

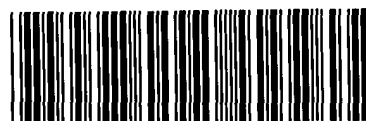
Charity Registration No. 1089055

Company Registration No. 03687622 (England and Wales)

**THE GREGG AND ST WINIFRED'S SCHOOLS TRUST**  
**(Company Limited by Guarantee)**

**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

THURSDAY



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06/12/2018  
COMPANIES HOUSE

**THE GREGG AND ST WINIFRED'S SCHOOLS TRUST**  
**(Company Limited by Guarantee)**  
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**FOR THE YEAR ENDED 31 AUGUST 2018**

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# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## TRUSTEES REPORT (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT) FOR THE YEAR ENDED 31 AUGUST 2018

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The Trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ended 31 August 2018 which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purpose.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

### REFERENCE & ADMINISTRATION INFORMATION

The Gregg and St Winifred's Schools Trust is a registered charity, number 1089055 and a company limited by guarantee, registered in England and Wales, number 03687622.

Registered office:	Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY
Business address:	Townhill Park House Cutbush Lane Southampton Hampshire SO18 2GF
Company secretary:	Mrs Carolyn Anne Pulman
Bankers:	National Westminster Bank Plc 189 Portwood Road Southampton Hampshire SO17 2WX
Solicitors:	Trethowans LLP Pavilion Botleigh Grange Business Park Hedge End Southampton Hampshire SO30 2AF
Auditors:	RSM UK Audit LLP Statutory Auditor Highfield Court Tollgate Chandlers Ford Eastleigh Hampshire SO53 3TY

# **THE GREGG AND ST WINIFRED'S SCHOOLS TRUST**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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Accountants:

RSM UK Tax and Accounting Limited  
Chartered Accountants  
Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire SO53 3TY

The charity closed two trusts which were set up on 16 June 2015.

### **Trustees/Members**

The Trustees of the schools have all served in office throughout the year and to the date of this report.

Mr John Watts (Chair)  
Mr Vincent Davies  
Mr Roger Hart  
Mr Thomas Guilmant (resigned 13 March 2018)  
Mrs Carol Pulman (Company Secretary)  
Mr Michael Pulman  
Mrs Sherilee Sellers (Headteacher, The Gregg School)  
Mr Adrian Tritton (resigned 13 March 2018)  
Mrs Joanna Preston (Deputy Chair)  
Dr Thomas Randell (resigned 25 September 2018)  
Mr Brian Trevor Ormiston (appointed 20 September 2018)  
Mr Hendrik Willem Kapma (appointed 20 September 2018)

All of the Trustees are directors of the company, and are referred to as Trustees throughout this report.

### **Key management personnel**

Mrs Sherilee Sellers  
Mr Crispin Ingham

### **The day to day management of the charity is delegated by the Trustees to:**

Mrs Sherilee Sellers (Headteacher, The Gregg School)  
Mrs Jeanette Caddy (Headteacher The Gregg Preparatory School)  
Mr Crispin Ingham (Bursar)

### **School Activity - Academic Year 2017-2018**

A full review of activities for both The Gregg and The Gregg Preparatory School during 2017-18 can be found on the schools' websites [www.thegreggschool.org](http://www.thegreggschool.org).

Previous years' reports can be obtained by contacting the schools directly.

### **Qualifying third party Indemnity provisions**

The Trust has made qualifying third party indemnity provisions for the benefit of its trustees during the year. These provisions remain in force at the reporting date.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2018

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### STRUCTURE, GOVERNANCE AND MANAGEMENT

#### Governing document

The company is governed by its Memorandum and Articles of Association which were drawn up on 23 December 1998 and amended on 7 August 2001 and 21 February 2005. These will be changed in the new financial year.

#### Organisation

The Trustees are responsible for all aspects of school: The educational and pastoral care provided by the schools coupled with the financial and legal management of the schools. If a vacancy arises the Trustees will ensure that all skills continue to be covered. The main skills required are educational knowledge, legal and accountancy.

The day-to-day management is delegated to the Head Teachers and the Bursar.

#### Recruitment, induction and training of Trustees

Proposals to introduce new Trustees are discussed and agreed within Trust meetings. New Trustees are interviewed by two Trustees and performance, as with all Trustees, reviewed annually by the Chair. Training of new Trustees is undertaken by the Chair and Bursar, backed by appropriate professionally run external courses and full use of publications available from the Charity Commission.

The pay of key management personnel is set by the Trustees, in line with the charity governing policy.

### OBJECTIVES AND STRATEGIES

As set out in the Memorandum and Articles of Association, the Trust is established for the promotion and advancement of education and in particular the operating of a school or schools for such purpose.

Its principal activity continued to be the provision of education for boys and girls at an independent primary and secondary school.

The Charity provides education for boys and girls aged 3-11 years at The Gregg Preparatory School and for boys and girls aged 11-16 years at The Gregg School. The Trust's aim, as an educational charity, is to benefit the public by providing a first class education independent of the State system. It also aims to provide a forward looking disciplined environment where pupils are given the opportunity to achieve their full potential, as well as helping to build self-confidence and a desire to contribute to the community.

In setting our objectives and planning our activities, our Trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

The Gregg and St Winifred's Schools Trust is a charitable trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the schools and at a level that is consistent with our aims.

Our Schools welcome pupils from all backgrounds. An individual's gender, ethnicity, race, religion and in most cases disability do not form part of our assessment processes.

Our Schools are committed to safeguarding and promoting the welfare of our pupils and expect all staff and volunteers to share this commitment.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2018

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### **The Trust's main objectives are:**

- a) To achieve the highest academic performance commensurate with the cultivation of a well-rounded development of the personality in our pupils.
- b) To widen public access to our system of education within the constraints of our funding as an independent education provider.
- c) To work within the local community in order that the public can also benefit from the pupils' education and development.

### **The Trust's strategies for achieving its objectives are:**

- a) To ensure the continued development and motivation of staff through training and support.
- b) To ensure that the Trust is suitably staffed to cope with the changes in educational ideas and legislation.
- c) To ensure that suitable investment is made to aid the teaching process and the development of pupils.
- d) To continually review and develop our methods for awarding means-tested bursaries to ensure wider access to pupils from all backgrounds.
- e) Develop and maintain links with local junior schools and nurseries within both the state and Independent Schools sector.
- f) Continue to raise funds for other charities and provide musical and theatrical entertainment to the local residents.

