

Company Registration No. 859223 (England and Wales)
Charity registration No. 307852 (England and Wales)

WELLESLEY HOUSE AND ST PETER'S COURT

EDUCATIONAL TRUST LIMITED

REPORT AND FINANCIAL STATEMENTS

31 AUGUST 2020

WELLESLEY HOUSE AND ST PETERS COURT EDUCATIONAL TRUST LIMITED

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FOR THE YEAR ENDED 31 AUGUST 2020**

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WELLESLEY HOUSE AND ST PETERS COURT EDUCATIONAL TRUST LIMITED

**DIRECTORS AND COMPANY INFORMATION
FOR THE YEAR ENDED 31 AUGUST 2020**

DIRECTORS AND COMPANY INFORMATION

Directors (Governors of the School) P J Woodhouse (Chairman)
Mrs K Fenwick
B R K Moorhead (resigned 14th January 2021)
G Mann (resigned 26th February 2020)
Mrs L Martine (resigned 30th September 2020)
J M W Sale
C Burge (resigned 2nd October 2019)
D Royds
A Harber
J Jackson
A Land (appointed 26th February 2020)
K Morgan (appointed 20th May 2020)
C Evans

Secretary and registered office Mrs B A Parsons
Wellesley House
114 Ramsgate Road
Broadstairs
Kent
CT10 2DG

Company registration number 859223

Charity registration number 307852

Auditors Saffery Champness LLP
Chartered Accountants
71 Queen Victoria Street
London
EC4V 4BE

Key Management Personnel and Professional Advisers

Headmaster G D Franklin

Bursar Mrs B A Parsons

Solicitors Hewitson Moorhead LLP
Kildare House
3 Dorset Rise
London
EC4Y 8EN

Bankers HSBC UK
26 Westwood Cross Shopping Centre
Broadstairs
Kent

WELLESLEY HOUSE AND ST PETERS COURT EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT FOR THE YEAR ENDED 31 AUGUST 2020

The Governors, who are also Directors of the charity for the purposes of the Companies Act and Trustees for the purposes of the Charities Act, submit their annual report and the audited financial statements for the year ended 31 August 2020. The financial statements comply with the Companies Act 2006, Charities Act 2011, 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 (FRS 102) (Second edition).

ADMINISTRATIVE INFORMATION

The company is an Educational Trust and as such is a recognised charity, which was registered on 9 August 1966. The company is limited by guarantee and does not have a share capital.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is governed by its Memorandum and Articles of Association last amended in June 2015.

Governors

The Board of Governors constitutes the Directors of the company. The list of Governors who held office at the date of this report is shown on page 1.

The Articles of Association provide that there shall be no less than 5 Governors and (unless otherwise determined by Ordinary Resolution) shall not be subject to a maximum.

At the Annual General Meeting one third of the Governors shall retire from office by rotation. The Governors to retire in each year are those who have been longest in office since their last election or appointment. A retiring Governor is then eligible for re-election.

Recruitment and training of Governors

New Governors are appointed following agreement from all existing Governors. New Governors are inducted into the workings of the charitable company via a programme organised by the Governors, Headmaster and Bursar.

New Governors are provided with an induction pack which includes copies of the Articles of Association, latest annual Report and Financial Statements, current budget, the development and strategic plan, Minutes of the last 3 Governors meetings, Guidance for Trustees and Governors published by the Charity Commission and AGBIS and copies of the school calendar, school prospectus and most recent Welleslian magazine.

The induction process also includes a day spent at the school meeting key personnel.

WELLESLEY HOUSE AND ST PETERS COURT EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

The Governors have identified that, in order to carry out its duties effectively and efficiently, the Board of Governors requires a range of skills and breadth of experience. Suitable candidates are identified from current and past parents of pupils, from Wellesley and from the business and professional community. The following skills and experience amongst others are identified as being important and are represented on the present Board of Governors:

Education
Pastoral Care
The Law
Finance and Accountancy
Business Management
Marketing

All Governors are encouraged to attend appropriate external training seminars and conferences.

Organisational Management

The School Governors, as directors of the charitable company, are legally responsible for the overall conduct and control of the School. They meet at least three times a year under the chairmanship of P J Woodhouse. The work of monitoring financial performance is carried out by the members of the Finance and General Purposes Committee, where the audited accounts are reviewed prior to being approved by the Governors.

The day-to-day management of the School is delegated to the Headmaster and Bursar, as key management personnel, supported by a Leadership Team of senior teachers.

The remuneration of key management personnel is set by the Board, with the policy objective of ensuring that they are provided with appropriate incentives to encourage enhanced performance and are, in a fair and responsible manner, rewarded for their individual contributions to her School's success. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with other independent schools to ensure that Wellesley House remains sensitive to the broader issues of pay and employment conditions elsewhere. We aim to recruit, subject to experience, review, and then reward for excellence. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Governors also sit on the:

Health and Safety Committee
Education Committee
Safeguarding Committee

And all Governors have specific individual responsibilities.

Principal Risks and Uncertainties

The Board of Governors whilst working with the Headmaster, review the School's current and planned future activities in the light of any major risks arising from time to time and the effectiveness of systems and procedures designed to manage them. The principal risks and uncertainties currently facing the school are considered to be, price and affordability, competition from local independent schools, the increasing competition for high-quality teaching and support staff and its effect on succession-planning and severe reputational damage in the unlikely event of a high profile legal action alleging lack of due care over our pupils as vulnerable beneficiaries. Further risks include the possibility of VAT imposed on independent schools and removal of charity rates exemption risk. The impact of an international pandemic is a further risk. Our plans and strategies for managing risk include maintaining effective internal controls, a dynamic and proactive approach to future planning, a risk register, incident-reporting and monitoring systems and insurance cover wherever appropriate.

