

Charity Registration No. 307330

Company Registration No. 00871641 (England and Wales)

**WALHAMPTON SCHOOL TRUST LTD
(Company Limited by Guarantee)**

ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

WALHAMPTON SCHOOL TRUST LTD

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WALHAMPTON SCHOOL TRUST LTD

REPORT OF THE GOVERNING BODY (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

The trustees are pleased to present their annual directors' report together with the financial statements of the charity for the year ending 31 August 2020, which are also prepared to meet the requirements for a directors' report and accounts for Companies Act purposes.

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 AND ADMINISTRATIVE INFORMATION

Walhampton School Trust Limited is a charitable company limited by guarantee, which was incorporated on 16 February 1966 and registered as a charity on 28 June 1966. The Registered Office and principal address of the Company is Main Road, Lymington, Hampshire, SO41 5ZG.

Registered Company No: 00871641
Registered Charity No: 307330

In 1997 Walhampton School merged with Hordle House School to form Hordle Walhampton School. The school's name was changed back to Walhampton in 2013 but we continue to celebrate both our Hordle House and Walhampton heritage.

Governors

The Governors are also the Trustees and Directors of the Company.

Mr D I Rawlinson	(Chair of the Board)
Mr J Barnes *	
Mrs H A M Cox *	
Mrs K Host-Verbraak *	(Chair of the Education Committee)
Mrs S J Keen †	
Mrs H Leavesley ‡	
Mr C Nicholson ‡	(Chair of the General Purposes Committee)
Mr L Pearce *	
Mr D A Shakespeare †	(Chair of the Finance Committee)
Dr M Sopher ‡	
Mrs C Trotter †	
Mr M J Winter *	

* member of the Education Committee

† member of the Finance Committee

‡ member of the General Purposes Committee

Key Management Personnel

Headmaster:	Mr T N Mills BA (Hons), PGCE
Deputy Headmaster:	Mr M J H Stanley BA (Hons), PGCE
Head of Pre Prep:	Mrs C Holly BEd (Hons)
Operations Director and Company Secretary:	Mrs R Williams BA (Hons), MA (resigned 31 August 2020)
Interim Bursar and Company Secretary	Mr S J Launchbury MA (appointed 1 September 2020)

WALHAMPTON SCHOOL TRUST LTD

REPORT OF THE GOVERNING BODY (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Professional Advisers

Bankers:	Lloyds Bank PLC, 39 High Street, Lymington, SO41 9ZF
Solicitors:	Moore Barlow LLP, The Oriel, Sydenham Road, Guildford, GU1 3SR
Auditors:	RSM UK Audit LLP, Highfield Court, Tollgate, Chandlers Ford, Eastleigh, SO53 3TY.

Mission and Objectives

The objectives of the company are set out in its Memorandum and Articles of Association. The primary objective is to provide a school for boys and girls, with education based on the Christian Faith.

The School's motto is "Gaudete Laboribus Omnes": Let us all rejoice in our work.

Our mission, as a co-educational day and boarding school, is to:

- Promote the importance of moral, spiritual and social values, inspired by the school's underlying Christian ethos.
- Be a dynamic school in which teaching is exemplary and pupils develop both the discipline of study and the joy of learning.
- Develop the academic, creative and sporting talents of each child, ensuring a broad and balanced education of the whole person.
- Be a distinctly happy school to which children and adults feel a deep loyalty: a place in which children can laugh, feel safe and enjoy being children.
- Inspire in every child a love of nature and the outdoors.
- Be a school that is outward looking, building links with parents and the local community, as well as celebrating cultures from around the world.
- Develop in every child a strength of character, so they leave Walhampton as confident, capable, compassionate and independent minded young people.

Principal Activities

The Governors have paid due regard to guidance issued by the Charity Commission in deciding what activities the charity should undertake.

Walhampton's principal activities continue to be the provision of day schooling for boys and girls from age 3 to 13, with boarding available to pupils from age 7 to 13.

WALHAMPTON SCHOOL TRUST LTD

REPORT OF THE GOVERNING BODY (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Public Benefit

The Governors, as the charity trustees, have complied with the duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's published guidance concerning the provision of Public Benefit.

We consider that widening access to the opportunities that the School offers, via means-tested bursaries, is an important aspect of the Public Benefit that we provide. During the year some 29 children were in receipt of assistance of up to 75% of fees.

The charity recognises the extensive facilities that are enjoyed by our children and we encourage local schools, clubs and societies to use and benefit from the school's facilities. Some highlights are:

- St Marks School, Lambeth returned to Walhampton to camp on the grounds, to use our Boarding House as well as join selected lessons with our pupils, free of charge.
- Local state schools (involving over 200 children) took part in the Perry Dalziell Cross Country competition at the school, with some children using the school's facilities beforehand to train for the event.
- Various children and adult sport clubs used our facilities throughout the year at a heavily subsidised rate. These include Lymington, Sway Ladies and Pylewell Cricket Clubs as well as Lymington Badminton Club, Lymington Running Club, New Forest Soccer, New Forest Pony Club and Rhythmic Gymnastics.

WIDER BENEFITS TO THE STATE AND COMMUNITY

Volunteers Policy

The School is very grateful to all our Governors who provide their service free of charge. As a charity we recognise the value in accepting volunteer help but as a School we are mindful of our safeguarding duty to the children in our care. Therefore the School currently enjoys the help only of parents and guardians on an ad-hoc basis.