### **Significant activities this year contributing to the achievement of the Trust's objectives:**

- a) The ongoing use of the exceptional new teaching block at The Gregg School, housing Science, Food Technology and English classrooms.
- b) Further investment in staff development through training and departmental re-organisation at The Gregg School for the benefit of students' education and performance.
- c) Continuation of links with Junior Schools within the Maintained Sector in order for them to benefit from our facilities.
- d) The achievement of 92% 5 A\*-C GCSE grades, considered an excellent performance for a non-selective school.
- e) Bursaries remain in place at the level of 4.52% of fees.
- f) St Winifred's has become The Gregg Preparatory School fostering closer links within the Trust.

### **Principal funding sources and expenditure supporting the key objectives:**

The principal source of funding is from tuition fee generation, the total of which is determined by pupil numbers and the level of the advertised annual fees, as determined each year by the Trustees.

The principal form of expenditure is levied on staff salaries. A large proportion of the remaining funds are expended on the maintenance and development of the schools' infrastructures and in the provision of teaching aids.

### **Volunteers**

Other than salaried members of staff (Headteacher and Teacher), the schools' Trustees did not receive any payment for the work they carried out in the capacity for the charity in the year ending 31 August 2018. New Trustees and other volunteers are recruited and inducted in accordance with Schools' policy and DBS clearance is obtained. The Gregg School has three volunteers helping with its Duke of Edinburgh programme.

The Gregg School's formal Gertrude Jekyll gardens are tended to by The Friends of Townhill Park House Gardens, who are all non-paid volunteers.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2018

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### PUBLIC BENEFIT

The Trustees have considered the Commission's guidance of Public Benefit and are satisfied that the current activities meet these objectives, as can be seen in the following activities:

#### Bursary and Scholarship Policy

The Trustees view our bursary and scholarship awards as important in helping to ensure children from families who would otherwise not be able to afford the fees to access the education we offer. Our schools do not have endowments and fund awards from within our own financial activity. We must therefore be mindful of the balance between fee paying parents, many of whom make considerable personal sacrifices to fund their children's education, and those benefiting from the awards.

In accordance with our bursary policy, our bursary awards are available to all pupils and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk. The awards normally range from 10% to 50% but additional support up to 100% will be considered in extreme circumstances.

Parents are required to complete a comprehensive application form (designed by The Bursars' Association) to provide full details of income and assets in order that each financial situation can be assessed by the Trustees. Further information can be found within the schools' Bursary Policy.

Scholarships and bursaries are advertised on the schools' websites, within advertisements and within prospectus information.

Scholarships are offered for academic excellence, or for Art, Music and Sport, when pupils initially apply to enter the school in year 7. Academic scholarship awards of up to 33% are dependent on Entrance Examination performance. Art, Music and Sport scholarships are 20% with only one award made per subject.

#### Bursaries, Scholarships and Accessibility

Both Schools continue to offer means tested bursaries to widen the accessibility of our educational system. The Gregg School also offers part scholarships for academic excellence, music, art and sport. Both scholarships and bursaries are awarded from the Trust's own income and are therefore limited to affordability.

Means tested bursaries are available to all pupils and not dependent on performance in the Entrance Assessment provided that prospective students have reached the minimum pass level. The schools are non-selective; those pupils who do not pass The Gregg School Entrance Examination are interviewed by the head teacher to assess our ability to meet their needs within our Learning Support department.

Bursary awards have fallen slightly during the last three years and are greater in value to scholarships at the rate of 1.1:1 (2017: 1.3:1).

This year 31 pupils were helped through means tested bursaries, representing 8% of all pupils (2016/17 - 10%) with a value of £142,599 (2016/17 - £172,487, 39 students) 3.4% of gross fee income (2016/17 - 4.01%). A further 62 pupils (21%) were assisted through scholarships with a value of £133,812 (2016/17 - 59 pupils; 15.9%, value of £130,593), 3.2% of gross fee income (2016/17 - 3.1%). A further 59 pupils received a sibling discount of 7.5% or 10% representing 1.14% of gross fee income.

Bursaries generally allow parents a reduction in fees of up to 50%. However in extreme overall circumstances more has been offered. During 2017/18 19 pupils benefit from 50% assistance and 1 pupil benefits from between 50-100% assistance (during 2016/17 20 pupils benefited from 50% assistance).

# **THE GREGG AND ST WINIFRED'S SCHOOLS TRUST**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Public and Community Involvement**

#### **Charity and Community work by students**

##### **The Gregg School**

Charity fundraising and working in partnership with local communities continues to be an integral part of school life at The Gregg. We have supported local, national and international charities this year through a range of fund-raising initiatives, and students have enjoyed the opportunities to engage with members of our local community.

The Children In Need Charity Fun Day in November saw Year 7 employing innovative methods to 'charm' worms out of the ground, the winning team managing to coax 20 worms to the surface! The Year 8 balloon challenge proved to be a very noisy affair, Year 9 travelled across the city in the minibus treasure hunt, stopping off to deliver donations of food and toys at the Blue Cross Animal Welfare Centre, whilst Year 10 headed off to AMF Bowling in Eastleigh amassing sponsorship for points scored and number of strikes achieved. I'm A Gregg Student – Get Me Out of Here presented Year 11 with a series of challenges which culminated in the eagerly-anticipated 'Bush Tucker Trial', with tempting delicacies including buffalo worms and black ant canapés on the menu. The day raised £3,559 for Children In Need, provided funds for our Senior Citizens Christmas Party and included donations of food and pet toys for the Blue Cross Animal Welfare Charity.

We supported Rotary International's Shoebox Appeal again this year, students filled 88 boxes with toys, stationery and toiletries which the organisation distributed to disadvantaged children in Eastern Europe.

Vulnerable young people closer to home were in our thoughts with the donation of £235 to Fledge, an Eastleigh-based charity which offers support to homeless young people, the money being raised from the collection at our Christmas Carol Service at Bitterne Church. Our thanks to those who contributed, and those who also donated food for the Southampton City Mission Foodbank.

Senior Citizens from the local area thoroughly enjoyed their Christmas Party held in School towards the end of the autumn term. Seasonal singing and music was complemented by Festive Fayre, and the bingo games were highly competitive! Students chatted to the elderly guests

Local radio station Wave 105 enlisted our help with their Mission Christmas Cash For Kids initiative, The Gregg School being a designated donation centre for appeal toys.

Our last fund-raising event of the autumn term saw students and staff donning winter woollies for our Christmas Jumper Day, which raised £512 for Save The Children, supporting the organisation's work across the world.