WELLESLEY HOUSE AND ST PETERS COURT EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Objects of the Charity

The objects of the charitable company are to carry on Wellesley House School, Broadstairs, Kent and any other educational institution in the United Kingdom.

In planning the activities for the year to meet the charitable objects, the Governors have complied with their duties in section 17 of the Charities Act 2011 and have considered the Charity Commission's general guidance on public benefit and in particular its supplementary guidance on advancing education.

In setting the strategy for achieving the objectives, Governors are mindful of the need: to place the academic syllabus, teaching practices and examination results in the broader educational context including value-added analysis; to ensure the range of co-curricular activities is stimulating and challenging; to invest in infrastructure; and to continue to refine policy and practice for awarding bursaries to encourage wider access to pupils from all backgrounds. Where we can, and where it is wanted, we cooperate with local schools.

We wish pupils to attain the highest academic achievements of which they are capable as well as to provide an extra-curricular programme which aims to develop life-long interests, helps to build self-confidence and instils a desire to contribute to the community. Every effort is made to further enhance standards, to improve facilities and to keep class sizes small. During the year, the focus has continued to be on heightened academic achievement.

Parents are given regular information about their children's social and academic progress through parent evenings in addition to the traditional end-of-term and year-end reports. We maintain regular contact with parents throughout the year through formal and informal contacts, and through letters, e-mails, magazines, bulletins and the website.

Wellesley is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

Aims

The aim of Wellesley House is to benefit the public by providing first class education independent of the State system. The School aims to give children the best possible start in life and to prepare them for the world beyond. Academic success is a priority and the results the School has achieved are excellent. Foremost is to ensure that pupils are busy, happy and proud of their school. A number of pupils board so it is the ideal environment to monitor development both in and outside the classroom. By the time that children move on, Wellesley pupils are confident, motivated and well mannered, fully prepared to continue to thrive at their senior schools and deal with the many challenges that lie ahead. Wellesley extends its reach into the community by assisting children whose parents are on modest incomes and who could otherwise not attend the School. Wellesley granted sibling and Armed Forces discounts, bursaries and scholarships amounting to £391,629 or 22.2% of the fee income for the year.

Objectives for the Current Year

The main objective continues to be to educate all the pupils so that they will be fully able to benefit from their chosen senior school for the completion of their education. Wellesley House continues to maintain a high teacher to pupil ratio and tailors its services as appropriate in each case to suit individual needs.

WELLESLEY HOUSE AND ST PETERS COURT EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

In addition to this, key aims have been to:

- Enhance and develop the extra-curricular provision for all pupils
- Provide continuing support for pupils in receipt of bursaries including those that may require 100% provision.
- Continue to develop the outstanding provision for pastoral care.
- Continue to raise funds for charitable organisations through various schemes and activities some of which involve our pupils.
- Build stronger cross sector links / educational partnerships with local primary schools to share best practice and collaborate.
- Continue to develop pupil independence and embed our core values.
- Achieve 100% pass rate at Common Entrance.
- Enhance our marketing and target key areas for recruitment.
- Fully embed our new Pre-prep department

Scholarships and Bursaries

The Governors and Headmaster view bursaries and scholarships as important and believe that our pupils benefit from interacting and learning with a diverse range of people. As such, it is important that access to the education and facilities is not restricted only to those who can afford the fees.

Scholarships

The Spencer and Boddington/Sale Scholarships were instituted many years ago to give financial assistance to the parents of successful candidates, who without such assistance would be unable to send their children to Wellesley.

Spencer Scholarship (Academic)

Candidates must be under 10 years old on September 1st, of year of entry. The Scholarship can be awarded for outstanding ability in a single subject or for generally excellent standard.

Candidates are given examinations in Mathematics and English. They are also given a Verbal Reasoning Test and interview. The papers are based on National Curriculum criteria at the level appropriate to the age of the candidates concerned.

Boddington/Sale Scholarship (Sport)

Candidates have to be under 10 years old on September 1st, of year of entry.

The Scholarship is awarded to a candidate who shows outstanding sporting potential in one or more sports.

Candidates have to sit basic tests in Mathematics, English and Verbal Reasoning to ensure that they will be able to cope academically within the School. They are also interviewed and expected to take part in a variety of sporting activities over the course of a morning. They are assessed in any sports for which they have a particular ability.

Bursaries

Wellesley House does not benefit from endowment funding and historically has a small amount of investments, which do not generate significant incoming funds. In reviewing bursary requests, the School must therefore ensure a balance between fee paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from awards.

WELLESLEY HOUSE AND ST PETERS COURT EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

In order to correct this imbalance and to meet charitable objectives the Governors launched a Bursary Appeal in 2008. Donations and interest into the fund during the year 2019/20 totalled £22,240. An amount of £10,421 was allocated during the year to assist deserving candidates. Since its inception, donations totalling £572,850 have been received.

Links with the Community

So far as it is able due to the pandemic, the School lets out its facilities or provides them free of charge for a number of activities. In the last year this has included the following:

Sports Hall	This has been made available to the Thanet Light Orchestra for weekly rehearsals
The Old Hall	Free of charge use of the Theatre and facilities to local schools and groups
Kent School of English	Overseas students use the boarding facilities, Classrooms, Hall, Swimming Pool, Sports Hall and Playing Fields over the Summer and Easter holidays including evening entertainment with other local children
Puddleducks	A local swim school for toddlers and babies use the swimming pool weekly
Deal Guide Group	Use of the school minibuses during holiday periods for excursions to aide financially deprived attendees
Space Radio Club	Wellesley is a STEM Hub School and hosts the club for visiting schools
Governorship at local school	Two members of staff are on the governing body of local primary schools
School Nurses' Meeting	Wellesley hosts meetings for local schools to visit to share information and practices
Leavers Programme	Block 1 leavers undertake community service during their final term
East Kent College	Allocated emergency evacuation centre

Sporting Links	Swimming Pool	Over the years, use by local primary schools, swimming coaching and scuba club for outside groups
	Cricket	Outside coaching has been provided to local children The School hosted the Kent County under eleven fixtures and other under eleven and under twelve competitions and matches between local clubs

Music	School Choir	The School Choir was very proactive including performances at: Harvest Distribution
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Charitable Fund Raising

The School has weekly chapel collections for various charities and in the year ended 2019/20 raised around £2,055.