Charitable fundraising

The school supported two main charities this year, with each of the four school Houses involved with various fund-raising events through the year. The school is very proud to have raised over £5,000 to maintain a school in Khe Nang in Northern Cambodia, in partnership with United World Schools. We also support the Honey-pot Children's Charity, which raises money to enhance the lives of young carers aged 5-12 years by providing respite breaks and support. The School through the Walhampton Parents Association also actively supports the house charities as well as other charities during the year.

Maintenance of an Historic House and Grounds

We are justly proud of our Grade II listed buildings and beautiful grounds and we take seriously our responsibility to maintain and make them available for the enjoyment of the wider community. We take part in the annual National Gardens Scheme (cancelled in 2020 due to COVID-19) and regularly allow interested groups to visit by appointment.

WALHAMPTON SCHOOL TRUST LTD

REPORT OF THE GOVERNING BODY (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

STRATEGIC REPORT -

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the School

This has been another excellent year for Walhampton but it has also been overshadowed by the COVID-19 pandemic. The lockdown measures implemented by the UK Government meant that the school, like every other school, was unable to operate in its normal way for the summer term and instead had to deliver the education to its pupils by remote learning. This has been quite rightly applauded by the parents and pupils for its excellent delivery but it would be misleading to suggest that all the sparkle and inspiration of Walhampton in its full glory was replicated. Despite these challenges the school remained open, not just for remote learning but also for the education of key worker children and, then in June, for the reopening for certain years groups. A special mention should be afforded to the Year 8 pupils who were denied the climax to their final year at Walhampton. Not all was lost and they were able to come back to school towards the end of the term and the Year 8 film is testament to their spirit and their pride in all that Walhampton has made them and all that they have become.

The average number of pupils during the year was 366 (2019 - 370). The numbers of enquiries and registrations continue to be strong as Walhampton's reputation spreads.

In January 2019 the school was judged 'Excellent' in all areas of Pupils' Academic Development and the Pupils' Personal Development by the Independent Schools Inspectorate (ISI). In the same inspection the school also passed the regulatory compliance element with flying colours. A quote that captures the spirit of Walhampton from the report: "Pupils develop a strong confidence that anything is possible and within your reach if you set your mind on it, responding to teachers" constant encouragement to 'have a go' and 'do the best you can'.

Academic Achievements

This year we celebrated seven senior school scholarships (2019 - 15) including academic, sport, drama and music. These scholarships complemented another 100% success rate at Common Entrance.

Other areas of note include:

- Music remains an integral part of the school with various concerts conducted throughout the year. The Choir also performs to local nursing homes to build links with as well as conducting over 200 individual music lessons per week.
- LAMDA lessons continued to be popular with over 120 students enrolled in lessons.

Sport

Sport at Walhampton remains an important part of our curriculum for boys and girls of all abilities. We offer a very wide range that includes horse riding, golf, sailing, kayaking and fishing alongside the more mainstream sports and we recorded some impressive results over the year.

- Sailing – One pupil selected in GB sailing squad.
- Running – this continues to be a popular sport with various children attending running competitions around the country. One pupil completed her 100th Park Run during the year.
- Two pupils won their respective age groups in the Meon Valley Golf Tournament.
- Perry Daziell Cross Country – Walhampton won the overall Trophy.
- For riding, in response to the EHV1 equine flu virus and the COVID-19 pandemic the school did not enter any National Schools Equestrian Association competitions this year. However, the School did enjoy several in-house competitions including Dressage, Prix Caprilli and clear round jumping.

Site Development

Walhampton is very proud to have maintained our Green Flag Status, awarded by the Eco-Schools Foundation. This is the highest award given in recognition of our commitment to sustainability and eco awareness.

WALHAMPTON SCHOOL TRUST LTD

REPORT OF THE GOVERNING BODY (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

FINANCIAL REVIEW

Key performance indicators

The Governors are responsible for the review of key performance indicators. This review is delegated to each sub-committee and then reported to the Board on a termly basis. The Finance Committee reviews financial performance indicators including fee income, staff costs and parent debtors, in addition to termly management accounts. The General Purpose Committee is responsible for reviewing staff, health and safety incidents as well as site maintenance/development. The Education Committee reviews the curriculum and key performance in academic standards, assessment and testing results. The Board annually reviews each sub-committee's Terms of Reference to ensure that relevant performance indicators are kept relevant to any changes within our Strategic Risk Register.

As mentioned in the Strategic Report, this year has been overshadowed by the COVID-19 pandemic. As a consequence of the revised provision of the school for the summer term the fees for all year groups were reduced so that 70% of full fees was payable for the older year groups and 30% for the youngest pupils in the school. As a result fee income was significantly reduced for this year but this has been largely offset by the Government's Coronavirus Job Retention Scheme. The school furloughed a number of staff, both teaching and support, and this has enabled the school to end the year in a similar financial position to that which was forecast before the onset of the pandemic.

The school has also taken advantage of the Coronavirus Business Interruption Loan Scheme and increased its overdraft facility in order to provide greater financial flexibility. These funds are important because of the uncertainty posed by the current crisis but they are not expected to be utilised under current budget assumptions.

The net movement in funds for the year amounted to a deficit of £75,417 (2019 – a deficit of £378,491). The cash position of the school had similarly improved with a closing position of £368,459 (2019 - £148,349). Following the deficit in 2019 the School has closely examined its cost base to see where it might make savings. This exercise is largely completed which has resulted in a much reduced deficit. The Trustees conclude that the School will now have a strengthened financial model aligned with the School's Mission and Objective in order to deliver sustainable surpluses over time.

