019

Notes to the financial statements for the year ended 31 August 2019 (continued)

Donations 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.
- Rent and lettings income.
- Other income, which comprises registration fees, management charges and donations:

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 charity's 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.

- Expenditure on raising 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.

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 as advised to the Governors by the Scheme Administrator. 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 18 to the financial statements.

Tangible Fixed Assets

All tangible fixed assets are held in the balance sheet at cost less accumulated depreciation. 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

Notes to the financial statements for the year ended 31 August 2019 (continued)

impairment review. The last valuation in August 2014 indicated that the net realisable value of the properties was 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. Fixed assets under construction are held in a separate category and not depreciated until completed and in 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:

Property built since 2002 on freehold and leasehold land	2%	Straight Line
Sports Facilities	4%	Straight Line
Catering & Property Equipment	10%	Straight Line
Furniture, Fittings & Equipment	20%	Straight Line
Motor Vehicles	33%	Straight Line

Included within the heading 'Furniture, Fittings & Equipment' are the capital costs 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 values 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.

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.

Bad Debt Provision

Bad Debts are considered on a case by case basis by taking into account the likelihood of recovery. Debts are written off by approval of the Governors if this is deemed appropriate.

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.

Consolidation

The charitable company has not prepared group financial statements as the results of the subsidiary undertakings are not material to the group as a whole. Accordingly, these financial statements present information about the charitable company as a single undertaking.

Warminster School
Governors' Report & Financial Statements for the year ended 31 August 2019

Notes to the financial statements for the year ended 31 August 2019 (continued)

Concessionary Loans

Public benefit entity concessionary loans are loans made or received between public benefit entities at below the prevailing market rate of interest and are for the purposes of furthering the objectives of the public benefit entity. The loans are measured at the amount received or paid and are recognised in the Statement of Financial Position.

Critical accounting judgements and estimation uncertainty

The following are considered to be the critical accounting judgements made in applying the School's accounting policies:

The Teachers' Pension Defined Benefits 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 102, the scheme is accounted for as a defined contribution scheme and contributions are charged to the Statement of Financial Activities when payable.

The following significant estimates and assumptions have been made in applying the School's accounting policies:

The annual depreciation charge for fixed assets is sensitive to changes in the estimated useful economic lives of the assets. The lives are reassessed annually and considered to reflect the remaining life of the asset.

The charity makes an estimate of the recoverable value of trade and other debtors. Factors such as the aging profile of the debtors and historical experience are taken into account.

2 School fees and extras

	2019	2018
	£	£
School fees and Extras Income comprises the following:		
Gross Fees	10,169,187	10,404,914
Less: Scholarships, Bursaries and Other Remissions Granted	(1,538,792)	(1,522,486)
	8,630,395	8,882,428

Notes to the financial statements for the year ended 31 August 2019 (continued)

3 Net income

The net income for the year is stated after charging / (crediting):	2019	2018
	£	£
Depreciation:		
Owned Assets	288,907	273,262
Leased Assets	-	-
Auditors' remuneration:		
Audit related assurance services (including VAT)	24,840	24,300
Other assurance related services	2,160	2,100
Taxation compliance services	-	-
Operating lease rentals:		
Land and buildings	40,000	40,001
Equipment	11,606	20,554
Income from investments		
Interest on overdue debts	(9,775)	(10,232)
COIF Charities Investment Fund	(288)	(282)
	(10,063)	(10,514)
Interest payable and similar charges		
Interest payable on overdraft	7,110	1,329
Interest payable on loans	92,556	98,262
Bank charges	16,892	9,422
	116,558	109,013

4 Employee information

Staff costs	2019	2018
	£	£
Wages and Salaries	5,078,416	4,903,239
Social Security Costs	441,681	410,108
Other Pension costs (note 18)	639,120	548,993
Redundancy and termination payments	-	47,000
	6,159,217	5,909,340

Redundancy and termination payments have been made in the normal course of business.

Warminster School
Governors' Report & Financial Statements for the year ended 31 August 2019

Notes to the financial statements for the year ended 31 August 2019 (continued)

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

	2019	2018
	Number	Number
Teaching and house staff	101	97
Administration	20	19
Other	50	53
	171	169

Key Management personnel of the School are deemed to be the Governors, the Headmaster, the Head of Prep, the Bursar and two Deputy Heads. The total amount paid to key management personnel was £324,724 (2018: £344,107).

