

Warminster School

(a company limited by guarantee)

Governors' Report & Financial Statements

For the year ended 31 August 2018

Companies House Registered Number: 2990649

Charity Registration Number: 1042204



Warminster School Governors' Report & Financial Statements for the year ended 31 August 2018

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Warminster School

Governors' Report & Financial Statements for the year ended 31 August 2018

The Governors of Warminster School present their annual report for year ended 31 August 2018, 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 – Chairman # P Baxter # (resigned October 2017) Ms C Drennan \$ C J B Goodbody ~ Maj Gen A Kennett Mrs C Macfarlane~ (resigned October 2017) J I McComas.# T R Moore + J E M Pakenham # F Stewart (appointed August 2018) R D Stratton OBE DL # Lt Gen T Urch (appointed October 2017) A D Waters \$ D Wilson (appointed October 2017) \$ 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 The Rev'd Canon E J Townroe
Company Secretary and Bursar	K Mines
Headmaster	M D Mortimer
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

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 McComas. 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 Headmaster of Warminster Preparatory School and the Bursar. The Headmaster is supported by the Leadership Team of Warminster School, which includes the Head of Prep. The Headmaster, the Deputy Head and the Bursar attend meetings of the Finance Committee with the addition of the Deputy Head (Academic) and Head of Prep to the Education Committee and the full Governing Body.

Governors' Report (continued)

Governors' indemnities

Warminster School Governors' Report & Financial Statements for the year ended 31 August 2018

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 24. 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 2017-18. A pupil from the state school involved continues to thrive at the School and successfully completed his Lower Sixth year this year.

Following a visit by the Headmaster, the School has developed a link with St Edmund's School, a state 11-16 girls' school in Salisbury. The St Edmund's Head has visited Warminster and, following that visit, it was agreed by the Warminster Governors that the School would offer up to three fully-funded sixth form bursaries for girls at St Edmund's who would thrive at Warminster. A key condition is that they qualify for the pupil premium. A number of girls visited the School in the summer term and, following joint interviews by the two Heads, two places have been offered for September 2018.

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. Princecroft pupils were involved in the Lower School production of 'The Lion King'.

Links with Kingdown School continue to develop. In September 2017, their equivalent of school prefect joined the Warminster School prefects for leadership training provided by an external company, while they then accompanied the Head Boy and Head Girl to a leadership conference at Wellington College. Links between these pupils continued all year.

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

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requirement of her NPQH. The School hosted a TeachMeet during the year on boys' engagement and invited several local state schools. Teachers attended from a number of local schools. This will happen again in October 2018. The intention for 2018-19 is to also invite local state schools to participate in our leadership development courses.

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 for six schools and in September 2017 featured eleven local primaries. The School's Combined Cadet Force (CCF) Partnership with Matravers School, a state school in Westbury, ended when Matravers felt ready to establish its own separate and independent cadet force. The School has started initial discussions with another local state school about the possibility of helping them set up a cadet force.

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. In June 2018 it was announced that from September 2018 a new post was to be created, that of Head of Pathways & the Creative Curriculum.

Strategy to achieve the year's objectives

The strategy for the forthcoming years was presented to Governors in September 2017. This 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 three local primary schools.

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 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 £1,522,486 (2017: £1,682,829). Of this, over £282,088 (2017: £332,974) 3%

Grant making policy (continued)

(2017: 4%) of fee income) was awarded in Scholarships and £615,164 (2017: £702,933) 6.4% (2017: 8.4%) 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.

Strategic Report

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 2018 cohort generally showed an improvement in results compared to the previous year's results. The overall A Level pass rate of 93% was a slight decrease from 95% last year. However, the A* to B percentage increased from 36% to 39%. Likewise, UCAS points per candidate and per subject have both increased.

The GCSE pass rate for five A*-C grades increased from 76% to 86%. Likewise, A*/A and Level 9-7 results increased from 24% to 32%, as did A*-B and Level 9-6 results increased from 45% to 52%. Very strong performances were recorded in Spanish, Drama, RS and Maths.