Fees for the school year 2019/20 increased by 6.0% on average. Fee income accounted for 80.4% of total income (2019 – 86.8%) which was £5,340,071 (2019 - £5,595,555).

Investment has also continued in the School's capital assets. During the year £28,317 (2019 - £141,343) was spent on enhancing our buildings, grounds and equipment.

As Walhampton is a registered charity, parents have the assurance that all of the School's income is used for educational purposes. The Governors view its bursary awards as important in helping to ensure that children from families who would otherwise not be able to afford the fees can gain access to the education offered. Nevertheless, in funding awards the school is careful to ensure a balance between full fee-paying parents, many of whom make considerable personal sacrifices to pay for their child's education, and those benefiting from the awards. During this summer term the school established a Covid-19 Hardship Bursary Scheme to help a number of parents who were affected by the pandemic.

The closing level of restricted funds was £18,815 (2019 - £nil) and unrestricted funds was £6,175,992 (2019 - £6,270,224) including the designated fund, totalling the net assets of the school £6,194,807 (2019 - £6,270,224).

WALHAMPTON SCHOOL TRUST LTD

REPORT OF THE GOVERNING BODY (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Reserves Policy

The current level of the School's reserves is detailed in notes 20 to 22 to the accounts.

Free reserves are defined by the Charity Commission as total funds less endowment, restricted and designated funds, pension reserves and unrestricted funds which could only be realised by disposing of tangible fixed assets. As at 31 August 2020 the School's unrestricted funds (excluding designated funds) stood at £6,120,407, of which £7,177,277 was represented by tangible fixed assets, leaving a deficit of free reserves of £1,056,870 (2019 deficit £1,326,716).

In assessing the viability of the School's financial plan and strategies, the Governors consider a range of relevant indicators, including actual and forecast financial surplus and cash flow. The Governors believe that the School is able to operate with a deficit on free reserves, as detailed by the Charity Commission, provided the overall reserve position (i.e. including tangible fixed assets) remains positive and provided that forecast cash flows are sufficient to meet all anticipated requirements.

The Governors believe it desirable over the longer term that the School should move towards a positive free reserves balance through the retention of operating surpluses, where to do so is consistent with the needs of the School and with the Strategic Development Plan.

This policy will be monitored by the Finance Committee and reviewed annually.

Investment Policy

The School may make investments as it sees fit. The strategy for investments is that any surplus funds are held in high interest bearing UK accounts in order to earn an optimum rate of return whilst maintaining a low exposure to risk. Income from investments for the year was £nil (2019 - £nil).

Principal Risks and Uncertainties

The Board, with particular assistance from the Senior Leadership Team, the Education Committee, the General Purposes Committee and the Finance Committee, review the school's current and planned future activities in the light of any major risks and the effectiveness of systems and procedures designed to manage them.

The principal risks currently facing the School, and the strategies for mitigating those risks, are summarised as follows:

- Significant fall in pupil numbers due to financial constraints on parents (including a sharp increase in the cost of fees as a result of the loss of charitable status) and/or competition from other schools. We are mitigating this risk by ensuring that we consistently offer a very high standard of education, in its broadest sense, and continuing to market this widely to attract pupils from across the United Kingdom and overseas.
- Loss of key staff. As an organisation we believe in developing our staff professionally for both their current and future roles. In doing so we acknowledge that when the time is right they may advance their career by moving to another school or organisation. We mitigate the effect of this by ensuring that existing staff take on additional responsibility where appropriate, and by ensuring that timely, robust and thorough recruitment processes are followed when bringing in new staff.
- Failure of IT systems and infrastructure to meet demand. We are mindful of the importance of having robust IT systems to meet both the educational needs of our pupils and our business requirements. We are investing heavily in the latest technology to ensure that our data continues to be managed securely and efficiently, and that our pupils benefit from new technologies.
- A continuation of the COVID-19 pandemic and the resulting constraints on the School's educational provision and the nature and extent of Government support remains uncertain. We mitigate by planning potential measures to reduce costs and to manage our resources.

WALHAMPTON SCHOOL TRUST LTD

REPORT OF THE GOVERNING BODY (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

A formal review of the charity's risk management process is undertaken on an annual basis with final approval being given by the Board at their autumn term meeting including approval of the Strategic Risk Register. The key controls used are:

- Maintaining an up to date Strategic Risk Register based on the detailed work carried out at the Board Committee levels
- Formal agendas for all Board and Board Committee meetings
- Terms of reference for all committees
- Comprehensive planning, budgeting and management accounting
- Established organisational structures and lines of reporting
- Formal written policies
- Clear authorisation and approval levels; and
- Use of vetting procedures as required by law for the protection of children.

Future Developments

Although site development remains a key priority for Walhampton there are no significant investments planned for the forthcoming year. There is a rolling maintenance program in place to ensure that our buildings and facilities are appropriately maintained and this continues to be a key priority.

The strategic aim remains for Walhampton to become one of the leading preparatory schools in the country. With our excellent staff, extensive grounds, fabulous facilities and ambitious plans we are well positioned to meet this aim.

Financial Effects of Significant Events

COVID-19 has been a significant element in this reporting period but the Board are satisfied with the way this has been handled and the financial result for the year. This is monitored closely by the Finance Committee.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Body

The Governors, who are also required under the Articles to serve as members of the Company, are elected by the Board at a full Governors' Meeting having been nominated on the basis of their particular skills, experience, competence and availability.

Prospective Governors are required to complete a self-declaration confirming that they are not disqualified from being a charity trustee. Once elected Governors are required to complete an annual declaration of interests form in accordance with the School's Conflict of Interest Policy.