The Governors received no remuneration (2018: £nil). Governors' travelling and training expenses are reimbursed where claimed. Expenses of £858 (2018: £655) were paid to Governors in 2019.

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

	2019	2018
	Number	Number
£60,000 - £69,999	4	2
£70,000 - £79,999	-	-
£80,000 - £89,999	-	1
£90,000 - £99,999	1	1

Two of the employees above have retirement benefits accrued under defined benefit schemes. For the teaching employee whose emoluments were between £90,000 and £99,999, pension contributions amounting to £16,129 (2018: £15,813) were paid. For the teaching employee whose emoluments were between £60,000 and £69,999, pension contributions amounting to £18,714 (2018: £10,598) were paid.

Notes to the financial statements for the year ended 31 August 2019 (continued)

5 Other incoming resources

	2019	2018
	£	£
Other trading activities		
Rent	-	1,920
Summer lettings income	71,696	63,796
	71,696	65,716
Other educational income		
Registration fees	23,207	23,200
	23,207	23,200
	2019	2018
	£	£
Donations and legacies		
Donations	24,096	35,025
	24,096	35,025
Other income		
Miscellaneous	2,880	63
	2,880	63

6 Governance costs

	2019	2018
	£	£
<i>Services provided by the company's auditors exclude VAT:</i>		
- Fees payable for the audit	20,700	20,100
- Fees payable for other services – Teachers' Pension return	1,800	1,750
Governors' expenses	858	655
	23,258	22,505

Notes to the financial statements for the year ended 31 August 2019 (continued)

7 Total resources expended

	Staff costs	Other costs	Depreciation	Total 2019	Total 2018
	£	£	£	£	£
Expenditure on raising funds					
Lettings costs	-	6,395	-	6,395	17,595
Financing costs (note 3)	-	116,558	-	116,558	109,013
	-	122,953	-	122,953	126,608
Charitable activities					
Teaching	4,376,198	538,730	55,189	4,970,117	4,797,946
Welfare	859,297	345,509	5,203	1,210,009	1,206,795
Premises	332,526	712,497	220,928	1,265,951	1,197,361
Support costs of schooling	591,197	713,744	7,587	1,312,528	1,349,625
School's operating costs	6,159,218	2,310,480	288,907	8,758,605	8,551,727
Governance costs (note 6)	-	25,928	-	25,928	27,055
Total resources expended	6,159,218	2,459,361	288,907	8,907,486	8,705,390

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.

Notes to the financial statements for the year ended 31 August 2019 (continued)

9 Tangible fixed assets

	Property on Freehold and Leasehold land	Sports Facilities	Furniture, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2018	10,686,427	226,410	2,033,365	174,367	13,120,569
Additions	-	92,138	71,531	-	163,669
Disposals	-	-	-	-	-
At 31 August 2019	10,686,427	318,548	2,104,896	174,367	13,284,238
Accumulated Depreciation					
At 1 September 2018	1,265,698	179,510	1,255,999	162,693	2,863,900
Disposals	-	-	-	-	-
Charged in the year (note 3 and 7)	141,346	3,135	138,791	5,635	288,907
At 31 August 2019	1,407,044	182,645	1,394,790	168,328	3,152,807
Net book value:					
At 31 August 2019	9,279,383	135,903	710,106	6,039	10,131,431
At 31 August 2018	9,420,729	46,900	777,366	11,674	10,256,669

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 £3,632,184 (2018: £3,632,184).

The estimated market value of the tangible assets as at September 2017 is £22,043,147. This is £11,911,716 (2018: £11,786,478) higher than the Net Book Value of tangible assets as held in the financial statements.

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Notes to the financial statements for the year ended 31 August 2019 (continued)

10 Fixed asset investments

UK Listed Investments	2019	2018
	£	£
Market value at the beginning of the year	8,978	8,404
Revaluation in year	-	574
Market value at the end of the year	8,978	8,978

The listed investment represents 571.55 shares in the Charities Official Investment Fund. The governors believe that the carrying value of the investments is supported by their underlying net assets.

All investments held are programme related investments to support bursarial provision.