Co-curricular

The number of clubs and societies has continued to rise this year with opportunities for pupils to form and lead a new club or society of their choice during the Green Zone sessions. It is encouraging to see older pupils leading activities for younger members of the school, including prep school pupils.

Drama has continued to be well supported by both pupils and staff. Sixth formers enjoyed a fantastic experience of performing on the Edinburgh Fringe. In the Autumn term, Scholars took part in Shakespeare Schools Festival, performing Romeo and Juliet at The Merlin Theatre in Frome. This was followed by the Senior production of Noel Coward's Hay Fever, which showcased two casts. The Summer production of The Lion King Jr. was a great success, playing to 260 pupils from feeder and primary schools in a matinee performance, and then to packed audiences over three evenings. It involved 70+ members from the lower school and included 50+ pupils from Princetown, who had worked on scenes for the matinee performance. The skills of communication, presentation and public speaking are all skills deemed valuable in the workforce in the future.

The Concert Orchestra went on tour and played at both Disneyland Paris and at the Last Post ceremony at the Menin Gate. Lunchtime concerts happen every half term and continue to be well attended and a superb platform for informal performance. The Brass ensemble performed for the Remembrance service at Imber Church and The Candlelit Christmas Service was again an atmospheric and moving event.

Duke of Edinburgh Awards, Ten Tors and Forest School, along with archery, shooting and skiing have continued to be developed by our Head of Outdoor Pursuits. The 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.

Ange Garner took over as Contingent Commander in October and continued to develop the Combined Cadet Force. Despite rescheduling activities after heavy snow in March, we provided field craft weekends in September and June, Laser Tag in January, a formal dinner in April, a Shooting Day and a Survival weekend using the Forest School in May. The training year culminated in a successful Annual Camp in Okehampton, with 32 cadets attending. Five pupils enrolled on the BTEC Level 2 in Teamwork and

Strategic Report (continued)

Personal Development aimed at cadets in the 6th Form and one was appointed Lord-Lieutenant's Cadet, assisting the Lord-Lieutenant in his duties throughout the year.

In December, we took the vast majority of our French GCSE cohort to Cognac to meet and be hosted by their French 'partners' with whom they had already been in contact with via Skype and email. Many of the pupils taking part in this particular exchange were also involved in the Spanish exchange the previous year. We welcomed 24 French pupils and 3 of their teachers to Warminster School in March. After receiving Erasmus+ funding from the British Council for our proposed project "Are we really what we eat?" the pupils involved in the French exchange were able to explore the concept of food as a significant part of their culture through a variety of food-related activities.

We welcomed our Spanish partners in January and took our Year 9 pupils to see their partners in Zaragoza in May. Our exchange experiences have been so positive, that we are continuing to grow this programme by also developing formal links with a school in Germany. Our first exchange visits with Germany are planned for 2018/19. With pupils and their parents recognizing the obvious benefits that such opportunities present, our exchanges are continuing to grow in popularity.

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: Just William Chaity; Woodborough Primary School stage; Sports Relief; Cancer Research and Save the Children

Total monies raised 2017-2018 £6,290.52

Sport

Hockey continues to be a strong School sport with pupils represented at England U16 Girls and the England Performance Centre. At county level we have 29 pupils playing across the age groups. The girls U14 were undefeated and the Boys 1st XI lost just one match throughout the season.

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 10s showed maturity, both taking important wickets for the 1st XI. Cricket continues to grow here at Warminster. Our U12 side had a superb season losing one match all summer, and our girl's cricket was superb, with 16 fixtures played this summer and a win percentage of over 50.

In rugby a School pupil was selected at both U15 Dorset and Wilts and for Bath Academy. The School was represented at County level by 3 pupils.

Sport at Warminster last year grew again on previous years. As a school, we played over 500 competitive fixtures with 58% of pupils representing the school in one of our sports. 2018/19 looks set to be a promising and exciting year for sport at Warminster. A new hockey pitch and tennis and netball courts ready for the new academic year.