Qualifying Third Party Indemnity Provisions

The Company has maintained throughout the financial year Directors' liability insurance in respect of itself and its Directors. The cost in the year was £884 (2019 - £746).

WALHAMPTON SCHOOL TRUST LTD

REPORT OF THE GOVERNING BODY (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Organisational Management

The school is controlled by the Board of Governors, which meets three times a year to determine the general policy of the charitable company and to review its overall management and control. The following committees have been established under terms of reference approved by the Board: Education, General Purposes, Finance and Remuneration. The Education, General Purposes and Finance Committees meet termly and the minutes of these meetings are made available to all Board members. The Remuneration Committee normally meets during the summer term and its recommendations are presented orally to the Board.

A Site Development Working Group, which includes the Chairman of the General Purposes Committee, has also been established to guide the implementation of the site development plan. The group, under normal circumstances, meets regularly and a report, when necessary, is made to the General Purposes Committee and the Board.

The implementation of the Board's policies and day-to-day running of the school is delegated to the Headmaster and the Bursar, as key management personnel, who are supported by other senior members of staff. The remuneration of the Headmaster and the Bursar is set by the Board following recommendations made by the Remuneration Committee in accordance with its terms of reference.

Group Structure and Relationships

Walhampton is a member of the Independent Association of Preparatory Schools (IAPS), the Independent Schools Bursars' Association (ISBA) and the Boarding Schools Association (BSA).

The school co-operates with a number of local charities, schools and other organisations, as described in the Public Benefit section above. The aim of such cooperation is to widen access to the schooling that we provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils an awareness of the wider social context of the education they receive at Walhampton.

The school benefits from the activities of the Walhampton Parents' Association, which arranges social events to help strengthen the school community and to raise funds to enhance our facilities. The school also benefits from a rapidly growing network of alumni from both Hordle House and Walhampton, whose support is greatly appreciated.

Trustee Training

New Governors are provided with an information pack on their appointment, giving details of the workings of the school, Board policy and procedures, and their obligations as a charity trustee. They are also invited to visit the school to meet with the Head, Bursar and other staff as appropriate, and to tour the school.

Governors are encouraged to visit the school regularly during their tenure, to observe lessons and to meet with staff and pupils. They also undergo formal training in a variety of ways including briefings during routine meetings and dissemination of written guidance documents.

WALHAMPTON SCHOOL TRUST LTD

REPORT OF THE GOVERNING BODY (INCLUDING DIRECTORS' REPORT AND STRATEGIC REPORT)

FOR THE YEAR ENDED 31 AUGUST 2020

Auditor

After 6 years as the school's auditors, RSM will not stand for re-election at the forthcoming AGM. The Finance Committee have looked at 3 other firms and HWB Chartered Accountants of Eastleigh have been recommended to the members as the auditors for 2021.

Disclosure of information to auditor

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

The Governing Body report, including the Strategic Report, was approved by the Board of Governors.



Mr D I Rawlinson

Dated: 11th Dec 2020



Mr D A Shakespeare

Dated: 11th Dec 2020

WALHAMPTON SCHOOL TRUST LTD

STATEMENT OF GOVERNING BODY RESPONSIBILITIES FOR THE YEAR ENDED 31 AUGUST 2020

The Governors, who are also the directors of Walhampton School Trust Ltd for the purpose of company law, are responsible for preparing the Governing Body Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

In preparing these accounts, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explain 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 proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011. They are also responsible for safeguarding the assets of the charity and for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WALHAMPTON SCHOOL TRUST LTD

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF WALHAMPTON SCHOOL TRUST LTD

Opinion on financial statements

We have audited the financial statements of Walhampton School Trust Limited (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows 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 2020 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 Report of the Governing Body 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.

WALHAMPTON SCHOOL TRUST LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WALHAMPTON SCHOOL TRUST LTD

Opinion on other matter prescribed by the Companies Act 2006

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

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

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 Report of the Governing Body 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 Governing Body responsibilities set out on page 10, 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.

WALHAMPTON SCHOOL TRUST LTD

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

TO THE MEMBERS OF WALHAMPTON SCHOOL TRUST LTD

RSM UK Audit LLP

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

5 January 2021

.....
Highfield Court
Tollgate
Chandlers Ford
Eastleigh
Hampshire
SO53 3TY

RSM UK Audit LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

WALHAMPTON SCHOOL TRUST LTD

STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2020

		Unrestricted funds general	Unrestricted funds designated	Restricted funds	Total 2020
	Notes	£	£	£	£
Income from:					
Donations and legacies	3	6,407	-	19,998	26,405
Income from charitable activities:					
School fees	4	4,293,678	-	-	4,293,678
Other tuition services	4	374,126	-	-	374,126
Sundry other income	4	546,021	-	-	546,021
Other trading activities:					
Lettings income	5	40,118	-	-	40,118
Total income		<u>5,260,350</u>	<u>-</u>	<u>19,998</u>	<u>5,280,348</u>
Expenditure on:					
Raising funds:					
Fundraising and publicity	6	84,047	-	-	84,047
Charitable activities:					
School operating costs	7	5,266,502	-	1,183	5,267,685
Other	9	4,033	-	-	4,033
Total expenditure		<u>5,354,582</u>	<u>-</u>	<u>1,183</u>	<u>5,355,765</u>
Net income for the year and net movement in funds	10	(94,232)	-	18,815	(75,417)
Reconciliation of funds:					
Total funds brought forward		<u>6,214,639</u>	<u>55,585</u>	<u>-</u>	<u>6,270,224</u>
Total funds carried forward		<u><u>6,120,407</u></u>	<u><u>55,585</u></u>	<u><u>18,815</u></u>	<u><u>6,194,807</u></u>

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

All income and expenditure derives from continuing activities.