11 Stocks and work in progress

	2019	2018
	£	£
Stock	32,887	15,859

The total amount of stock recognised as an expense in the year is £260,532 (2018: £237,744)

12 Debtors

	2019	2018
	£	£
Trade Debtors	181,413	194,579
Other Debtors	238,487	118,840
Prepayments and accrued income	121,210	78,623
	541,110	392,042

Trade Debtors are stated after provisions for impairment of £126,070 (2018: £126,070)

Notes to the financial statements for the year ended 31 August 2019 (continued)

13 Creditors

	Amounts falling due within one year		Amounts falling due after more than one year	
	2019	2018	2019	2018
	£	£		£
Bank loan (secured)	1,770,794	98,610	-	1,774,920
Bank overdraft (secured)	446,190	73,990	-	-
Concessionary loan - Ivy House Purchase	100,000	100,000	300,000	408,164
Trade creditors	17,499	6,744	-	-
Fees in advance	1,273,624	1,137,375	-	-
Advanced fees (note 14)	51,912	169,083	32,616	35,476
Deposits	445,175	404,934	-	-
St Boniface Sports Field Purchase	4,000	4,000	60,000	64,000
Taxation and social security	112,274	103,917	-	-
Other payroll creditors	91,541	81,834	-	-
Accruals and deferred income	23,135	82,059	-	-
	4,336,144	2,262,546	392,616	2,282,560

Fees in advance represents cash paid before year end relating to the following term. Advanced fees represents fees paid in advance for a minimum of one year's education.

The bank overdraft and bank loans are secured by way of a legal charge over the charitable company's long leasehold properties. The renegotiated bank loan's capital is repayable under a 15 year term fixed annuity loan. Interest is charged on the outstanding balances at a rate of 2.25% over the bank's base rate for the bank overdraft and 4.111% for the loan.

Ivy House was purchased in 2015 for a total sum of £750,000. The outstanding sum of £400,000 is repayable in instalments over the next four years at an interest rate of 3% over bank's base rate. This has been treated as a concessionary loan.

Notes to the financial statements for the year ended 31 August 2019 (continued)

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 2019 will be applied to offset fees as follows:

	2019	2018
	£	£
Within 1 year	51,912	169,083
Within 1 to 2 years	32,616	35,476
	84,528	204,559

The balance represents the accrued liability under the contracts. Capital movements during the year:

	2019	2018
	£	£
Balance brought forward	204,559	3,628
New contracts	204,821	905,050
Amounts utilised or refunded	(324,852)	(704,119)
Balance carried forward	84,528	204,559

15 Financial Instruments

The School has the following financial instruments:

	2019	2018
	£	£
Financial assets measured at amortised cost		
Trade Debtors	181,413	194,579
Other Debtors	238,487	118,840
	419,900	313,419

Financial assets measured at fair value

Investments	8,978	8,978
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Financial liabilities measured at amortised cost

Bank loans and overdrafts	2,516,983	2,355,684
St. Boniface Sports Field Purchase	64,000	68,000
Trade Creditors	17,499	6,744
Fees in advance	1,273,624	1,137,375
Advanced fees	84,529	204,559
Deposits	445,175	404,934
Taxation and social security	112,274	103,917
Other payroll creditors	91,541	81,833
	4,605,625	4,363,046

Notes to the financial statements for the year ended 31 August 2019 (continued)

16 Unrestricted Income Funds

	2019	2018
	£	£
Accumulated fund		
Balance brought forward	6,128,400	6,078,082
Net expenditure for the year	(145,149)	50,318
Total unrestricted accumulated fund	5,983,251	6,128,400

17 Restricted Income Funds

	2019	2018
	£	£
Prize fund		
Balance brought forward	5,415	5,415
Balance carried forward	5,415	5,415
 Old Verlucian Foundation fund		
Balance brought forward	1,520	1,520
Balance carried forward	1,520	1,520
 TOTAL – Restricted Income Funds	6,935	6,935

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

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

Notes to the financial statements for the year ended 31 August 2019 (continued)

18 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:

	2019	2018
	£	£
Defined Benefit Scheme	464,811	437,147
Defined Contribution Schemes	174,309	111,846
	639,120	548,993

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

	2019	2018
	£	£
Defined Benefit Scheme	38,636	34,919
Defined Contribution Schemes	12,996	13,446
	51,632	48,365

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 (as amended), and the Teachers' Pensions Regulations 2014 (as amended). 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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration level of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to the Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage

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fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

The pension costs paid to TPS in the year amounted to £464,811 (2018: £437,147).

19 Operating Lease commitments

At 31 August 2018, the company had total commitments under non-cancellable operating leases as follows:

	Land and Buildings		Other Equipment	
	2019	2018	2019	2018
	£	£	£	£
Less than one year	40,000	40,000	23,663	11,606
Between 1 and 5 years	40,045	80,045	62,283	37,721
After more than 5 years	-	-	-	-
	80,045	120,045	85,946	49,327

Rent review of St. Boniface Lease on a revolving 5 year basis. The most recent rent review took effect in 2016.