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. Art, Drama, Music, Sport and Forest School add an exciting dimension to the education at Warminster Prep. Our extensive extra-curricular programme provides depth and diversity to the educational experience on offer.

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. The hire of a local indoor swimming pool allows Reception, Year 1, 2 and 3 classes to benefit from lessons throughout the year. Further new activities including aquathlon, fencing 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.

All pupils have participated in a number of musical and dramatic events. These include a nativity, a pantomime and a musical. Our Year 6 pupils performed Much Ado about Nothing at the Merlin Theatre,

Strategic Report (continued)

Frome as part of the Shakespeare Schools' Festival. The Head of Music continues to work with three choirs, a string group and wind band with almost seventy pupils playing an instrument. Our String Group have been particularly strong this year and have performed at in-house events and at the Bath Festival. We have entered

local music competitions including Mid-Somerset Festival, Devizes Eisteddfod and national events such as 'Young Voices'. Pupils perform in a number of concerts and whole school functions.

Charitable events feature throughout the year. This year we have supported local and national charities including; Operation Christmas Child, Royal British Legion Poppy Appeal, St Michael's Girls' School, Uganda, Firefly International, Sport Relief 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. These have included West Wilts Primary Football, Cross Country, Hockey, Netball, French plays and Drama performances.

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 – Normandy, Warner Bros Studios & Sports Tour
- Year 5 – Residential 'Bushcraft' experience
- Years 3 & 4 – Residential to Hooke Court, Day trips to Bristol Hippodrome and Roman Baths
- Year 2 – Bristol Zoo
- Year 1 – 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.

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

The income for 2017-18 has increased as anticipated due to an increasing number of pupils in addition to a decrease in scholarship and bursary awards. This is very positive given that the school is still supporting up to two under privileged children from Inner London for their Sixth Form education. Expenditure has

continued to be tightly controlled, and despite the continuing increase in pension contributions and the need to market the school strongly, it has been possible to continue the growth of the surplus. Governors consider this to be a good financial result given the current economic climate and the lower than desirable pupil numbers. 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. The school has continued the improvements in boarding and academic accommodation.

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 £6.14M (2017: £6.09M) as at 31st August 2018. 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 and our current policy, which is reviewed annually, 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.

Investment policy

The School holds shares and securities in the Church of England Investment Fund to the value of £XXX. 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 with the last review taking place on 15 June 2018. 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.

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.

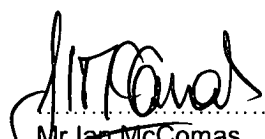
Connected persons

Details of transactions with connected persons are shown in note 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.

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



Mr Ian McComas
(Chairman)

7th December 2018

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 2018 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 2018; the statement of financial activities (including the income and expenditure account), the cash flow statement, reconciliation of net cash flow to movement in net debt and reconciliation of net income / expenditure to net cash flow from operating activities for the year then ended; the accounting policies; 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.

Conclusions relating to going concern

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

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

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the charitable company's ability to continue as a going concern.

Reporting on other information

The other information comprises all of the information in the Annual 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.

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 have 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 Governors' 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 Statement of Governors' Responsibilities set out on page 10, the Governors 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 Governors 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.

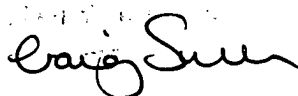
Other required reporting

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.



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

12 December 2018

Statement of financial activities (including the income and expenditure account) for the year ended 31 August 2018

	Note	Unrestricted funds £	Restricted funds £	Total funds 2018 £	Total funds 2017 £
Incoming resources					
Donations and legacies	(5)	35,025		35,025	28,665
Income from Investments	(3)	10,514		10,514	9,140
Other trading activities	(5)	65,716		65,716	112,335
Income from charitable activities					
School fees and extras	(2)	8,882,428		8,882,428	8,351,919
Other educational income	(5)	23,200		23,200	31,545
Other income	(5)	63		63	1,212
Total income		9,016,946	-	9,016,946	8,534,816
Resources expended					
Expenditure on Raising funds	(7)	126,608		126,608	141,390
Expenditure on Charitable activities	(7)	8,578,782	-	8,578,782	8,385,323
Total expenditure	(7)	8,705,390		8,705,390	8,526,713
Net gains on investments	(10)	574		574	795
Net losses on disposals		(261,812)		(261,812)	
Net income	(3)	311,556		311,556	8,103
Net movement in funds		50,318	-	50,318	8,898
Fund balances brought forward at 1 st September		6,078,082	6,935	6,085,017	6,076,119
Fund balances carried forward at 31st August		6,128,400	6,935	6,135,335	6,085,017