In February, our "Wear Something Pink" non-uniform day and cake sale raised £700 for Titchfield Breast Cancer Haven – a charity that we shall be supporting again at our Christmas Fair this November.

Another local charity benefited from the donations received for refreshments during performances of our musical, "My Fair Lady", with £170 being donated to The Rainbow Centre in Fareham, which supports children with Cerebral Palsy and adults with Multiple Sclerosis and Parkinson's Disease.

Drama also provided the vehicle for charity fund-raising with ticket sales from the Year 7 Play raising £238 for The Epilepsy Society and the Second Chance Animal Shelter.

We supported Sport Relief again this year. The "Sport Relief Mile" was run around our grounds in conjunction with the House Cross Country Competition. The ever-popular Penny Wars competition was won by Trojan House, and a cake bake boosted the total raised to £1,000.



# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2018

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### **Charity and Community work by students (continued)**

The Friends of Townhill Park House Gardens, a small team of dedicated volunteers, have worked extremely hard over the year ensuring that our formal gardens look their best, and are in keeping with the designs originally set out by Gertrude Jekyll. The volunteers have also run three very successful Gardens Open Days this year, which have seen visitor numbers in excess of 800. We sadly had to cancel the March event due to the weather.

### **The Gregg Preparatory School (renamed from St Winifred's on 1 September 2017)**

The year started with our annual Macmillan Coffee Afternoon. The opportunity to buy a slice of delicious cake was too much to pass up and offered parents the opportunity to sit and chat in a relaxed atmosphere whilst raising money for this charity.

We held our Harvest Festival Assembly in October with all the proceeds going to the City Mission Food Bank in Southampton.

In November we Tudor House supported the Welly Walk for Farm Africa. We donned our wellies for a donation of £2 and walked around the grounds at The Gregg School after an assembly telling us of the great work this charity do. Our other Houses, Plantagenet and Stuart raised money for the RSPCA and Action Medical Aid.

In December our Choir went to two residential homes to sing carols to the residents of Mayflower Court and Guardian Court in Westward Road. The children thoroughly enjoyed themselves and we were very proud of the way they chatted to the residents over tea and biscuits. The residents were very complimentary about the children and said how much they enjoyed listening and joining in. The collection at the end of our annual carol service at Highfield Church raised £242 for Crisis at Christmas.

New for last year, we set up the JASS volunteering programme for children in Forms 5 & 6. As part of the JASS scheme the children had to volunteer within the local community. Highfield Church kindly offered the children the opportunity and so in the Summer Term the children attended four sessions at Highfield Church. The Highland Adventure covering two days in July saw the children setting up our own versions of the Highland Games to entertain local residents as Highfield Church was transformed into Scotland. The idea behind the adventure is to offer local residents who are lonely or less mobile the opportunity to experience a Highland Adventure on their own doorstep. The children gained a lot from interacting with older generations. The children also attended two other sessions at Highfield Church where they acted as waiters and waitresses and took part in a number of workshops, again to assist those who feel socially isolated.

During the Summer Term Forms 5 and 6 also took part in a beach clean to care for our environment.

During the term time, we allow Southampton University to use our gym on Wednesday evenings as a venue for their self defence classes. This is for vulnerable students and is run by the police and is a community project. We do not charge for the use of our gym.

# **THE GREGG AND ST WINIFRED'S SCHOOLS TRUST**

## **TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)**

**FOR THE YEAR ENDED 31 AUGUST 2018**

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### **Student numbers**

#### **The Gregg School**

Student numbers in 2017/18 averaged 290 (2016/17 - 305). The start numbers for 2018/19 are 290 which has driven the creation of a marketing team. The recent Open Day has been well supported as we continue to widen the links with a number of our feeder schools through invitations to Science and Technology workshops. This has been supported by presentations to parents at various feeder schools, including the triannual Princes Mead open day.

A major factor in recruitment is the provision of transport to and from school, with a total of 20 minibus routes, now having dispensed with coach travel. Continued student demand saw 90% of our students using these services daily, having a positive effect on the environment with only a small number of parents needing to use their own cars.

#### **The Gregg Preparatory School**

During 2017/2018 the main school pupil numbers averaged at 87 (2016/17: 74). Preschool, numbers averaged 20 for 2017/2018 (2016/17: Preschool 23).

Numbers for the new school year 2018/19 are 92, which is encouraging.

### **Members' liabilities**

The charity has no share capital and is limited by guarantee. In the event of a winding up, each member of the company is liable to contribute an amount not exceeding £1. As at 31 August 2018 there were 8 members (2017: 10).

## **STRATEGIC REPORT**

### **Significant achievements**

- i.) During the year, the School has benefitted enormously from the Hart building. It continues to significantly enhance the Schools teaching facilities, providing 5 new science laboratories, a science preparation room, a food technology room and four new English classrooms.
- ii.) GCSE results surpassed the previous year with 92% of students obtaining 5 A\* to C grades. This is considered an excellent achievement given that the School is non-academically selective.
- iii.) Continued reorganisation of the Schools' governing body to provide more involvement and support to both Schools.
- iv.) Renaming of St Winifred's to The Gregg Preparatory School has enabled a much clearer link between both schools for parents.

### **Principle risks or uncertainties**

The major risks to which the Schools are exposed have been reviewed and systems, which are being monitored continually, have been established to mitigate these risks.

The challenge to Independent Schools remains pupil numbers and ensuring that incoming cohorts broadly match those departing at year end. The School's marketing team this year has made major inroads with increased open events, a new website and crisper communication. This has resulted in a far greater consistency in pupil retention and numbers are level.

This year's change to legislation with GDPR has served to focus minds on IT. A move to Managed services alongside revised policies coupled with education and training have seen a keener awareness of the threats the Trust faces. The Trust has also changed provider for the main MIS to SIMS.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2018

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### Principle risks or uncertainties (continued)

Preparedness for inspection remains a key concern as time since the previous inspection extends. Trustees continue to actively revise and review evidence to satisfy themselves of the Trust's position.

### Financial performance key indicators

The annual accounts are a consolidation of both The Gregg and The Gregg Prep Schools.

The Trust has a rolling 5 year financial plan, which includes Cash Flow and Profit and Loss predictions. These plans are reviewed and updated each year.

This year's accounts show a surplus of £35,686 (after depreciation of £159,715) (2016/17: £93,612 surplus after £163,012 depreciation).