WELLESLEY HOUSE AND ST PETERS COURT EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

The School is active in supporting charities who support children including: -

- BBC Children in Need
- Thanet Riding Centre for the Disabled
- Save the Children
- Macmillan Cancer Trust
- Poppy Appeal
- Jeans for Genes

The Friends of Wellesley raise funds for the School in addition to helping local charities.

Provision of Education

The School prides itself in languages (and in particular classics) and sciences which are of a higher standard than State Schools, benefiting pupils when they move to higher education. At the accepted cost of £4,606 per State pupil this effectively saves the State some £437,570 on the basis of 95 pupils.

Principal activities of the year

The principal activity of the charitable company during the year was to maintain and carry on Wellesley House School as an Educational Trust.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational performance of the School

The school continues to achieve high educational standards, to provide a wide range of sporting and cultural activity and to fulfil a wider role in the community. In the year ending 31 August 2020, 10 scholarships to senior schools were awarded. Scholarships were won for academic, art, sport and music. Pupils achieved a 100% CE pass rate.

Impact of Covid-19

Whilst the school followed Government advice and remained closed during the first lockdown caused by COVID-19, during term time the staff provided a full remote teaching and learning programme for all pupils. All pupils and staff have google accounts, thus enabling safe and secure channels of communication. Through the use of the google classroom platform, the school ensured continuity of education for all pupils. Aside from a "normal" timetable of academic subjects, pupils had access to a range of extra-curricular activities, sport and fitness challenges and tasks, music and art, as well as daily mindfulness and wellbeing sessions. Headmaster's Assembly and Chapel services have continued to be delivered weekly via video messaging and links. Furthermore, parents were also provided with ICT support sessions and 1:1 video conference calls with members of staff to help support them whilst their children remain educated from home. The pupils benefited from a range and mixture of synchronous (live) and asynchronous (pre-recorded) lessons and tutorials. Year 8 pupils were continued to be supported through the Common Entrance examinations process, albeit with Senior Schools being understandably sympathetic to the unprecedented situation, confirming largely unconditional places. The Headmaster held a number of daily video conference calls with small groups of pupils to ensure the continuity of personal connection within our community throughout the period of closure. The Leadership Team invited regular feedback from parents, pupils and staff with regards to the running and structure of the programme through google form questionnaires. Weekly staff meetings continued as normal (albeit remotely through google meet) where pupils' pastoral and academic progress and wellbeing was discussed, minuted and shared.

WELLESLEY HOUSE AND ST PETERS COURT EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

As a result of the remote learning provision it was decided by the board to provide all pupils with a discount on both day and boarding fees. The decision reflected the reduced timetable (i.e. Saturday school being optional activities only, as opposed to formal lessons and sports fixtures) and through some inability to offer some of our extensive activities and games programmes. As a result the cash flow forecasts were revised and closely monitored. To ensure the school continues as a going concern, school property is to be sold and the School is in discussions with its bank to secure further financial support through this period of uncertainty.

Plans in lockdown included the merging of the two boarding houses which continued, albeit at a slower pace due to the restrictions on availability of supplies. However, the boys' and girls' merged boarding houses was ready for the start of the new academic year in September 2020. The sale of surplus school assets is continuing although it is expected that the selling market will be at a slower pace and therefore the expectation of these cash reserves may be later than expected, which has been reflected in future cash projections.

The School has undertaken a risk register review and feel that the school closure during the Lent Term 2021 is manageable. The school's teaching and support staff and parent body continue to be hugely supportive and we feel this reflects the true ethos of Wellesley and shows how the school has pulled together in these uncertain times. The Board have had close contact with the bank throughout the school closure along with seeking legal advice on the challenge to the insurance business interruption clause. The school has also taken advantage of the government Job Retention Scheme and furloughed as many staff as possible, whilst still offering the pupils a continuing provision of education to the high standards that Wellesley promotes.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The results for the year and the financial position of the Charity are as shown in the attached Financial Statements.

Review of the year

Total income for the year was £1,766,417 (2019: £2,115,211). Total expenditure for the year was £2,534,033 (2019: £2,506,716). This gave net expenditure of £767,616 (2019: £391,505). Significant assistance was afforded to the parents of children attending the School who could not otherwise afford the fees.

This resulted in total funds at year end of £5,631,881 (2019: £6,274,497), of which £11,819 was restricted (2019: nil).

Reserves policy

The Directors' reserve policy is to maintain a sufficient level of reserves to ensure that the School's continuing activities can be maintained by:

- Assisting in strategic planning by considering how new projects or activities will be funded.
- Informs the budget process by considering whether reserves need to be used during the financial year or built up for future projects.
- Informs the budget and risk management process by identifying any uncertainty in future income streams.

WELLESLEY HOUSE AND ST PETERS COURT EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

When considering an appropriate level of reserves, the Directors' consider:

- The risk of unforeseen emergency or other unexpected need for funds.
- Covering unforeseen day-to-day operational costs, for example employing temporary staff to cover a long-term sick absence.
- A fall in a source of income, such as lettings.
- Planned commitments, or designations, that cannot be met by future income alone, for example plans for a major capital project.
- The need to fund potential deficits in a cash budget, for example money may need to be spent before a funding grant is received.

The financial risks identified will determine the amount of reserves the School decides to hold.