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 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	(9)		10,256,669		10,627,202
Investments	(10)		8,978		<u>8,404</u>
Total Fixed Assets			10,265,647		10,635,606
Current assets					
Stocks and work in progress	(11)	15,859		20,695	
Debtors	(12)	392,042		483,835	
Cash at bank and in hand		6,893		<u>4,170</u>	
Total Current Assets		414,794		508,700	
Creditors: amounts falling due within one year	(13)	(2,262,546)		<u>(2,609,824)</u>	
Net current liabilities			(1,847,752)		<u>(2,101,124)</u>
Total assets less current liabilities			8,417,895		8,534,482
Creditors: amounts falling due after one year	(13)		(2,282,560)		<u>(2,449,465)</u>
Net assets	(23)		6,135,335		<u>6,085,017</u>
The Funds of the Charity					
Restricted income funds	(17)		6,935		6,935
Unrestricted income funds	(16)		6,128,400		<u>6,078,082</u>
Total charity funds (including revaluation reserve of £673 (2017: £673))			6,135,335		<u>6,085,017</u>

The notes on pages 18 to 34 form part of these financial statements.

The Financial Statements on pages 16 to 34 were approved by the Board of Governors on 7th December 2018 and signed on its behalf by



Mr Ian McComas
(Chairman)

7th December 2018

Warminster School is a company limited by Guarantee No. 2990649

Cash flow statement for the year ended 31 August 2018

	Note	2018 £	2017 £
Cash Flows from Operating Activities			
Net cash inflow from operations	ii)	215,837	581,891
Cash Flows from Investing Activities			
Interest from Investments		282	278
Purchase of Fixed Assets		(463,410)	(205,162)
Proceeds from the Sale of Fixed Assets			-
Cash inflow from the Sale of Property		298,869	-
Net Cash used in Investing Activities		(164,259)	(204,884)
Cash Flows from Financing Activities			
Repayments of borrowings		(102,608)	(20,006)
Cash inflows from new borrowings			18,889
Net Cash used in Financing Activities		(102,608)	(1,117)
Change in cash and cash equivalents in the reporting period.		(51,030)	375,890

	Note	2018 £	2017 £
i) Reconciliation of net cash flow to movement in net debt			
Change in cash and cash equivalents in the reporting period	(21)	(51,030)	375,890
Cash and cash equivalents at 1 st Sept	(21)	(16,067)	(391,956)
Cash and cash equivalents at 31 st August	(21)	(67,097)	(16,067)

	Note	2018 £	2017 £
ii) Reconciliation of net income to net cash flow from operating activities			
Net income for the reporting period		50,318	8,899
Interest from Investments		(282)	(278)
Depreciation	(9)	273,262	285,264
Decrease/(Increase) in stocks		4,836	(4,286)
Loss/(gain) on investments		(574)	-
Profit on sale of fixed assets		261,812	-
Decrease/(Increase) in debtors		91,791	(139,098)
(Decrease)/Increase in creditors		(465,326)	431,390
Net cash inflow from operating activities		215,837	581,891

Notes to the financial statements for the year ended 31 August 2018

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.

On this basis, the Governors' have concluded that no material uncertainties exist that may cast significant doubt about the ability of the School to continue as a going concern. The Governors therefore have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future. For this reason, the going concern basis continues to be adopted in preparing the financial statements.

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.

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'.

Notes to the financial statements for the year ended 31 August 2018 (continued)

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 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

Warminster School
Governors' Report & Financial Statements for the year ended 31 August 2018

Notes to the financial statements for the year ended 31 August 2018 (continued)

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.