Fees for the school year, 2017/2018, increased by 3.5% for The Gregg School (£4,130 per term) and 3.5% at The Gregg Prep School (£2,670 per term). Fee increases for the new school year, 2018/19, are 3.5% for The Gregg School (£4,275 per term) and 3.5% at The Gregg Prep School (£2,765 per term).

Tuition fee income generation amounted to £4,041,974 (2016/17: £3,936,923) against a target of £4,057,010 (£15,036 below target). Tuition fee income accounted for 91.69% of total income (2016/17: 91.69%) which was £4,408,274 (2016/17: £4,293,758).

To provide the education and support needed to achieve the key objectives of the Trust £3,248,372 (2016/17: £3,041,424) was paid in salaries (including Employers NI and Pension Contributions). This accounts for 80.37% of the fee income (2016/17: 83.0%) and 73.68% of total income (2016/17: 75.9%). The Trust bases its teaching salaries on the educational pay scales within the State Sector, the annual basic salary increase was 2% on all teaching grades and 1% on Leadership scales (2016/17: State Sector rise: 1%). Non-teaching staff received 1.5%. The combined schools' staff/pupil ratio was 8.58 (2016/17: 8.74), The Gregg School 8.38 (2016/17: 8.78) The Gregg Prep 9.29 (2016/17: 8.61).

## FINANCIAL REVIEW

### Reserves policy and going concern

The Trustees have reviewed the charity's need for reserves in line with the guidance issued by the Charity Commission in SORP (FRS102). The ideal level of free reserves is two thirds of the Schools' operating costs being £2,869,889 (2017: £2,748,759). Unrestricted funds at 31 August 2018 amounted to £1,692,124 (2017: £1,654,440). After excluding unrestricted fixed assets £5,038,070 (2017: £5,126,114) (Note 25) and adding back related bank loans, there are negative 'free' reserves of £3,345,946 (2017: £3,471,674). However, the charity has secured cash flow in the form of fees received in advance of £2,717,753 (2017: £2,453,871) (Note 15) to meet its operating costs as they arise.

The Trustees regularly review the finances, budgets and spend against budget together with a monthly cash flow analysis as part of the effective stewardship of the School.

In common with other Independent Schools, the Trustees have invested funds into school buildings in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. Although the free reserves are at a negative balance, this illustrates the extent of the investment in our School, which is a common practice by Independent Schools which have to finance their own capital investment plans. The Trustees consider that given the strength of the charity's balance sheet, the stable cash flow, the ongoing popularity of our Schools, and the available banking facilities that can be called upon if need arises, that there is no need to build up a free reserve.

The Trustees recognise that the level of reserves fluctuates during periods of investment in the Schools and arrangements with our bank are in place to provide an adequate 'safety net' should it be required.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## TRUSTEES REPORT (CONTINUED)(INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2018

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### Valuation of land and buildings

The freehold land and buildings were professionally valued in November 2014 at £4,000,000. Land and buildings are recognised at historical cost less accumulated depreciation and so this valuation has not been reflected in these financial statements. The November 2014 valuation allows for an increase to £4,500,000 on completion of the new teaching block, which was completed in September 2016.

### Financial effects of significant events

The new teaching block at The Gregg School, completed September 2016, replaced old Science Laboratories and Home Economics buildings which were demolished in the summer school holiday break in 2017. To achieve this new teaching facility the Trust has taken out a bank loan of £2,000,000 over 20 years. The Trust has used its reserves to fund the remainder of the contract price, VAT and fit-out. The Trust's 5 year Cash Flow and Profit & Loss forecasts show the affordability of this facility.

### FUTURE DEVELOPMENTS

The Gregg Prep at Winn Road continues to be leased from the Sutton Brothers. With Lease arrangements now up for renewal, the opportunity to explore alternatives and seek a long term solution is being considered. This will ensure that we have made provision for the future of the school and its ability to feed the Gregg. The funding and construction of a new sports hall remains the Trustees' next significant goal. There are also plans to relocate the library into the main building, in line with the strategy of pooling resources into subject areas to deliver greatest value. New Memorandum of Understanding & Articles of Association are being adopted as the Trust becomes The Gregg Schools' Trust. An EGM has signed up to new governance arrangements. This has seen responsibilities merged, abolishing the Board of Governors and retaining simply a Board of Trustees to run the schools Trust. This will make accountability & governance simpler, more efficient and up to date with technology.

### Auditor

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

### Disclosure of information to auditor

In so far as the Trustees are aware, at the time of approving our Trustees report:

- there is no relevant audit information of which the charity's auditors are unaware, and
- the Trustees have taken all reasonable steps that they ought to have taken to make themselves aware of any audit information and to establish that the charity's auditors are aware of that information.

The Trustees report, including the strategic report, was approved by the Board of Trustees.



Mr R Hart

Dated: 28/11/18.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## STATEMENT OF TRUSTEES RESPONSIBILITIES

### FOR THE YEAR ENDED 31 AUGUST 2018

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The Trustees, who are also the directors of The Gregg and St Winifred's Schools Trust for the purpose of company law, are responsible for preparing the Trustees Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company Law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Charitable Company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that year.

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

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

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Charitable Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

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#### Opinion on financial statements

We have audited the financial statements of The Gregg and St Winifred's Schools Trust (the 'charitable company') for the year ended 31 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

#### In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

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

#### Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees 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.

#### Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Opinion on other matter prescribed by the Companies Act 2006

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

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## INDEPENDENT AUDITOR'S REPORT (CONTINUED)

### TO THE MEMBERS OF THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

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#### Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Trustees' Report and the incorporated Strategic Report.

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

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

#### Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 11, the Trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees 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 trustees 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.

#### Auditor's responsibilities for the audit of the financial statements

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

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

#### Use of our report

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

RSM UK Audit LLP

Kevin Barwick (Senior Statutory Auditor)  
for and on behalf of RSM UK Audit LLP

22 November 2018

Statutory Auditor

Highfield Court  
Tollgate  
Chandlers Ford  
Eastleigh  
Hampshire  
SO53 3TY

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted funds £	Restricted funds £	Total 2018 £
<b><u>Income from:</u></b>				
Donations and legacies		556	4,714	5,270
<b>Income from charitable activities:</b>				
School fees receivable	3	4,041,974	-	4,041,974
Additional school activities	3	347,925	-	347,925
Other income	4	13,105	-	13,105
<b>Total income</b>		<b>4,403,560</b>	<b>4,714</b>	<b>4,408,274</b>
<b><u>Expenditure on:</u></b>				
<b>Raising funds</b>				
Finance costs	5	67,754	-	67,754
<b>Charitable activities:</b>				
School operating costs	6	4,298,122	6,712	4,304,834
<b>Total expenditure</b>		<b>4,365,876</b>	<b>6,712</b>	<b>4,372,588</b>
<b>Net income for the year and net movement in funds</b>		<b>37,684</b>	<b>(1,998)</b>	<b>35,686</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		1,654,440	39,857	1,694,297
<b>Total funds carried forward</b>		<b>1,692,124</b>	<b>37,859</b>	<b>1,729,983</b>

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

All income and expenditure derive from continuing activities.