The School's unrestricted reserves of £5,620,062 at 31 August 2020 (2019: £6,274,497) are invested in fixed assets which amounted to £6,503,698 at the balance sheet date (2019: £6,742,807).

In common with similar organisations involved in education, the charity maintains a policy of retaining £500,000 reserves for reason of sound financial management and operational planning. This amount is reviewed annually.

This fund is held primarily to protect against interruption to the charity's main income flow and to sustain working cash balances to cover fluctuations in operating costs. It represents approximately 8 week's operating expenditure.

Whilst the directors recognise that the reserves may be slightly below the optimum level, they expect to improve this position by the increase of fees and increasing the pupil totals through the introduction of a pre-prep provision.

The directors having reviewed the reserve level, have decided that the current level is sufficient based on an analysis of the matters highlighted above.

Going concern

The School reported a deficit in the year of £642,616 (2019: deficit of £181,505), and has net current liabilities on unrestricted funds of £835,991 (2019: net current liabilities on unrestricted funds of £468,310). The Governors believe that actions already taken and future actions planned safeguard the School's financial viability and will prove successful.

The actions include:

- Consolidating the borrowing position on more favourable terms and the School considers its relationship with HSBC to be strong going forward. The Governors are satisfied that the repayments on the borrowings can be met as they fall due.
- Governors continue to implement their strategic plan focusing on increasing pupil numbers and generating new sources of income.
- The introduction from September 2020 of a Nursery is attracting younger pupils and recruitment is progressing well.
- The Strategic review has changed the school boarding provision to enable an efficient, modern and cohesive offering and approach for both boys and girls in a newly refurbished boarding house in the main school.
- A conservative approach to the School's financial projections.
- Preparing contingency plans recognising the availability of school properties surplus to requirements.
- The School has left the Teachers Pension Scheme following consultation with all staff.

WELLESLEY HOUSE AND ST PETERS COURT EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

The Covid- 19 pandemic and the associated economic uncertainty continue to impact the School. Throughout the Covid-19 pandemic the School has been closely monitoring its cash flows and corresponds regularly with their bankers. However, the impact of the pandemic on future property sales and fee income is impossible to predict.

Taking into account all aspects of the position described above the Governors believe that the School has, and will have, adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Fixed assets

The movements on fixed assets are shown in Note 8 to the accounts.

Risk Management

The Directors review the major risks to which the School is exposed at their termly meetings and ensure that systems are established as required to mitigate those risks. Having considered the current operating position of the School the Trustees consider the key risks to be:

Risk	Mitigating Strategies
Financial insecurities; a fall in pupil numbers	Increase focus on marketing Monitor development in Sector

Fundraising

The Governors take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered they implications on the school's activities. The school does not actively solicit donations from the general public more widely than parents and alumni. The school does not work directly with commercial participators or professional fundraisers. The Governors are not aware of any complaints made in respect of fundraising during the period.

FUTURE PLANS

The Trustees are keen to develop boarding, by responding to the market and providing a more flexible model, and to maintain the school premises to an impressive standard.

The Trustees also intend to maintain Wellesley's position in a competitive market by investing to provide high quality education for our pupils - achieving a high standard of academic results whilst maintaining the breadth and depth of the education provided. The Headmaster and senior staff continue to review the curriculum to ensure that the educational opportunities remain appropriate for our pupils' development.

The School opened a Nursery department in September 2020, to attract more pupils from an earlier age and increase our number of pupils. The School is also investing in professional marketing support and provision to promote all that is on offer at Wellesley to a targeted market.

Our Pupils and their Personal Development

A. To equip our pupils for life through opportunities within and beyond the classroom

- Continue to prepare for changes to Common Entrance and pre-test
- Continue to develop strategies for raising aspiration and attainment
- Continue to promote the extra-curricular opportunities available to our pupils

B. To be excellent in teaching and learning

- Continue to develop cross-curricular skills
- Continue consistent use of teaching strategies and feedback to stretch and challenge pupils and to encourage higher order thinking skills
- Continue to improve pupil tracking and underperformance

C. To maintain a high standard of pastoral care

- Grow tutor skills to continue to achieve consistency; maintaining improvements in recording and monitoring
- Grow awareness to staff and pupils in regards to mental health issues and develop our wellbeing programme

Wellesley and the Wider Community

A. To provide the best possible supportive 'home from home' environment for our boarders

- Enhance the induction of overseas boarders and their families through our Head of EAL
- Further enhance the boarders' ordinary day-to-day experience and provide a vibrant activity and events programme
- Listening more to pupils and parents through 1:1 meetings and questionnaires

B. To communicate clearly and distinctively our vision, values and ambition within and beyond the schools

- To improve our communication through the appropriate use of digital technologies, we are continuing to review our website and use of social media and our Weekly newsletters

C. To involve current and former parents, Old Welleslians and others for the benefit of our pupils and the wider community

- Increase support for parents on pastoral issues through weekly bulletins i.e. social media

Wellesley and Our Staff

A. To employ the best staff and manage their on-going training, development and wellbeing

- Support well-being of staff through developing engagement with a counsellor now the Well-being Committee is established

B. To provide facilities and services that support our pupils' education

- Continue planned maintenance and investment to improve the appearance of older facilities and the infrastructure of the school.
- Environmental issues remain important; improve energy efficiency, seeking the more efficient use of water and supporting recycling initiatives.

WELLESLEY HOUSE AND ST PETERS COURT EDUCATIONAL TRUST LIMITED

GOVERNORS' REPORT (continued) FOR THE YEAR ENDED 31 AUGUST 2020

C. To ensure effective and efficient decision making and planning at all levels supported by sound financial management

- Our future plans will continue to be financed primarily from fee income with some assistance from asset sales.

Trustees' responsibilities

The Trustees (who are also directors of the charity for the purposes 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 period. 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 (FRS102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

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.