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:

Notes to the financial statements for the year ended 31 August 2018 (continued)

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

	2018	2017
	£	£
School fees and Extras Income comprises the following:		
Gross Fees	10,404,914	9,980,747
Less: Scholarships, Bursaries and Other Remissions Granted	<u>(1,522,486)</u>	<u>(1,628,828)</u>
	<u>8,882,428</u>	<u>8,351,919</u>

3 Net income

The net income for the year is stated after charging / (crediting):	2018	2017
	£	£
Depreciation:		
Owned Assets	273,262	285,264
Leased Assets		-
Auditors' remuneration:		
Audit related assurance services (including VAT)	24,300	23,400
Other assurance related services	2,100	1,260
Taxation compliance services	-	-
Operating lease rentals:		
Land and buildings	40,001	40,001
Equipment	20,554	7,953
Income from investments		
Interest on overdue debts	(10,232)	(8,862)
COIF Charities Investment Fund	<u>(282)</u>	<u>(278)</u>
	<u>(10,514)</u>	<u>(9,140)</u>
Interest payable and similar charges		
Interest payable on overdraft	1,329	5,746
Interest payable on loans	98,262	43,412
Bank charges	<u>9,422</u>	<u>47,652</u>
	<u>109,013</u>	<u>96,811</u>

Notes to the financial statements for the year ended 31 August 2018 (continued)

4 Employee information

Staff costs	2018	2017
	£	£
Wages and Salaries	4,903,239	4,766,577
Social Security Costs	410,108	389,607
Other Pension costs (note 18)	548,993	566,151
Redundancy and termination payments	47,000	57,805
	5,909,340	5,780,140

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

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

	2018	2017
	Number	Number
Teaching and house staff	97	98
Administration	19	17
Other	53	51
	169	166

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 £344,107 (2017: 335,052).

The Governors received no remuneration (2017: £nil). Governors' travelling and training expenses are reimbursed where claimed. Expenses of £655 (2017: £759) were paid to Governors in 2018.

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

	2018	2017
	Number	Number
£60,000 - £69,999	2	1
£70,000 - £79,999	-	-
£80,000 - £89,999	1	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 £15,813 (2017: £15,656) were paid. For the teaching employee whose emoluments were between £60,000 and £69,999, pension contributions amounting to £10,598 (2017: £10,541) were paid.

Notes to the financial statements for the year ended 31 August 2018 (continued)

5 Other incoming resources

	2018	2017
	£	£
Other trading activities		
Rent	1,920	393
Summer lettings income	63,796	111,942
	65,716	112,335

Other educational income

Registration fees	23,200	31,545
	23,200	31,545

	2018	2017
	£	£
Donations and legacies		
Donations	35,025	28,665
	35,025	28,665

Other income

Miscellaneous	63	1,212
	63	1,212

6 Governance costs

	2018	2017
	£	£
<i>Services provided by the company's auditors including VAT:</i>		
- Fees payable for the audit	24,300	23,400
- Fees payable for other services – Teachers' Pension return	2,100	1,260
Governors' expenses	655	1,158
	27,055	25,818

Notes to the financial statements for the year ended 31 August 2018 (continued)

7 Total resources expended

	Staff costs	Other costs	Depreciation	Total 2018	Total 2017
	£	£	£	£	£
Expenditure on raising funds					
Lettings costs	-	17,595	-	17,595	44,579
Financing costs (note 3)	-	109,013	-	109,013	96,810
	-	126,608	-	126,608	141,390
Charitable activities					
Teaching	4,118,384	624,540	55,022	4,797,946	4,751,508
Welfare	855,533	346,013	5,249	1,206,795	1,091,597
Premises	323,106	668,408	205,847	1,197,361	1,233,409
Support costs of schooling	612,317	730,164	7,144	1,349,625	1,283,091
School's operating costs	5,909,340	2,369,125	273,262	8,551,727	8,359,605
Governance costs (note 6)	-	27,055	-	27,055	25,718
Total resources expended	5,909,340	2,522,788	273,262	8,705,390	8,526,713