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



# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) INCLUDING INCOME AND EXPENDITURE ACCOUNT

FOR THE YEAR ENDED 31 AUGUST 2018

FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted funds £	Restricted funds £	Total 2017 £
<b><u>Income from:</u></b>				
Donations and legacies		4,030	9,170	13,200
<b>Income from charitable activities:</b>				
School fees receivable	3	3,936,923	-	3,936,923
Additional school activities	3	332,112	-	332,112
Other	3	11,523	-	11,523
<b>Total income</b>		<b>4,284,588</b>	<b>9,170</b>	<b>4,293,758</b>
<b><u>Expenditure on:</u></b>				
<b>Raising funds:</b>				
Finance costs	5	77,007	-	77,007
<b>Charitable activities:</b>				
School operating costs	6	4,116,427	6,712	4,123,139
<b>Total expenditure</b>		<b>4,193,434</b>	<b>6,712</b>	<b>4,200,146</b>
<b>Net income for the year and net movement in funds</b>		<b>91,154</b>	<b>2,458</b>	<b>93,612</b>
<b>Reconciliation of funds:</b>				
Total funds brought forward		1,563,286	37,399	1,600,685
<b>Total funds carried forward</b>		<b>1,654,440</b>	<b>39,857</b>	<b>1,694,297</b>

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

All income and expenditure derive from continuing activities.

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

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## BALANCE SHEET

AS AT 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Tangible assets	12		5,073,859		5,165,971
<b>Current assets</b>					
Stocks	13	21,568		21,568	
Debtors	14	873,435		779,084	
Cash at bank and in hand		753,851		543,457	
		1,648,854		1,344,109	
<b>Creditors: amounts falling due within one year</b>	15	(2,900,168)		(2,814,493)	
Net current liabilities			(1,251,314)		(1,470,384)
<b>Total assets less current liabilities</b>			3,822,545		3,695,587
<b>Creditors: amounts falling due after more than one year</b>	16		(2,092,562)		(2,001,290)
<b>Net assets</b>			1,729,983		1,694,297
<b>The funds of the charity</b>					
<u>Restricted funds</u>					
General restricted funds	23		37,859		39,857
<u>Unrestricted funds</u>					
General unrestricted funds	24	1,692,124		1,654,440	
			1,692,124		1,654,440
<b>Total charity funds</b>			1,729,983		1,694,297

The Financial Statements were approved by the Board on 20/11/18 and signed on its behalf by:-

Mr J Watts  
Chairman

Mr R Hart  
Trustee

Company Registration No. 03687622

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018 £	£	2017 £	£
<b>Cash flows from operating activities</b>					
Cash generated from operations	29		409,818		383,526
<b>Investing activities</b>					
Purchase of tangible fixed assets		(72,067)		(507,506)	
Proceeds on disposal of tangible fixed assets		13,507		9,170	
Interest received		131		71	
<b>Net cash used in investing activities</b>			(58,429)		(498,265)
<b>Financing activities</b>					
Finance costs		(54,636)		(47,073)	
Proceeds of new bank loans		-		807,257	
Repayment of bank loans		(86,359)		(194,382)	
<b>Net cash (used in)/generated from financing activities</b>			(140,995)		565,802
<b>Net increase in cash and cash equivalents</b>			210,394		451,063
Cash and cash equivalents at beginning of year			543,457		92,394
<b>Cash and cash equivalents at end of year</b>			753,851		543,457

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies

##### Charity information

The Gregg and St Winifred's Schools Trust is a private company limited by guarantee incorporated in England and Wales. The registered office is Highfield Court, Tollgate, Chandlers Ford, Eastleigh, Hampshire, SO53 3TY.

#### 1.1 Accounting convention

The financial statements have been prepared in accordance with the Trust's governing document, the Companies Act 2006 and "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Trust is a Public Benefit Entity as defined by FRS 102.

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

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

At the time of approving the financial statements, the Trustees have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. This confidence comes from steps the School has taken to strengthen ties between the 2 Schools alongside the creation of a marketing team. The Trust have a strong 5 year strategy supported by well resourced marketing and admissions plans. The forward momentum created by improved pass rates and a focus on Student Support all assist in this. Ambitious plans released by Southampton City Council demonstrate a continuing increase in numbers within catchment as more land is developed - all positive news for student numbers. Thus, the Trustees continue to adopt the going concern basis of accounting in preparing the financial statements.

#### 1.3 Charitable funds

Unrestricted funds are defined as income realised or generated for the objectives of the Charity without further specified purpose and which are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, will be identified to the fund.

Designated funds are funds set aside by the Trustees out of unrestricted general funds for specific future purposes or projects.

##### Fund transfers

Resources are transferred from Unrestricted Funds to Restricted Funds where expenditure meeting the criteria laid down by a donor of restricted income exceeds this income.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies (Continued)

##### 1.4 Income

Income is recognised when the charity has entitlement to the funds, any performance conditions attached to the income have been met or are fully within the control of the charity, there is sufficient certainty that receipt of the income is considered possible, and the amount can be measured reliably.

##### **Fee income**

Tuition fee income comprises gross termly fees less allowances and discounts made. This and all other income except certain donations, represent unrestricted funds.

Fees received in advance of education to be provided in future years under an Advance Fee Payments Scheme contract are held as creditors until either taken to income in the term when used or else refunded.

Tuition fees are recognised on a receivable basis. Amounts invoiced in advance are deferred and carried forward within creditors and accruals, whilst amounts due but not yet received in the year are shown within debtors and prepayments.

##### **Deferred income – advance fees**

Where income is received in advance of meeting any performance related conditions and there is not unconditional entitlement to the income, its recognition is deferred and included in creditors as deferred income until the performance conditions are met.

##### **Donations and legacies**

Funds from the appeals to raise finance for buildings and future capital projects are accounted for on a receivable basis.