So far as each of the directors is aware, there is no relevant information that has not been disclosed to the company's auditors and each of the directors believes that all steps have been taken that ought to have been taken to make them aware of any relevant audit information and to establish that the company's auditors have been made aware of that information.

Auditors

Saffery Champness LLP have expressed their willingness to continue in office.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 applicable to companies entitled to the small companies exemption.

This report was approved by order of the board



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B Parsons
Secretary

19 February 2021

WELLESLEY HOUSE AND ST PETERS COURT EDUCATIONAL TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS FOR THE YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the financial statements of Wellesley House and St Peter's Court Educational Trust Limited for the year ended 31 August 2020 which comprise statement of financial activities, balance sheet, 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 Financial Reporting Standard 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 charitable company's state of 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 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.

Material uncertainty relating to going concern

We draw attention to the information in the accounting policies included under the heading 'Going Concern'. The company recorded a loss of £642,616 for the year ended 31 August 2020 and as at that date, the net current liability position on the unrestricted funds was £835,991. The Governors have described their current actions in which they are confident. However, the ongoing Covid-19 pandemic and associated virus control measures introduce uncertainties regarding future income streams. The Covid-19 pandemic therefore makes the outcome of the Governors' actions more difficult to predict. This indicates that a material uncertainty exists that may cast doubt over the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual 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

WELLESLEY HOUSE AND ST PETERS COURT EDUCATIONAL TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS (continued) FOR THE YEAR ENDED 31 AUGUST 2020

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.

Opinions on other matters 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 Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report have 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 material misstatements in the Trustees' Annual 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; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report and the Strategic Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 12, the trustees (who are also 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 to do so.

WELLESLEY HOUSE AND ST PETER'S COURT EDUCATIONAL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES (incorporating the income and expenditure account)

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
INCOME FROM					
Donations and legacies					
Grants and donations receivable	2	25,405	22,240	47,645	29,651
Charitable Activities					
Fees receivable	1	1,372,698	-	1,372,698	1,677,042
Registration fees and extra-curricular income		160,449	-	160,449	290,406
Government grants - coronavirus job retention scheme	2	141,825		141,825	
Investments	3	16,300	-	16,300	118,112
Other income	9	27,500		27,500	
Total income		1,744,177	22,240	1,766,417	2,115,211
TOTAL EXPENDITURE ON					
Raising funds	4	47,773	-	47,773	47,674
Charitable Activities					
Provision of education					
Teaching costs	7	1,310,603	-	1,310,603	1,363,947
Welfare	7	269,155	10,421	279,576	304,932
Premises	7	231,194	-	231,194	249,464
Support costs of schooling	7	664,887	-	664,887	540,699
Total expenditure	5,7	2,523,612	10,421	2,534,033	2,506,716
Net (expenditure)/income		(779,435)	11,819	(767,616)	(391,505)
Gain on revaluation of assets	9	125,000	-	125,000	210,000
Net movement in funds		(654,435)	11,819	(642,616)	(181,505)
Balances brought forward at 1 September 2019		6,274,497	-	6,274,497	6,456,002
Balances carried forward at 31 August 2020		5,620,062	11,819	5,631,881	6,274,497

The statement of financial activities includes all gains and losses recognised in the year. All income and expenditure derives from continuing activities. The notes on pages 19 to 30 form part of these financial statements.

WELLESLEY HOUSE AND ST PETER'S COURT EDUCATIONAL TRUST LIMITED

BALANCE SHEET

AS AT 31 AUGUST 2020

	Note	2020		2019	
		£	£	£	£
Fixed assets					
Tangible assets	8		6,503,698		6,742,807
Current assets					
Assets held for sale	9	425,000		810,000	
Stock		9,551		6,774	
Debtors	10	87,600		172,619	
Cash at bank and in hand		111,483		106,685	
		<u>633,634</u>		<u>1,096,078</u>	
Creditors: amounts falling due within one year	11	(1,457,806)		(1,564,388)	
Net current (liabilities)/ assets			(824,172)		(468,310)
Total assets less current liabilities			5,679,526		6,274,497
Creditors: amounts falling due after one year					
Bank loan	11		(47,645)		-
Net assets			5,631,881		6,274,497
Total funds					
Restricted			11,819		-
Unrestricted			5,620,062		6,274,497
	12,13		<u>5,631,881</u>		<u>6,274,497</u>

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

Approved by the Board on 19 February 2021



P J Woodhouse
Director

Company number 859223

WELLESLEY HOUSE AND ST PETER'S COURT EDUCATIONAL TRUST LIMITED

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2020

	Notes	2020 £	£	2019 £	£
Cash flows from operating activities:					
Net cash used in operating activities	14		(661,545)		(251,806)
Cash flows from investing activities:					
Proceeds from the sale of property, plant and equipment		837,500		-	
Purchase of property, plant and equipment		(149,734)		(253,770)	
Interest received		1,516		7,842	
Interest paid		(25,063)		(23,136)	
Net cash provided by / (used in) investing activities			664,219		(269,065)
Cash flows from financing activities:					
Cash inflows from new borrowing		198,014		273,848	
Repayment of long term bank loan		(42,500)		(42,500)	
Net cash provided by/ (used in) financing activities			155,514		231,348
Change in cash and cash equivalents in the reporting period			158,192		(289,523)
Cash and cash equivalents at the beginning of the period			(46,709)		242,814
Cash and cash equivalents at the end of the period	(see below)		111,483		(46,709)
<u>Analysis of cash and cash equivalents</u>					
		2020		2019	
		£		£	
Cash in hand		111,483		106,685	
Overdraft facility		-		(153,394)	
		111,483		(46,709)	

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

A Basis of accounting

The accounts have been prepared in accordance with the Companies Act 2006 and the 'Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)(Second Edition) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011. The financial statements are prepared on the historical cost basis.