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 2018 (continued)

9 Tangible fixed assets

	Property on Freehold and Leasehold land	Sports Facilities	Furniture, fittings & equipment	Motor vehicles	Total
	£	£	£	£	£
Cost					
At 1 September 2017	11,241,210	226,410	1,586,935	163,287	13,217,842
Additions	5,898	-	446,432	11,080	463,410
Disposals	(560,681)	-	-	-	(560,681)
At 31 August 2018	10,686,427	226,410	2,033,367	174,367	13,120,571

**Accumulated
Depreciation**

At 1 September 2017	1,124,470	176,375	1,133,470	156,325	2,590,640
Disposals	-	-	-	-	-
Charged in the year (note 3 and 7)	141,228	3,135	122,531	6,368	273,262
At 31 August 2018	1,265,698	179,510	1,256,001	162,693	2,863,902

Net book value:

At 31 August 2018	9,420,729	46,900	777,366	11,674	10,256,669
At 31 August 2017	10,116,739	50,035	453,466	6,962	10,627,202

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 (2017: £4,188,876).

The estimated market value of the tangible assets as at September 2017 is £22,043,147. This is £11,786,478 (2017: £11,335,933) higher than the Net Book Value of tangible assets as held in the financial statements.

Notes to the financial statements for the year ended 31 August 2018 (continued)

10 Fixed asset investments

UK Listed Investments	2018	2017
	£	£
Market value as at 1 September	8,404	7,610
Revaluation in year	574	795
Market value as at 31 August	8,978	8,404

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

	2018	2017
	£	£
Stock	15,859	20,695

The total amount of stock recognised as an expense in the year is £237,744 (2017: £258,718)

12 Debtors

	2018	2017
	£	£
Trade Debtors	194,579	307,877
Other Debtors	118,840	116,776
Prepayments and accrued income	78,623	59,181
	392,042	483,834

Trade Debtors are stated after provisions for impairment of £126,070 (2017: £126,070)

Notes to the financial statements for the year ended 31 August 2018 (continued)

13 Creditors

	Amounts falling due within one year		Amounts falling due after more than one year	
	2018	2017	2018	2017
	£	£		£
Bank loan (1) (secured)	98,610	98,610	1,774,920	1,873,530
Bank overdraft (secured)	73,990	20,237	-	-
Bank loan (2) (secured)	-	-	-	-
Concessionary loan - Ivy House Purchase	100,000	92,065	408,164	507,935
Trade creditors	6,744	66,373	-	-
Fees in advance	1,137,375	1,641,496	-	-
Advanced fees (note 14)	169,083	3,628	35,476	-
Deposits	404,934	389,318	-	-
St Boniface Sports Field Purchase	4,000	4,000	64,000	68,000
Taxation and social security	103,917	99,231	-	-
Other payroll creditors	81,834	83,735	-	-
Accruals and deferred income	82,059	111,131	-	-
	2,262,546	2,609,824	2,282,560	2,449,465

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 £515,946 is repayable in instalments over the next five 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 2018 (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 2018 will be applied to offset fees as follows:

	2018	2017
	£	£
Within 1 year	169,083	3,628
Within 1 to 2 years	35,476	-
	204,559	3,628

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

	2018	2017
	£	£
Balance brought forward	3,628	26,184
New contracts	905,050	334,743
Amounts utilised to pay fees or refunded	(704,119)	(357,299)
Balance carried forward	204,559	3,628

15 Financial Instruments

The School has the following financial instruments:

	2018	2017
	£	£
Financial assets measured at amortised cost		
Trade Debtors	194,579	307,887
Other Debtors	118,840	116,776
	313,419	424,663

Financial assets measured at fair value

Investments	8,978	8,404
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Financial liabilities measured at amortised cost