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

WALHAMPTON SCHOOL TRUST LTD

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

FOR THE YEAR ENDED 31 AUGUST 2020

SOFA FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted funds general £	Unrestricted funds designated £	Restricted funds £	Total 2019 £
Income from:					
Donations and legacies	3	14,925	-	20,068	34,993
Income from charitable activities:					
School fees	4	4,858,490	-	-	4,858,490
Other tuition services	4	486,579	-	-	486,579
Sundry other income	4	123,854	-	-	123,854
Other trading activities:					
Lettings income	5	91,639	-	-	91,639
Total income		<u>5,575,487</u>	<u>-</u>	<u>20,068</u>	<u>5,595,555</u>
Expenditure on:					
Raising funds:					
Fundraising and publicity	6	112,294	-	-	112,294
Charitable activities:					
School operating costs	7	5,831,083	-	22,260	5,853,343
Other	9	8,409	-	-	8,409
Total expenditure		<u>5,951,786</u>	<u>-</u>	<u>22,260</u>	<u>5,974,046</u>
Net income/ (expenditure)		<u>(376,299)</u>	<u>-</u>	<u>(2,192)</u>	<u>(378,491)</u>
Gross transfers between funds		<u>(2,192)</u>	<u>-</u>	<u>2,192</u>	<u>-</u>
Net income for the year and net movement in funds	10	<u>(378,491)</u>	<u>-</u>	<u>-</u>	<u>(378,491)</u>
Reconciliation of funds:					
Total funds brought forward		<u>6,593,130</u>	<u>55,585</u>	<u>-</u>	<u>6,648,715</u>
Total funds carried forward		<u><u>6,214,639</u></u>	<u><u>55,585</u></u>	<u><u>-</u></u>	<u><u>6,270,224</u></u>

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

All income and expenditure derives from continuing activities.

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

WALHAMPTON SCHOOL TRUST LTD

BALANCE SHEET

AS AT 31 AUGUST 2020

	Notes	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	14		7,177,277		7,541,355
Current assets					
Debtors	15	1,350,318		1,407,768	
Cash at bank and in hand		368,459		148,349	
		<u>1,718,777</u>		<u>1,556,117</u>	
Creditors: amounts falling due within one year	16				
		<u>(2,347,888)</u>		<u>(2,234,900)</u>	
Net current liabilities			(629,111)		(678,783)
Total assets less current liabilities			<u>6,548,166</u>		<u>6,862,572</u>
Creditors: amounts falling due after more than one year	17				
			(353,359)		(592,348)
Net assets			<u>6,194,807</u>		<u>6,270,224</u>
The funds of the charity					
<u>Restricted funds</u>					
General restricted funds	20		18,815		-
<u>Unrestricted funds</u>					
General unrestricted funds	21	2,911,874		3,011,356	
Revaluation reserve		3,203,283		3,203,283	
Designated fund		55,585		55,585	
		<u>6,175,992</u>		<u>6,270,224</u>	
			<u>6,194,807</u>		<u>6,270,224</u>

The Financial Statements were approved by the Board on 11th Dec 2020 and signed on its behalf by:-



Mr D I Rawlinson
Chair of Governors



Mr D A Shakespeare
Chair of the Finance Committee

Company Registration No. 00871641

WALHAMPTON SCHOOL TRUST LTD

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities					
Cash generated from operations	26		250,071		421,311
Investing activities					
Purchase of tangible fixed assets		(28,317)		(141,343)	
Proceeds on disposal of tangible fixed assets		2,389		-	
		<u> </u>		<u> </u>	
Net cash used in investing activities			(25,928)		(141,343)
Financing activities					
Finance costs		(4,033)		(8,409)	
		<u> </u>		<u> </u>	
Net cash used in financing activities			(4,033)		(8,409)
Net increase in cash and cash equivalents			220,110		271,559
Cash and cash equivalents at beginning of year			148,349		(123,210)
			<u> </u>		<u> </u>
Cash and cash equivalents at end of year			368,459		148,349
			<u> </u>		<u> </u>

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies

Charity information

Walhampton School Trust Ltd is a private company limited by guarantee incorporated in England and Wales. The registered office is Main Road, Lyminster, Hampshire, SO41 5ZG.

1.1 Accounting convention

These accounts have been prepared in accordance with FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS102"), "Accounting and Reporting by Charities" the Statement of Recommended Practice for charities applying FRS102, the Companies Act 2006 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015. The charity is a Public Benefit Entity as defined by FRS102.

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

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

1.2 Going concern

At the time of approving the financial statements and despite the impact of COVID-19 the Governors have assessed the charity's forecasts and plans for the coming twelve months. They have noted the financial handling of the School during this crisis and the support that parents have demonstrated during the period of lockdown. They have taken into consideration the financing in place including the Coronavirus Business Interruption Loan (CBILS) and the increased overdraft facility. The school, in conjunction with the bank, will review the overdraft facility when it is renewed in July 2021 and, dependent on circumstances at the time, take a decision to retain the overdraft at an increased level or, preferably, revert to the pre-pandemic level. In addition, they have noted the uplift in pupil numbers since the start of the September term.

They have concluded that the company has adequate resources to continue in operational existence for the foreseeable future. Thus the governors continue to adopt the going concern basis of accounting in preparing the financial statements.

1.3 Charitable funds

General funds

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the company and which have not been designated for any other purpose.