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

The Charity constitutes a public benefit entity as defined by FRS 102.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

B Going Concern

The School reported a net movement in funds of (£642,616) and has net current liabilities on unrestricted funds of £835,991 as at 31 August 2020. The Governors believe that actions already being taken and future actions planned safeguard the School's financial viability and will prove successful.

The actions include:

* Consolidating the borrowing position on more favourable terms with a different provider has now successfully been done and the School considers its relationship with HSBC to be strong going forward. The Governors are satisfied that the repayments on the borrowings can be met as they fall due.

*The Governors are satisfied that the repayments on the borrowings can be met as they fall due.

* The Governors continue to implement their strategic plan focusing on increasing pupil numbers and generating new sources of income.

*A conservative approach to the School's financial projections

* The introduction (from September 2020) of a nursery is attracting younger pupils and recruitment is progressing well. Furthermore, the School has already been recognised as a finalist in the Independent School of the year Awards in the Pre-Prep category.

* The strategic review has changed the school boarding provision to enable an efficient, modern and cohesive offering and approach for both boys and girls in a newly refurbished boarding house in the main school.

* The School has left the Teachers Pension Scheme following consultation with all staff.

In addition we should stress the complexities of the impact of Covid-19, as explained more fully in the Governors' Report. Covid-19 has increased the uncertainty concerning the timing of future revenue streams.

The Governors recognise that the significant impact of covid on the budget for the coming year and the difficulties this has caused across the Independent school sector as a whole.

The Governors recognise the current uncertainty of the Covid-19 pandemic and that fact that it is not yet possible to say when the return to normal schooling will be.

Taking into account all aspects of the position described above, the Governors have a reasonable expectation that the School has and will have adequate resources to continue in operation for the foreseeable future. For this reason, they continue to adopt the going concern basis of accounting in preparing the financial statements.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

C Income

Fees receivable and similar earned income are credited to the Statement of Financial Activities (SOFA) in the year for which they are due. Deferred income represents amounts received for future periods and is released to the SOFA in future periods when the service is provided.

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Trust is considered probable.

Gifts of assets and services are recognised at the time of receipt at their value to the charity when the benefit is reasonable, measurable and quantifiable.

D Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. Grants awarded are recognised when there is a legal or constructive obligation to pay for expenditure. All costs have been directly attributed to one of the functional categories of resources expended in the Statement of Financial Activities. The Trust is not registered for VAT and accordingly expenditure is shown gross of VAT.

Governance costs, included in Support costs of schooling, comprise the cost of running the Charity, including strategic planning for its future development, external audit, and all the costs of complying with constitutional and statutory requirements, such as the cost of Directors and committee meetings and preparing statutory accounts.

E Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. 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	Nil
Freehold buildings	over 50 years on cost
Motor Vehicles	over 4 years on cost
Fixtures, fittings and equipment	3-20 years on cost

Assets purchased which cost less than £1,000 are not capitalised and are expensed to the Statement of Financial Activities in the year in which they are purchased. Assets under the course of construction are not depreciated.

F Assets held for sale

Any property that is actively marketed for sale is included in current assets. Assets are held at the best estimate of the sales price less costs to sell.

G Stock

Stocks are valued at the lower of cost and net realisable value.

H Debtors

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.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

I Cash at bank and in hand

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

J Creditors

Creditors are recognised where the Trust has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

K Fund Accounting - unrestricted funds

Funds held by the charity are either:

Unrestricted general funds

These are funds which can be used in accordance with the charitable objects at the discretion of the Governors.

Unrestricted designated funds

These are unrestricted general funds set aside by the Governors for a specific purpose.

L Fund Accounting - restricted funds

Restricted funds arise when the donor specifies how their donation should be spent or by the terms of an appeal. Further detail can be seen in Note 12.

M Pension costs

Professional teaching staff are members of a Superannuation Scheme operated by the Department for Education and Skills (Teachers' Pension Scheme). This is a multi-employer defined benefit scheme and individual schools are not able to identify their share of the underlying assets and liabilities of the Scheme. Non-teaching staff are members of a defined contribution scheme. Costs are charged to the Statement of Financial Activities as they fall due.

N Taxation

The School is a registered charity and its income is not liable to taxation as it is applied to wholly charitable purposes.

O Financial instruments

The Charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method. The Charity has selected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

P Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in accordance with FRS 102 requires the trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include accruals, depreciation, freehold building residual values and revenue recognition. The accounting in these areas of the accounts requires management to use judgement.

In relation to accruals this is a best estimate of costs that will be incurred based on contractual requirements.

For depreciation these estimates are driven by the useful economic life of the associated assets.

1 Fees receivable

	2020 £	2019 £
Fees receivable consist of:		
Gross fees	1,753,905	2,036,300
Less: Bursaries	(391,629)	(380,493)
	<u>1,362,277</u>	<u>1,655,807</u>
Add back: Bursaries paid for by specific funds	10,421	21,236
	<u>1,372,698</u>	<u>1,677,043</u>

2 Grants and donations

	2020 £	2019 £
Donations	47,645	29,651
Government grants - coronavirus job retention scheme	141,825	0
	<u>189,470</u>	<u>29,651</u>

3 Investment income

	2020 £	2019 £
Rents and lettings	14,782	110,270
Interest receivable	1,517	7,842
	<u>16,299</u>	<u>118,112</u>

4 Cost of raising funds

	2020 £	2019 £
Marketing	22,711	24,539
Interest payable	25,062	23,136
	<u>47,773</u>	<u>47,675</u>

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

5 Total expenditure

	£	£
Total expenditure includes:		
Auditors' remuneration for audit services	10,257	12,210
Auditors' remuneration for other services	750	750
Operating lease payments	5,482	5,482
Depreciation	88,841	85,950
	105,330	104,392

6 Employees

	2020 £	2019 £
Staff costs during the year:		
Wages and salaries	1,388,432	1,347,155
Social security costs	118,217	116,338
Other pension costs	205,525	156,724
	1,712,174	1,620,217

The average number of employees in the year:

	Number	Number
Teaching staff	28	27
Non teaching staff	39	41
	67	68

The number of staff whose emoluments plus taxable benefits exceeded £60,000 were as follows:

£80,000 - £90,000	1	1
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	2020 £	2019 £
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Pensions paid on behalf of this employee in the year totalled:	19,370	13,184
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	2020 £	2019 £
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Aggregate emoluments of key management personnel	160,268	150,981
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No Director received any remuneration during the year (2019: nil). During the year £nil was reimbursed to Directors for expenses (2019: £334).