Bank loans and overdrafts	2,355,684	2,592,377
St. Boniface Sports Field Purchase	68,000	72,000
Trade Creditors	6,744	66,373
Fees in advance	1,137,375	1,641,496
Advanced fees	204,559	3,628
Deposits	404,934	389,318
Taxation and social security	103,917	99,231
Other payroll creditors	81,833	83,735
	4,363,046	4,948,158

16 Unrestricted Income Funds

	2018	2017
	£	£
Accumulated fund		
Balance brought forward	6,078,082	6,069,183
Net expenditure for the year	50,318	8,899
Total unrestricted accumulated fund	6,128,400	6,078,082

17 Restricted Income Funds

	2018	2017
	£	£
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 2018 (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:

	2018	2017
	£	£
Defined Benefit Scheme	437,147	451,577
Defined Contribution Schemes	111,846	114,574
	548,993	566,151

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

	2018	2017
	£	£
Defined Benefit Scheme	34,919	36,102
Defined Contribution Schemes	13,446	9,300
	48,365	45,402

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

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 3.0%), 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.

Notes to the financial statements for the year ended 31 August 2018 (continued)

Pensions Obligations (continued)

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 2004 - 31 March 2012. The GA's report of June 2014 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191.5 billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176.6 billion. The assumed rate of return is 3.0% in excess of prices. The rate of real earnings growth is assumed to be 2.75%. The assumed gross rate of return is 5.06%.

As from 1 April 2015, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR was assessed at 20.4%, and the supplementary contribution rate was assessed to be 5.6% (to balance assets and liabilities as required by the regulations within 15 years). This resulted in a total contribution rate of 26.0%, which translated into an average employee contribution rate of 9.6% and employer contribution rate of 16.4% payable. The cost-sharing agreement also introduced a 10.9% cap on employer contributions payable. It was agreed that these revised contributions would be implemented from 1 September 2015.

Scheme Changes

From 1 September 2015, the employer contribution rate increased to 16.4%.

From 1 April 2015, the TPS was reformed, with a different benefit structure for a number of members.

The pension costs paid to TPS in the year amounted to £437,147 (2017: £451,577).

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	
	2018	2017	2018	2017
	£	£	£	£
Less than one year	40,000	40,001	11,606	7,953
Between 1 and 5 years	80,045	120,003	37,721	16,376
After more than 5 years	-	42	-	-
	120,045	160,046	49,327	24,329

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 2018 (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 (2017: 11) members of the charitable company at the year end.

21 Analysis of cash and cash equivalents

	Balance at 1 September 2017	Cash Flows	Balance at 31 August 2018
	£	£	£
Cash at bank and in hand	4,170	2,723	6,893
Overdraft	(20,237)	(53,753)	(73,990)
	<u>(16,067)</u>	<u>(51,030)</u>	<u>(67,097)</u>

22 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	10,256,669	8,978	6,893	(4,144,140)	6,128,400
At 31 August 2018	10,256,669	8,978	6,893	(4,137,205)	6,135,335

23 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 (2017 £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 £81,115 was recharged to Warminster School Enterprises Ltd in the year (2017: £88,175). The balance owed to Warminster School at year end was £76,218 (2017: £26,122). As the results are not material for the year, they have not been consolidated within the financial statements.

The company's debtors amounted to £9,571 (2017: £10,546) in respect of sales invoices that were outstanding at the year end.

The company's creditors amounted to £85,111 (2017: £30,382), which was due in respect of purchase invoices outstanding at the year end and fees due to Warminster School.

Notes to the financial statements for the year ended 31 August 2018 (continued)

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

	2018	2017
	£	£
Turnover	71,078	87,660
Cost of sales	(70,862)	(75,497)
Gross profit	216	12,163
Administration expenses	(16,062)	(12,895)
Profit/(loss) on ordinary activities before taxation	(15,846)	(732)
Tax on profit/(loss) on ordinary activities	-	-
Profit/(loss) for the financial year	(15,846)	(732)

The total shareholders' funds as at 31 August 2018 was £(196) (2017: £15,650)

Scholarships and Discounts Awarded to Governors' Children

Two children of one Governor were awarded a staff discount at £7,515 (2017: £7,365) 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 2017/18.