Notes to the financial statements for the year ended 31 August 2019 (continued)

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 12 (2018: 12) members of the charitable company at the year end.

21 Notes to the Cash Flow

		2019	2018
		£	£
i) Reconciliation of net cash flow to movement in net debt			
Change in cash/(overdraft) and cash equivalents in the reporting period		(374,553)	(51,030)
Cash and cash equivalents at the beginning of the year		(67,097)	(16,067)
Cash and cash equivalents at the end of the year		<u>(441,650)</u>	<u>(67,097)</u>
		2019	2018
	Note	£	£
ii) Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period		(145,149)	50,318
Interest from Investments		-	(282)
Depreciation	(9)	288,907	273,262
Decrease/(Increase) in stocks		(17,028)	4,836
Loss/(gain) on investments		-	(574)
Profit on sale of fixed assets		-	261,812
Decrease/(Increase) in debtors		(149,068)	91,791
(Decrease)/Increase in creditors		<u>(85,809)</u>	<u>(465,326)</u>
Net cash inflow from operating activities		<u>(108,147)</u>	<u>215,837</u>

22 Analysis of cash and cash equivalents

	Balance at 1 September 2018	Cash Flows	Balance at 31 August 2019
	£	£	£
Cash at bank and in hand	6,893	(2,353)	4,540
Overdraft	(73,990)	(372,200)	(446,190)
	<u>(67,097)</u>	<u>(374,553)</u>	<u>(441,650)</u>

23 Allocation of the Charity's Net Assets

	Tangible Fixed Assets	Investments	Cash at bank and in hand	Current and long term assets / liabilities	Total
	£	£	£	£	£
Restricted funds	-	-	-	6,935	6,935
Unrestricted funds	10,131,431	8,978	4,540	(4,161,698)	5,983,251
At 31 August 2019	<u>10,131,431</u>	<u>8,978</u>	<u>4,540</u>	<u>(4,154,763)</u>	<u>5,990,186</u>

24 Post Balance Sheet Events

The worldwide pandemic (Coronavirus) experienced in 2020 necessitated the closure of the school on 20th March 2020. The impact on the School was significant and a second breach of the loan covenant occurred; as this was anticipated the Bank issued a waiver prior to the year end.

The School consulted with the affected employees to exit from the Teachers' Pension scheme. This concluded during 2019-20 and the School withdrew formally from the TPS on 31st August 2020.

Notes to the financial statements for the year ended 31 August 2019 (continued)

25 Transactions with connected persons

Warminster School Enterprises Ltd

Warminster School Enterprises Ltd is a company limited by shares, incorporated in the UK, registered number 2651234. Its registered office is the same as the address of the School on page 2. During the year under review, the amount receivable from Warminster School Enterprises Ltd under gift aid was £nil (2018 £nil). Warminster School Enterprises Ltd is under the control of Warminster School, as the Charity owns the entire share capital of this company. Expenditure of £80,769 was recharged to Warminster School Enterprises Ltd in the year (2018: £81,115). The balance owed to Warminster School at year end was £157,037 (2018: £76,218). As the results are not material for the year, they have not been consolidated within the financial statements.

The company's debtors amounted to £14,976 (2018: £9,571) in respect of sales invoices that were outstanding at the year end.

The company's creditors amounted to £179,180 (2018: £85,111), which was due in respect of purchase invoices outstanding at the year end and fees due to Warminster School.

The full trading results of Warminster School Enterprises Ltd are as follows:

	2019	2018
	£	£
Turnover	58,287	71,078
Cost of sales	(68,226)	(70,865)
Gross (loss)/profit	(9,939)	213
Administration expenses	(17,988)	(16,062)
Loss on ordinary activities before taxation	(27,927)	(15,846)
Tax on profit/(loss) on ordinary activities	-	-
Loss for the financial year	(27,927)	(15,846)

The total shareholders' funds as at 31 August 2019 was £(28,123) (2018: £(196))

Scholarships and Discounts Awarded to Governors' Children

Two children of one Governor were awarded a staff discount at £7,662 (2018: £7,515) in accordance with school policy due to the school employing his wife as an Administrator. There were no other scholarships, discounts or other awards made to Governors' children during 2018/19.