Donations are accounted for on a receivable basis and are recorded in line with the stipulations attached to them by the donor.

All income was generated in the UK.

##### 1.5 Expenditure

##### **Expenditure and irrecoverable VAT**

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Expenditure is classified under the following activity headings:

Costs of raising funds comprise the costs of marketing to attract students to the School.

Expenditure on charitable activities includes the costs of teaching salaries, and other educational activities undertaken to further the purposes of the charity and their associated support costs.

Other expenditure represents those items not falling into any other heading.

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

##### **Allocation of support costs**

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activity. Support costs include the costs of office salaries, and governance costs which support the School in the provision of education. The bases on which support costs have been allocated are set out in note 7.

##### **Borrowing costs**

General and specific borrowing costs directly attributable to the acquisition and construction of freehold properties are added to the cost of those properties until such a time as the properties are ready for their intended use or sale.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies (Continued)

##### 1.6 Tangible fixed assets

Tangible fixed assets are measured at cost (or deemed cost for land and buildings held at valuation at the date of transition to FRS 102) less accumulated depreciation and any impairment. No lower limit is applied to individual items that are capitalised.

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

Freehold land and buildings	1.43% & 10% straight line
Leasehold land and buildings	Over the term of the lease
Plant and machinery	15% straight line
Fixtures, fittings and equipment	15% straight line
Motor vehicles	20% straight line or over the life of the lease

*Freehold land and assets in the course of construction are not depreciated. Properties in the course of construction are carried at cost, less any identified impairment loss. Cost includes professional fees and other directly attributable costs that are necessary to bring the property to its operating condition. Depreciation commences when the properties are ready for their intended use.*

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

Specific borrowing costs directly attributable to the construction of freehold properties are added to the cost of these properties until such a time as the properties are ready for their intended use or sale.

##### 1.7 Impairment of fixed assets

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

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in income/(expenditure for the year, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Recognised impairment losses are reversed if, and only if, the reasons for the impairment loss have ceased to apply. Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised immediately, unless the relevant asset is carried in at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 1.8 Stocks

Stock is valued at the lower of cost, being the purchase price, and net realisable value.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies (Continued)

##### 1.9 Cash and cash equivalents

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

##### 1.10 Financial instruments

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

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

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

##### **Basic financial assets**

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

##### **Impairment of financial assets**

Financial assets, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

##### **Derecognition of financial assets**

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

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

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#### 1 Accounting policies (Continued)

##### **Basic financial liabilities**

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

Liabilities are recognised within the financial statements in respect of all expenditure for which the entity has a measurable obligation, be it constructive or legal, at the balance sheet date. Any expenditure which is committed to, but not measurable at this time, is disclosed within the notes to the financial statements as a contingent liability.

##### **Derecognition of financial liabilities**

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

#### 1.11 Retirement benefits

The pension arrangements of the charity are defined contribution schemes where the assets of the scheme are held separately from those of the Trust in an independently administered fund. The pension cost charge represents contributions payable by the Trust to the funds during the year in accordance with FRS 102.

#### 1.12 Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessees. All other leases are classified as operating leases.

Assets held under finance leases are recognised as assets at the lower of the assets fair value at the date of inception and the present value of the minimum lease payments. The related liability is included in the balance sheet as a finance lease obligation. Lease payments are treated as consisting of capital and interest elements. The interest is charged to net income/(expenditure) for the year so as to produce a constant periodic rate of interest on the remaining balance of the liability.

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

#### 2 Critical accounting estimates and judgements

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

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

##### **Classification of leases**

In categorising leases as finance leases or operating leases, management makes judgements as to whether significant risks and rewards of ownership have transferred to the School.



# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 3 Income from charitable activities

	School fees receivable	Additional school activities	Other	Total 2018	Total 2017
	£	£	£	£	£
School fees	4,365,799	-	-	4,365,799	4,271,679
Less: scholarships	133,812	-	-	133,812	130,593
Less: bursaries	142,599	-	-	142,599	172,487
Less: other discounts	47,414	-	-	47,414	31,676
Learning support	-	24,623	-	24,623	12,329
Coach fares	-	172,378	-	172,378	176,221
Canteen	-	128,903	-	128,903	131,052
Micellaneous income	-	22,021	-	22,021	12,510
Hire of facilities	-	-	3,351	3,351	9,353
Bar	-	-	580	580	2,099
Bank interest received	-	-	131	131	71
	<u>4,041,974</u>	<u>347,925</u>	<u>4,062</u>	<u>4,393,961</u>	<u>4,280,558</u>

### 4 Other income

	2018	2017
	£	£
Net gain on disposal of tangible fixed assets	<u>9,043</u>	<u>-</u>

### 5 Finance costs

	2018	2017
	£	£
Bank interest paid	-	715
Bank loan interest paid	43,753	45,643
Bank charges	8,933	10,640
Other loan interest	1,950	1,950
Bad debts written off	6,040	314
Provision/(release of) doubtful debts	4,463	15,228
Irrecoverable VAT	2,615	2,517
	<u>67,754</u>	<u>77,007</u>

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 6 School operating costs

2018

	School operating costs	Welfare costs	Transport costs	Premises	Support costs	Other costs	Total
	£	£	£	£	£	£	£
Staff costs	2,675,552	-	118,604	146,748	320,880	-	3,261,784
Depreciation	-	-	23,459	136,256	-	-	159,715
Other	178,957	92,014	125,072	274,705	153,829	58,758	883,335
	<u>2,854,509</u>	<u>92,014</u>	<u>267,135</u>	<u>557,709</u>	<u>474,709</u>	<u>58,758</u>	<u>4,304,834</u>

Expenditure on school operating costs was £4,304,834 of which £4,298,122 was unrestricted and £6,712 was restricted.

2017

	School operating costs	Welfare costs	Transport costs	Premises	Support costs	Other costs	Total
	£	£	£	£	£	£	£
Staff costs	2,392,736	-	95,052	131,002	367,290	-	2,986,080
Depreciation	-	-	24,995	138,017	-	-	163,012
Other	181,270	90,687	111,100	399,478	160,711	30,801	974,047
	<u>2,574,006</u>	<u>90,687</u>	<u>231,147</u>	<u>668,497</u>	<u>528,001</u>	<u>30,801</u>	<u>4,123,139</u>

Expenditure on school operating costs was £4,123,139 of which £4,116,427 was unrestricted and £6,712 was restricted.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 7 Support costs

	Support costs	Governance costs	2018	2017
	£	£	£	£
General support	320,880	-	320,880	367,290
Staff costs	153,829	-	153,829	181,847
Audit fees	-	12,250	12,250	11,700
Accountancy	-	6,451	6,451	6,212
Legal and professional	-	40,057	40,057	12,889
	<u>474,709</u>	<u>58,758</u>	<u>533,467</u>	<u>579,938</u>

The charity initially identifies the costs of its support functions. It then identifies those costs which relate to the governance function. Having identified its governance costs, the remaining support costs are apportioned between staff costs and general support.