No Directors made a donation to the School during the year (2019: 1 donation of £10,000).

During the termination payments of £26,285 were paid to staff (2019: nil). There was nil outstanding at year end (2019: nil).

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

Pension scheme

Members of the teaching staff are eligible to join the Teachers' Pension Scheme (TPS), which is administered by the Teachers' Pensions Agency. The TPS is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Under FRS 102 Section 28 Employee Benefits, the TPS is a multi-employer pension scheme. The school has accounted for its contributions to the scheme as if it were a defined contributions scheme. The school has set out the below information available on the scheme.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

-Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy)

-Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million

-The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The next valuation is due to be implemented from 1 April 2023

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

A copy of the valuation report and supporting documentation is on the Teachers' Pension website.

7 Analysis of expenditure

	Staff costs	Other costs	Depreciation	Total 2020	Total 2019
	£	£	£	£	£
Raising funds	-	47,773	-	47,773	47,674
Teaching costs	1,149,807	157,942	2,854	1,310,603	1,363,947
Welfare	209,999	69,577	-	279,576	304,932
Premises	98,965	66,709	65,520	231,194	249,464
Support costs of schooling	253,404	391,015	20,468	664,887	540,699
	1,712,174	733,017	88,842	2,534,033	2,506,716

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

7 Analysis of expenditure (2019)

	Staff costs £	Other costs £	Depreciation £	Total 2019 £
Raising funds	-	47,674	-	47,674
Teaching costs	1,093,484	266,354	4,109	1,363,947
Welfare	200,360	104,572	-	304,932
Premises	97,428	80,713	71,323	249,464
Support costs of schooling	228,944	301,238	10,517	540,699
	1,620,216	800,551	85,949	2,506,716

8 Tangible fixed assets

	Freehold land & buildings £	Motor vehicles £	Fixtures fittings & equipment etc £	Total 2020 £
Cost or valuation				
1 September 2019	6,664,411	92,771	891,603	7,648,785
Additions	108,100	-	41,634	149,734
Disposal	-	-	-	-
Transfer to assets held for sale	(300,000)	-	-	(300,000)
31 August 2020	6,472,511	92,771	933,237	7,498,519
Depreciation				
1 September 2019	211,114	87,062	607,803	905,979
Charge for the year	33,288	2,854	52,699	88,841
Disposals	-	-	-	-
31 August 2020	244,402	89,916	660,502	994,820
Net book value				
31 August 2020	6,228,109	2,855	272,734	6,503,698
31 August 2019	6,453,297	5,709	283,801	6,742,807

9 Current asset investments

	2020 £	2019 £
Brought forward	810,000	-
Additions (transfers from fixed assets)	300,000	600,000
Gain on reclassification	125,000	210,000
Disposals	(810,000)	-
Carry forward	425,000	810,000

During the year one surplus residential property (2019: 2) was reclassified as an asset held for sale. The expected sales value is shown above.

During the year a gain of £27,500 (2019: nil) was made on the sale of one asset held for sale (2019: none).

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

10 Debtors

	2020 £	2019 £
Due within one year:		
Trade debtors	36,750	133,892
Prepayments and accrued income	50,850	38,727
	<u>87,600</u>	<u>172,619</u>

11 Creditors falling due within one year

	2020 £	2019 £
Amounts falling due within one year:		
Bank overdraft	-	153,394
Fees received in advance	190,434	267,225
Bank loan	944,845	836,973
Other creditors and accruals	322,527	306,796
	<u>1,457,806</u>	<u>1,564,388</u>

Creditors falling due over one year

	2020 £	2019 £
Bank loan	47,645	-
	<u>47,645</u>	<u>-</u>
Bank loans are analysed as follows:	2020 £	2019 £
Over five years	7,904	
Within two to five years	30,175	
Within one to two years	9,566	
Within one year	944,845	836,973
	<u>992,490</u>	<u>836,973</u>

During the year the School secured further loan funding against the existing Development Loan. The interest rate on this loan is 2.09% per annum over the Bank of England base rate. The total outstanding at year end was £364,320 (2019: £221,208).

The School also has a Flexible Business loan.

The interest rate on this loan is 2.09% per annum over the Bank of England base rate.

The total outstanding at year end was £578,170 (2019: £615,764).

During the year the School secured further loan funding in the form of a Bounce Back Loan of £50,000.

The fixed interest rate is 2.5% and the loan is repayable in instalments.

The loans are secured by fixed and floating charges over the freehold land and buildings and assets of the school.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

12 Funds

	At 1 September 2019 £	Income £	Expenditure £	Transfers/ Valuations £	At 31 August 2020 £
<u>Restricted</u>					
Bursary Appeal Fund	-	22,240	(10,421)	-	11,819
Other Donations	-	-	-	-	-
	-	22,240	(10,421)	-	11,819
<u>Unrestricted Funds</u>					
General	6,148,711	1,743,914	(2,519,565)	125,000	5,498,060
<u>Designated Funds</u>					
Bursary Appeal Fund	8,940	263	-	-	9,203
Swire	60,740	-	(2,914)	-	57,826
Bursary Fund -Swire	54,973	-	-	-	54,973
Foundation (Capital Fund) -Small assets	1,133	-	(1,133)	-	-
	6,274,497	1,744,177	(2,523,612)	125,000	5,620,062
Total unrestricted funds	6,274,497	1,766,417	(2,534,033)	125,000	5,631,881
Total funds	6,274,497	1,766,417	(2,534,033)	125,000	5,631,881

The Other Donations restricted fund represents donations made in relation to a series of projects that are to be undertaken at the School.