Designated funds

Included within designated funds is the JB & PL Bursary fund. Investments previously held by a separate connected charity, JB & PL Bursary Trust, were transferred to the school with the consent of the Charity Commission. The fund is to provide for future bursaries.

Restricted funds

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise where specified by the donor or when funds are raised for particular restricted purposes.

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.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

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.

Donated services and facilities

Under the Charities SORP (FRS 102), donated services and facilities are calculated as value to the charity, instead of cost to the donor. Donations received for the general purposes of the company are credited to unrestricted funds. Donations subject to specific wishes of the donors are credited to restricted funds or to endowed funds where the amount is required to be held as permanent capital.

Income from charitable activities

Tuition fees are included within the Financial Statements on a receivable basis. Amounts invoiced in advance are deferred and carried forward within creditors, whilst amounts due but not yet received in the year are shown within debtors. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the company.

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

Trading income, which includes letting, is accounted for on a receivable basis.

Interest income is accrued on a time-apportioned basis, by reference to the principal outstanding at the effective interest rate.

All income was generated in the UK.

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

Government grants relating to turnover are recognised as income over the periods when the related costs are incurred. Grants relating to an asset are recognised in income systematically over the asset's expected useful life. If part of such a grant is deferred it is recognised as deferred income rather than being deducted from the asset's carrying amount.

1.5 Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is allocated to expense headings either on a direct cost basis, or apportioned to time spent, where it is not possible to directly attribute the expense.

Allocation of support costs

Support costs comprise of the costs of running the School, including strategic planning for its future development, also external audit fees, any legal advice for the board of governors and all costs of complying with constitutional and statutory requirements, such as the cost of governors meetings and of preparing statutory accounts and satisfying public accountability.

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

1.6 Tangible fixed assets

Tangible fixed assets are measured at cost (or deemed cost for land and buildings at the date of transition to FRS 102) less accumulated depreciation and any impairment losses.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the depreciable amount of each asset to its estimated residual value on a straight line basis over its expected useful life, as follows:

Freehold land and buildings	1% to 10% on cost according to category
Fixtures and fittings	5% and 25% on cost
Motor & garden equipment	12.5% and 20% on cost

Freehold land is not depreciated.

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.

Capital assets donated are capitalised in fixed assets and are included in income. Assets within a project are looked at in total and if the total is less than £250 they are not capitalised.

1.7 Impairment of fixed assets

At each reporting end date, the charity 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 Cash and cash equivalents

Cash and cash equivalents include cash in hand.

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

1.9 Financial instruments

The charity 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 charity's balance sheet when the charity 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.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, 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 charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors and bank overdrafts 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.

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

1 Accounting policies (Continued)

Derecognition of financial liabilities

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

1.10 Taxation

The charity is exempt from corporation tax on its charitable activities.

1.11 Employee benefits

The costs of short-term employee benefits are recognised as a liability and an expense. The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

1.12 Retirement benefits

Payments to defined contribution retirement benefit schemes are charged as an expense as they fall due.

The Charity contributes to the Teacher's Pension Scheme which is a defined benefit 'final salary' scheme for teaching staff. The scheme is administered by Teachers' Pensions on behalf of the Department for Children, Schools and Families. The assets of the scheme are held separately from those of the school and the charity has applied the multi-employer exemption under FRS102 to account for the scheme as a defined contribution scheme.

The Charity has arranged a defined contribution scheme for staff who are not eligible to join the Teachers' Pension Scheme. The pension costs charged represents the contributions payable by the School during the year in accordance with FRS102 in that contributions are charged to the SOFA account in the period in which they are due.

1.13 Leases

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

1.14 Legal status of the charity

The Charity is a company limited by guarantee. The members of the company are the Governors named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity.

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

2 Critical accounting estimates and judgements

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

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

The following judgements have had the most significant effect on amounts recognised in the financial statements.

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 Walhampton School Trust Limited.

Bad debts

Trade debtors are reviewed on an annual basis to determine whether a bad debt provision should be made against any items. Only where the trustees consider recovery of a debt to be unlikely is a provision made.

Deemed cost of fixed assets

Upon transition of FRS 102 in the previous period, specific fixed assets were revalued to deemed costs based on assumptions made by a Property Consultant. The trustees are satisfied that the assumptions made were appropriate.

3 Donations and legacies

	Unrestricted funds	Restricted funds	Total 2020	Total 2019
	£	£	£	£
Donations and gifts	6,407	19,998	26,405	34,993

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

4 Income from charitable activities

	School fees	Other tuition services	Other income	Total 2020	Total 2019
	£	£	£	£	£
Gross fees	4,821,039	-	-	4,821,039	5,365,430
Less: bursary, scholarship and other allowances	(527,361)	-	-	(527,361)	(506,940)
Other tuition services	-	374,126	-	374,126	486,579
Registration fees & retained deposits	-	-	83,404	83,404	123,854
Grant income	-	-	462,617	462,617	-
	<u>4,293,678</u>	<u>374,126</u>	<u>546,021</u>	<u>5,213,825</u>	<u>5,468,923</u>

5 Income from other trading activities

	2020	2019
	£	£
Lettings income - external	8,835	64,209
Other lettings income	31,283	27,430
Other trading activities	<u>40,118</u>	<u>91,639</u>

6 Expenditure on raising funds

	2020	2019
	£	£
Marketing	84,047	112,294
	<u>84,047</u>	<u>112,294</u>

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

7 Expenditure on school operating costs

2020	Teaching	Welfare	Premises	Support Governance costs	Governance costs	Total
	£	£	£	£	£	£
Staff costs	2,786,108	527,489	176,422	219,579	-	3,709,598
Depreciation	-	-	390,006	-	-	390,006
Other	223,118	139,296	405,596	353,283	46,788	1,168,081
	<u>3,009,226</u>	<u>666,785</u>	<u>972,024</u>	<u>572,862</u>	<u>46,788</u>	<u>5,267,685</u>

Expenditure on school operating costs was £5,267,685 of which £5,266,502 was unrestricted and £1,183 was restricted.