Governance costs include those incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

### 8 Trustees

Trustees received remuneration, including employer's pension contributions and benefits, for teaching and administrative services to the schools, as follows, in line with the charity governing document:

	2018 £	2017 £
R D Hart	4,973	15,256
V Davies	-	71,636
T Guilmant (wife of Trustee)	-	27,045
S Sellers	84,070	83,210
<b>Total</b>	<b>89,043</b>	<b>197,147</b>

No Trustees claimed expenses during the year. During the prior year, one Trustee claimed expenses for £6,429 of which £6,429 were items purchased for school use. Amounts outstanding at the year-end were £nil.

The school has paid for Trustee Indemnity Insurance for the year, the insurance premium is included within travellers school insurance policy.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 9 Employees

Employment costs	2018 £	2017 £
Wages and salaries	2,822,552	2,635,451
Social security costs	240,067	232,318
Other pension costs	185,753	173,655
	<u>3,248,372</u>	<u>3,041,424</u>

The level of remuneration is set in accordance with the National Leadership pay scales. The highest paid employee is on level 25 (2017 - 25) out of 43 on this scale.

The average monthly head count and average monthly number of full time equivalent (FTE) employees during the year were as follows:

	2018		2017	
	FTE	Headcount	FTE	Headcount
Teaching	45.9	54	45.2	52
Teaching support	11.8	20	11.3	20
Canteen	3.9	7	4.0	7
Grounds, maintenance & admin	13.5	16	13.5	16
Drivers & cleaners	11.9	34	12.3	35
<b>Total</b>	<b>87.0</b>	<b>131</b>	<b>86.3</b>	<b>130</b>

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

	2018 Number	2017 Number
£60,001 - £70,000	2	1
£70,001 - £80,000	1	1

Contributions were made into Pension Schemes for the higher paid employees of £14,377 (2017 - £10,645).

### 10 Taxation

The charity is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 and section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

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11	Net movement in funds	2018 £	2017 £
	Net movement in funds is stated after charging/(crediting):-		
	Auditors remuneration for audit services	12,250	11,700
	Auditors remuneration for other services	6,451	6,212
	Depreciation of owned tangible fixed assets	157,989	163,012
	Depreciation of tangible fixed assets held under finance leases	1,726	-
	(Profit)/loss on disposal of tangible fixed assets	(11,709)	938
	Operating lease charges	119,155	136,101
		<u>          </u>	<u>          </u>

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 AUGUST 2018

### 12 Tangible fixed assets

	Freehold land and buildings	Leasehold land and buildings	Plant and machinery	Fixtures, Motor vehicles fittings and equipment	Total
	£	£	£	£	£
<b>Cost or valuation</b>					
At 1 September 2017	4,855,912	172,548	165,076	890,538	6,309,556
Additions	-	21,785	1,794	19,762	72,067
Disposals	-	-	-	(35,723)	(35,723)
At 31 August 2018	4,855,912	194,333	166,870	910,300	6,345,900
<b>Depreciation and impairment</b>					
At 1 September 2017	82,878	126,985	117,241	643,960	1,143,585
Depreciation charged in the year	47,917	6,007	13,389	68,943	159,715
Eliminated in respect of disposals	-	-	-	(31,259)	(31,259)
At 31 August 2018	130,795	132,992	130,630	712,903	1,272,041
<b>Carrying amount</b>					
At 31 August 2018	4,725,117	61,341	36,240	197,397	5,073,859
At 31 August 2017	4,773,034	45,563	47,835	246,578	5,165,971

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 12 Tangible fixed assets (Continued)

The net carrying value of tangible fixed assets includes the following in respect of assets held under finance leases or hire purchase contracts. The depreciation charge in respect of such assets amounted to £1,726 (2017 - Nil)

	2018 £	2017 £
Motor vehicles	6,977	-
	<u>6,977</u>	<u>-</u>

Land and buildings are held at deemed cost following the transition to FRS102. At 31 August 2018, had the revalued assets been carried at historic cost less accumulated depreciation, their carrying amount would have been approximately £4,339,128 (2017 - £4,387,045).

The Trustees are of the opinion that the open market value of the freehold land and buildings exceed its book value. A professional valuation has been completed and the Trustees believe there is no need for an impairment of the freehold land and buildings.

During the year finance costs of £nil (2017 - £6,020) have been capitalised.

13 Stocks	2018 £	2017 £
Raw materials and consumables	21,568	21,568
	<u>21,568</u>	<u>21,568</u>

14 Debtors	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Trade debtors	785,604	689,494
Other debtors	2,977	4,491
Prepayments and accrued income	72,354	72,599
	<u>860,935</u>	<u>766,584</u>
<b>Amounts falling due after more than one year:</b>		
Other debtors	12,500	12,500
	<u>12,500</u>	<u>12,500</u>
<b>Total debtors</b>	<u>873,435</u>	<u>779,084</u>

During the year £6,040 (2017 - £314) of school fees were written off as bad debts.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 15 Creditors: amounts falling due within one year

	Notes	2018 £	2017 £
Bank loans	17	79,870	81,699
Trade creditors		85,580	71,934
Fees invoiced in advance		965,630	787,808
Fees received in advance		1,491,450	1,571,594
Accruals and other creditors		151,640	172,860
Other taxation and social security		62,517	68,598
Obligations under finance leases	18	3,481	-
Other borrowings	17	60,000	60,000
		<u>2,900,168</u>	<u>2,814,493</u>

### 16 Creditors: amounts falling due after more than one year

	Notes	2018 £	2017 £
Bank loans	17	1,777,228	1,861,758
Obligations under finance leases	18	4,062	-
Fees received in advance		260,673	94,469
Other creditors		50,599	45,063
		<u>2,092,562</u>	<u>2,001,290</u>

### 17 Borrowings

	2018 £	2017 £
Bank loans	1,857,098	1,943,457
Other loans	60,000	60,000
	<u>1,917,098</u>	<u>2,003,457</u>
Payable within one year	139,870	141,699
Payable after one year	<u>1,777,228</u>	<u>1,861,758</u>

The long-term loans are secured by fixed charges over the freehold property of the Charity. The average rate of interest is equivalent to 2.39% per annum above the bank's base rate.