The designated funds include monies received from the Swire Foundation. Due to the size and significance of the donations the Trustees have designated the amounts, which are intended to be used to support bursaries (Bursary Fund) and the construction of an all-weather tennis court.

Funds (2019)

	At 1 September 2018 £	Income £	Expenditure £	Transfers/ Valuations £	At 31 August 2019 £
<u>Restricted</u>					
Bursary Appeal Fund	-	18,168	(18,168)	-	-
Other Donations	1,498	-	(1,498)	-	-
	1,498	18,168	(19,666)	-	-
<u>Unrestricted Funds</u>					
General	6,323,702	2,091,827	(2,476,818)	210,000	6,148,711
<u>Designated Funds</u>					
Bursary Appeal Fund	3,724	5,216	-	-	8,940
Swire	63,654	-	(2,914)	-	60,740
Bursary Fund -Swire	58,041	-	(3,068)	-	54,973
Foundation (Capital Fund)-Small assets	5,383	-	(4,250)	-	1,133
	6,454,504	2,097,043	(2,487,050)	210,000	6,274,497
Total unrestricted funds	6,454,504	2,097,043	(2,487,050)	210,000	6,274,497
Total funds	6,456,002	2,115,211	(2,506,716)	210,000	6,274,497

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

13 Analysis of net assets between funds

	Unrestricted 2020 £	Restricted 2020 £	Total 2020 £	Total 2019 £
Tangible fixed assets	6,503,698	-	6,503,698	6,742,807
Current (liabilities)/assets	(835,991)	11,819	(824,172)	(468,310)
Long term liabilities	(47,645)	-	(47,645)	-
	5,620,062	11,819	5,631,881	6,274,497

Analysis of net assets between funds (2019)

	Unrestricted 2019 £	Restricted 2019 £	Total 2019 £
Tangible fixed assets	6,742,807	-	6,742,807
Current (liabilities)/assets	(468,310)	-	(468,310)
Long term liabilities	-	-	-
	6,274,497	-	6,274,497

14 Reconciliation of operating deficit to net cash used in operating activities

	2020	2019
Net income/(expenditure)	(767,616)	(391,505)
Interest receivable	(1,516)	(7,842)
Interest payable	25,063	23,136
Profit on disposal of assets	(27,500)	-
Depreciation charges	88,841	85,950
Increase in stock	(2,777)	2,670
(Increase)/decrease in debtors	85,019	52,291
Increase/(decrease) in creditors	(61,060)	(16,507)
Net cash used in operating activities	(661,545)	(251,808)

15 Analysis of changes in net debt

	As at 1 September 2019	Cash flows	Other non- cash changes	As at 31 August 2020
Cash and cash equivalents				
Cash	106,685	4,798	-	111,483
Overdrafts	(153,394)	153,394	-	-
	(46,709)	158,192	-	111,483
Borrowings				
Loans falling due within one year	(836,973)	(107,869)	-	(944,842)
Loans falling due over one year	-	(47,645)	-	(47,645)
	(836,973)	(155,514)	-	(992,487)

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

16 Lease commitments

At 31 August 2020, the School had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020	2019
	£	£
Other leases:		
Within 1 year	5,482	5,482
Between 2 and 5 years	-	5,482
	<u>5,482</u>	<u>10,964</u>

17 Related Parties

During the year the Charity paid £3,450 (2019: £3,807) to Moorhead James LLP, a firm in which BRK Moorhead, a Trustee, is a Member.

During the year the Charity paid £nil (2019: £1,250) to Mrs Charlotte Evans, a Trustee for professional marketing services.

During the year the charity sold an investment property to a governor. The net proceeds of this sale were £350,370. The property was subsequently leased back to the school for a monthly rent of £900. Total rent payments made in the period were £7,200. Prior to the transaction taking place, approval was sought from the Charity Commission.

There were no other related party transactions in the year (2019: none) .

18 Investment in subsidiary

The charity is the sole shareholder in Wellesley House School Enterprises Limited, a trading company incorporated in April 1994. The company has not traded to date and is a dormant company.

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2020

19 Comparative information

	Unrestricted funds £	Restricted funds £	Total 2019 £
INCOME FROM			
Donations and legacies			
Grants and donations receivable	29,651	-	29,651
Charitable Activities			
Fees receivable	1,658,874	18,168	1,677,042
Registration fees and extra-curricular income	290,406	-	290,406
			-
Investments	118,112	-	118,112
Other	-	-	-
	<u>2,097,043</u>	<u>18,168</u>	<u>2,115,211</u>
Total income			
EXPENDITURE ON			
Raising funds	47,674		47,674
Charitable Activities			
<i>Provision of education</i>			
Teaching costs	1,363,947	-	1,363,947
Welfare	286,764	18,168	304,932
Premises	247,966	1,498	249,464
Support costs of schooling	540,699		540,699
			-
Total expenditure	<u>2,487,050</u>	<u>19,666</u>	<u>2,506,716</u>
Net gains on investments	-	-	-
Net income	(390,007)	(1,498)	(391,505)
Gain on revaluation of assets	210,000	-	210,000
Net movement in funds	<u>(180,007)</u>	<u>(1,498)</u>	<u>(181,505)</u>
Funds brought forward at 1 September 2018	6,454,504	1,498	6,456,002
Funds carried forward at 31 August 2019	<u>6,274,497</u>	<u>-</u>	<u>6,274,497</u>