2019	Teaching	Welfare	Premises	Support Governance costs	Governance costs	Total
	£	£	£	£	£	£
Staff costs	2,904,748	289,963	216,532	473,865	-	3,885,108
Depreciation	-	-	393,050	-	-	393,050
Other	364,540	182,946	565,629	390,133	71,937	1,575,185
	<u>3,269,288</u>	<u>472,909</u>	<u>1,175,211</u>	<u>863,998</u>	<u>71,937</u>	<u>5,853,343</u>

Expenditure on school operating costs was £5,853,343 of which £5,831,083 was unrestricted and £22,260 was restricted.

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

8 Support costs

	Support costs	Governance costs	2020	2019
	£	£	£	£
General support	353,283	-	353,283	390,133
Staff costs	219,579	-	219,579	473,865
Audit fees	-	18,200	18,200	12,350
Accountancy	-	4,000	4,000	3,850
Legal and professional	-	23,376	23,376	54,926
Governors' liability insurance	-	885	885	746
Governors' expenses reimbursed	-	327	327	65
	<u>572,862</u>	<u>46,788</u>	<u>619,650</u>	<u>935,935</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.

9 Other charitable activities

	2020	2019
	£	£
Financing costs	<u>4,033</u>	<u>8,409</u>

10 Net movement in funds

	2020	2019
	£	£
Net movement in funds is stated after charging		
Auditor's remuneration for audit services	18,200	12,350
Auditor's remuneration for other services	4,000	3,850
Depreciation of owned tangible fixed assets	390,006	393,050
Operating lease charges	<u>31,634</u>	<u>31,634</u>

11 Governors

The Governors were not paid nor received any benefits from employment with the charity in the year (2019 - £nil). Expenses of £327 (2019 - £65) were reimbursed during the year for one governor. No Governor received payment for professional or other services supplied to the charity (2019 - £nil).

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

12 Employees

Employment costs	2020 £	2019 £
Wages and salaries	3,010,269	3,253,956
Social security costs	273,398	288,855
Other pension costs	425,931	342,297
	<u>3,709,598</u>	<u>3,885,108</u>

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

	2020			2019		
	Full time	Part time	FTE	Full time	Part time	FTE
Teaching	40	13	47	36	17	46
Administrative & domestic	<u>31</u>	<u>49</u>	<u>55</u>	<u>33</u>	<u>39</u>	<u>51</u>
	<u>71</u>	<u>62</u>	<u>102</u>	<u>69</u>	<u>56</u>	<u>97</u>

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

	2020 Number	2019 Number
£60,001 - £70,000	3	2
£70,001 - £80,000	-	1
£120,001 - £130,000	-	1
£140,001 - £150,000	1	-
	<u>1</u>	<u>1</u>

Contributions were made into the Pension Schemes for the higher paid employees of £63,974 (2019 - £46,651).

An amount has been accrued for a retention payment that has not been made.

13 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.

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

14 Tangible fixed assets

	Freehold land and buildings	Fixtures and fittings	Motor & garden equipment	Total
	£	£	£	£
Cost or valuation				
At 1 September 2019	9,161,158	1,091,973	232,793	10,485,924
Additions	16,319	11,998	-	28,317
Disposals	(1,000)	(2,389)	(4,000)	(7,389)
At 31 August 2020	9,176,477	1,101,582	228,793	10,506,852
Depreciation and impairment				
At 1 September 2019	2,104,974	618,482	221,113	2,944,569
Depreciation charged in the year	243,212	143,931	2,863	390,006
Eliminated in respect of disposals	(1,000)	-	(4,000)	(5,000)
At 31 August 2020	2,347,186	762,413	219,976	3,329,575
Carrying amount				
At 31 August 2020	6,829,291	339,169	8,817	7,177,277
At 31 August 2019	7,056,184	473,491	11,680	7,541,355

The net book value at 31 August 2020 represents fixed assets, which are all used for direct charitable purposes.

Land and buildings with a carrying amount of £584,019 as at 1 September 2014 were revalued at 31 August 2015 to £3,787,302 by Aitchison Raffety Property Consultants, independent valuers not connected with the charity on the basis of fair value, taken as deemed cost as part of the charity's transition to FRS 102.

The Governors decided to bring specific land and buildings to deemed cost representing their fair value as at 31 August 2015. There was no material difference to the value at transition at 1 September 2014. The valuation conforms to International Valuation Standards and was based on recent market transactions on arm's length terms for similar properties.

At 31 August 2020, had the revalued assets been carried at historic cost less accumulated depreciation and accumulated impairment losses, their carrying amount would have been approximately £448,100 (2019 - £486,444).

The Governors are of the opinion that the open market value of the freehold land and buildings exceed its book value, and the Governors believe there is no need for an impairment of the freehold land and buildings.

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

15 Debtors

	2020	2019
	£	£
Amounts falling due within one year:		
Fee debtors	1,284,747	1,312,729
Other debtors	7,865	13,773
Prepayments and accrued income	57,706	81,266
	<u>1,350,318</u>	<u>1,407,768</u>

During the year, the School increased the provision for bad debt to £40,000 (2019 - £18,185).