Other loans of £60,000 (2017 - £60,000) have been received from parents of ex-pupils. These loans do not have fixed repayment terms and are unsecured. Interest is payable on these loans at 3% over the base rate per annum.



# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 18 Finance lease commitments

Future minimum lease payments due under finance leases:

	2018 £	2017 £
Less than one year	3,481	-
Between one and five years	4,062	-
	<u>7,543</u>	<u>-</u>

#### 19 Advance fee payments

Parents are able to enter into a contract to pay five years of tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils remain in the school, advance fees will be applied as follows:

	2018	2017
Within one year	£1,492,161	£1,571,594
Within one to two years	£92,900	£31,605
Within two to five years	£167,062	£51,517
After five years	£0	£11,347

The balance represents the accrued liability under the contracts.

#### 20 Financial instruments

	2018 £	2017 £
<b>Carrying amount of financial assets</b>		
Debt instruments measured at amortised cost	798,104	701,994
	<u>798,104</u>	<u>701,994</u>
<b>Carrying amount of financial liabilities</b>		
Measured at amortised cost	3,957,040	3,959,377
	<u>3,957,040</u>	<u>3,959,377</u>

#### 21 Retirement benefit schemes

##### Defined contribution schemes

The Trust previously operated a defined contribution pension scheme and now pays employer contributions into a Group Personal Pension Fund. The assets of both schemes are held separately from those of the Trust in an independently administered fund.

The pension cost charge represents contributions payable by the Trust to the fund and amounted to £185,753 (2017 - £173,655). Contributions totalling £23,653 (2017 - £24,919) were outstanding at the year-end and are included in accruals and other creditors.

#### 22 Company status

The Trust is a company limited by guarantee. In the event of the Trust being wound up, the members' liability is limited to £1 each. There are 8 members (2017 - 10).

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 23 Restricted funds

The income funds of the charity include restricted funds comprising the following unexpended balances of donations and grants held on trust for specific purposes:

	Balance at 1 September 2017	Movement in funds		Balance at 31 August 2018
		Income	Expenditure	
	£	£	£	£
Library fund	23,702	-	(3,094)	20,608
Sports facilities fund	4,026	-	(500)	3,526
Cricket Pavillion fund	2,500	-	(1,500)	1,000
Medical Equipment fund	603	-	(224)	379
New Build fund	1,232	-	(18)	1,214
Furniture Room 1	4,250	-	(750)	3,500
Wild Life Cameras	3,544	-	(626)	2,918
Table Tennis Tables	-	1,270	-	1,270
HART Sound System	-	2,374	-	2,374
Gear 4 Music	-	570	-	570
Food Tech Equipment	-	500	-	500
	<u>39,857</u>	<u>4,714</u>	<u>(6,712)</u>	<u>37,859</u>

The Library Fund represents a specific donation received for conversion of a school building into a library. Expenditure relates to depreciation being charged over the life of the asset.

The Sports Facilities Fund was set up to raise funds for improving the sports facilities the school is able to provide its pupils. Expenditure relates to depreciation being charged over the life of the asset.

The Cricket Pavilion Fund represents a donation received to part fund the Cricket Pavilion. Expenditure relates to depreciation being charged over the life of the asset.

The Medical Equipment Fund represents a donation received to fund defibrillators. Expenditure relates to depreciation being charged over the life of the asset.

The New Build Fund represents a donation received to help fund the cost of the new building. Expenditure relates to depreciation being charged over the life of the asset.

The Furniture Room 1 Fund represents a donation received to help fund the cost of kitting out Room 1. Expenditure relates to depreciation being charged over the life of the assets.

The Wild Life Cameras Funds represents a donation received to help fund the cost of purchasing cameras. Expenditure relates to depreciation being charged over the life of the assets.

The Table Tennis Tables Funds represent a donation received to fund and improve the sports facilities for the students at the school.

The HART Sound System funds represent a donation to help fund the cost of purchasing the sound system in the HART building.

The Gear 4 Music and Food Tech Equipment funds represent donations received from the Parent-Teacher Association.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2018

### 24 Unrestricted funds

	Balance at 1 September 2017	Movement in funds		Balance at 31 August 2018
		Income	Expenditure	
	£	£	£	£
General fund	1,654,440	4,403,560	(4,365,876)	1,692,124
	<u>1,654,440</u>	<u>4,403,560</u>	<u>(4,365,876)</u>	<u>1,692,124</u>

### 25 Analysis of net assets between funds

	General fund	Restricted funds	Total
	£	£	£
Fund balances at 31 August 2018 are represented by:			
Tangible assets	5,038,070	35,789	5,073,859
Net current liabilities	(1,251,314)	-	(1,251,314)
Long term liabilities	(2,092,562)	-	(2,092,562)
	<u>1,694,194</u>	<u>35,789</u>	<u>1,729,983</u>

### 26 Operating lease commitments

#### Lessee

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

	2018	2017
	£	£
Within one year	102,872	103,099
Between two and five years	249,558	204,814
In over five years	71,262	106,893
	<u>423,692</u>	<u>414,806</u>

Leases of land and buildings are subject to periodic rental reviews.

# THE GREGG AND ST WINIFRED'S SCHOOLS TRUST

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

### FOR THE YEAR ENDED 31 AUGUST 2018

#### 27 Related party transactions

##### Remuneration of key management personnel

The remuneration of key management personnel is as follows.

	2018 £	2017 £
Aggregate compensation	167,351	184,493

With the exception of the transactions disclosed in note 8, and amounts paid to key management personnel, there were no transactions made with related parties in the year.

#### 28 Control

The ultimate controlling parties are the Trustees as shown in the Trustees Report.

#### 29 Cash generated from operations

	2018 £	2017 £
Net income for the year	35,686	93,612
Adjustments for:		
Finance costs	54,636	47,073
Finance costs in advance	-	-
Investment income	(131)	(71)
(Gain)/loss on disposal of tangible fixed assets	(9,043)	938
Depreciation of tangible fixed assets	159,715	163,012
Movements in working capital:		
(Increase) in stocks	-	(10,568)
(Increase) in debtors	(94,351)	(55,542)
Increase in creditors	263,306	145,072
<b>Cash generated from operations</b>	<b>409,818</b>	<b>383,526</b>