During the year, the School released provisions for bad debt of £nil (2019 - £29,895) to the Statement of Financial Activities. The total value of debtors written off in the year is £nil (2019 - £4,121).

16 Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	52,549	45,157
Fees invoiced in advance of year end	1,518,910	1,549,978
Deposits	204,844	175,558
Other taxation and social security	84,024	72,207
Advanced payment of fees scheme	280,309	270,113
Other creditors, accruals and deferred income	207,252	121,887
	<u>2,347,888</u>	<u>2,234,900</u>

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

17 Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Advanced payment of fees scheme	353,359	592,348
	<u>353,359</u>	<u>592,348</u>
	<u><u>353,359</u></u>	<u><u>592,348</u></u>

The advanced payments of fees received have been set against future tuition fees. The advanced fees form part of the general funds of the charity.

The School operates an advanced payment of fees scheme whereby parents can enter into a contract to pay the School a lump sum to be used towards future years' tuition. Assuming pupils remain at the School, the advance fees will be applied as follows:

	2020	2019
	£	£
Within one year	280,309	270,113
Within one to two years	137,675	239,038
Within two to five years	195,810	277,411
After five years	<u>19,874</u>	<u>75,899</u>
Total	<u><u>633,668</u></u>	<u><u>862,461</u></u>

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Retirement benefit schemes

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £375,225 (2019: £289,305) and at the year-end £42,966 (2019 - £36,439) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020 and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

18 Retirement benefit schemes (Continued)

Support Staff Pension Fund

The School operates the following schemes for non-teaching staff:

The IAPS Pension Scheme which is a defined contribution scheme; the school contributes up to 7% of salary and the employees contribute no less than 2% of salary. Total employer contributions for the year were £37,284 (2019 - £40,932). Total contributions outstanding at 31 August 2020 amounted to £6,211 (2019 - £6,208).

On 1 August 2014 the School also entered into The People's Pension Scheme in response to the new requirement to enrol eligible employees automatically. It is a defined contribution scheme, with both employee and employer currently contributing 1% of salary, as required by the legislation. Total employer contributions for the year were £12,631 (2019 - £8,355). Total contributions outstanding at 31 August 2020 amounted to £2,767 (2019 - £1,952).

19 Company status

The School is a company limited by guarantee. In the event of the company being wound up, the members' liability is limited to £1 each. There are 12 members (2019 - 12).

20 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:

	Movement in funds			Balance at 31 August 2020
	Balance at 1 September 2019	Income	Expenditure	
	£	£	£	£
Houses	-	4,622	-	4,622
Sports relief	-	248	-	248
Other	-	1,961	(1,183)	778
Anonymous donor	-	13,167	-	13,167
	<u>-</u>	<u>19,998</u>	<u>(1,183)</u>	<u>18,815</u>

The School gratefully received £19,998 from various donors for various causes, such as funds for the child therapy room, Walhampton sports vests, Cambodia School and Murray Parish Charity.

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

21 Unrestricted funds

	Balance at 1 September 2019 £	Movement in funds		Balance at 31 August 2020 £
		Income £	Expenditure £	
General fund	3,011,356	5,260,350	(5,354,582)	2,917,124
Revaluation reserve	3,203,283	-	-	3,203,283
Designated fund	55,585	-	-	55,585
	<u>6,270,224</u>	<u>5,260,350</u>	<u>(5,354,582)</u>	<u>6,175,992</u>

The Designated fund is income set aside to provide for future Bursaries. The expenditure on the fund is likely to be incurred in the next financial year.

22 Analysis of net assets between funds

	General fund £	Revaluation reserve £	Designated fund £	Restricted funds £	Total £
Fund balances at 31 August 2020 are represented by:					
Tangible assets	3,973,994	3,203,283	-	-	7,177,277
Net current liabilities	(703,511)	-	55,585	18,815	(629,111)
Long term liabilities	(353,359)	-	-	-	(353,359)
Provisions	-	-	-	-	-
	<u>2,917,124</u>	<u>3,203,283</u>	<u>55,585</u>	<u>18,815</u>	<u>6,194,807</u>

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

23 Operating lease commitments

Lessee

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

	2020 £	2019 £
Within one year	31,634	31,634
Between two and five years	11,547	46,226
	<u>43,181</u>	<u>77,860</u>

24 Related party transactions

Remuneration of key management personnel

The remuneration of key management personnel, who are noted on page 1, is as follows.

	2020 £	2019 £
Aggregate compensation	445,873	480,819
	<u>445,873</u>	<u>480,819</u>

Related party transactions

There have been no related party transactions in the reporting period.

25 Control

The ultimate controlling parties are the Governors as shown in the Report of the Governing Body.

26 Cash generated from operations

	2020 £	2019 £
Net income for the year	(75,417)	(378,491)
Adjustments for:		
Finance costs	4,033	8,409
Depreciation of tangible fixed assets	390,006	393,050
Movements in working capital:		
Decrease in debtors	57,450	141,715
(Decrease)/increase in creditors	(126,001)	256,628
Cash generated from operations	<u>250,071</u>	<u>421,311</u>

WALHAMPTON SCHOOL TRUST LTD

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 AUGUST 2020

27 Analysis of changes in net funds

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	148,349	220,110	368,459
	<u>148,349</u>	<u>220,110</u>	<u>368,459</u>
	<u><u>148,349</u></u>	<u><u>220,110</u></u>	<u><u>368,459</u></u>