

Charity number: 292845

# **St. Mary's School Shaftesbury Trust**

Registered number: 01949068

## **Trustees' report and financial statements**

**For the year ended 31 August 2018**

**ST. MARY'S SCHOOL SHAFTESBURY TRUST**  
**(A Company Limited by Guarantee)**

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**ST. MARY'S SCHOOL SHAFTESBURY TRUST  
(A Company Limited by Guarantee)**

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE TRUST AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2018**

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**Company registered number**

01949068

**Charity registered number**

292845

**Registered office**

St Mary's School  
Shaftesbury  
SP7 9LP

**Company secretary**

Mr S Cole

**Head teacher**

Mrs M Young

**Independent auditors**

Mazars LLP  
Chartered Accountants  
Statutory Auditor  
5th Floor  
Merck House  
Seldown Lane  
Poole  
Dorset  
BH15 1TW

**Bankers**

Lloyds Bank plc  
32 High Street  
Shaftesbury  
SP7 8JJ

**Solicitors**

Stone King LLP  
13 Queen Square  
Bath  
BA1 2HJ

# **ST. MARY'S SCHOOL SHAFTESBURY TRUST**

## **(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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The Governors, who are also the members and directors of the Trust, present their annual report together with the audited financial statements for the year to 31 August 2018.

#### **Our Mission**

St Mary's is a Roman Catholic Girls' School, Boarding and Day, founded on the principles of Mary Ward. Her vision and our mission is to educate each individual to the highest standards through fostering traditional values in the spirit of the Gospel.

#### **Our Aims**

We are a Catholic School but welcome girls of all faiths. At the heart of the school are our traditional Christian values which instil dignity, kindness and respect among staff and girls. We aim through our Junior and Senior Schools to provide a first class, all round education for girls age 9 – 18. We celebrate the individual, and discover and develop all talents to inspire passion, ambition and success. We foster an authentic sense of wellbeing, allowing each girl to have the courage to face the unexpected and challenge the ordinary.

The trust is registered as a charitable company limited by guarantee (charity number 292845) and was incorporated under the Companies Act on 20 September 1985 (company number 1949068). Its governing documents are its Memorandum of Association and its Articles of Association.

#### **Our Objectives and Activities**

Our objectives are set to reflect our educational aims and the Mary Ward ethos of the school. It is important to us that we maintain and enhance the academic success of the school.

These objectives are, however, set in the context of the broader goals we set for the School and its pupils. In setting our objectives and planning our activities our Governors have given careful consideration to the Charity Commission Public Benefit guidance.

Our objectives for the year included:

- To increase pupil numbers and improve retention, especially in the 6th Form.
- To deliver successful and varied co-curricular activity and outreach, in order to inspire and engage pupils and play a full part in the community.
- To improve academic results and Value Added to enable pupils to achieve their full potential, and enhance our reputation.
- To continue to develop the first class pastoral care we provide for pupils.
- To provide continuing support for pupils in need of fee assistance through bursaries, within the parameters of our Bursary Policy.

# **ST. MARY'S SCHOOL SHAFTESBURY TRUST**

## **(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **Review of Activities and Achievements**

##### **Pupil numbers**

The pupil numbers at the end of the year were 118 boarders and 102 day girls.

##### **Mission and Ethos**

All girls take part in an annual religious retreat in addition to participating in the on-going faith life of the School. One Church of England pupil was confirmed by the Bishop of Salisbury at Salisbury Cathedral in May 2018 and four pupils took their first holy communion in June 2018 in the School chapel presided over by our chaplain Father Andrew Moore with authority from the Bishop of Clifton.

##### **Academic**

At GCSE, 30% of grades achieved were at A\* or Level 8/9. 52% were at A\*/A or Level 7/8/9. 75% were at A\*/A/B or Level 9 - 6. These were all significantly above the national average and Value Added was typically at least one grade higher in all subjects.

At A level, 21% of grades achieved were A\*/A, 53% were A\*- B and 78% were A\*- C. Our curriculum is exciting, innovative and centred on the individual. Our girls can choose from a wide-ranging choice of subjects from our broad GCSE and A Level curriculum. We use a blend of modern technology and traditional teaching methods and our pupils excel in all areas of the curriculum from the academic to the practical.

##### **Co-Curricular Activities**

Our weekly Co-Curricular activities are wide and varied and include photography, book groups, choirs and ensembles, fencing, riding, archery, dance, animal husbandry, scuba diving, bee keeping, Duke of Edinburgh Award scheme, debating, fun drama clubs as well as productions and LAMDA, self-defence, and textiles.

At the weekends the boarders enjoy an enrichment programme run and delivered in conjunction with the Lower 6th offering them the opportunity to build leadership, organisation and presentation skills.

The Upper 6th enjoy a Life Skills programme designed to build their confidence and help prepare them for life beyond school. In house activities include baking, crafts, open mic nights, film nights and pampering sessions.

There are socials with other schools, an annual Charity Ball as well as year group 'Dine Outs'. Boarders are offered trips usually on a Sunday to a range of fun and interesting places and activities including a high ropes course, a trampoline park, places of interest, shopping excursions, Harry Potter Studio Tour, theme parks and mountain biking.

##### **Music**

The musical life at St Mary's is rich and varied. Many girls have individual or group lessons with a variety of specialist music teachers and can choose from a wide range of instruments as well as singing, aural training, theory, chamber music, orchestral and choral work. Girls take part in formal and informal concerts, or as part of the chamber groups, orchestra, percussion ensemble or rock band. The Chapel Choir, which is at the heart of the liturgical life of the School, frequently travels abroad and the girls are regularly invited to perform in places such as Vienna, Rome, Venice and Budapest.

# **ST. MARY'S SCHOOL SHAFTESBURY TRUST**

## **(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **Drama**

We are justifiably proud of our reputation for drama and the standard of productions is very high. This year we performed a student written adaptation of Shakespeare's 'Much Ado About Nothing' and 'Joseph and the Amazing Technicolour Dreamcoat', among other productions.

#### **Sport**

Sport is a key element in School life. Our philosophy is 'sport for all' and we aim to give all our girls a lifelong love of sport. We believe that competition is a healthy part of life and we have a thriving athletics programme.

Our sports facilities are excellent. To encourage year round fitness we have a 25-metre indoor pool, floodlit astroturf and a large sports hall, equipped with the latest personal fitness equipment. Girls can swim and play tennis and badminton throughout the year. In winter they play netball, basketball, football, and hockey and in the summer enjoy athletics and cricket. This year has also seen the introduction of archery.

#### **Details of Bursary and Scholarship Awards**

##### **Bursaries**

This year the value of means-tested bursaries totalled £631,284 and represented 11.7% of our gross fees. The bursaries provided assistance to 66 pupils, of whom 31 benefited from a remission of fees of 50% or more.

##### **Scholarships**

In addition, the value of scholarships, totalling £311,932, representing 5.8% of our gross fees. The scholarships provided remission of fees to 61 pupils who showed outstanding educational and/or sporting merit. Of this number 31 also qualified for means-tested bursary support and are included in the figures relating to bursary awards.

##### **Review**

The Governors keep the school's Bursary and Scholarship Award Policy under regular review to ensure that able children can accept offers of places at St Mary's while not putting the financial viability of the School at risk. Through the availability of means-tested fee assistance, our policy is designed to widen access to our School.

#### **Charitable Giving and Community Access**

##### **Charitable Giving**

The School has a Charity Committee consisting of prefects and senior members of staff. Based upon recommendations to the committee, grant-making decisions are made and awards granted to local, national and international charitable organisations. This year £7,774 has been passed to 12 separate charities.

##### **Community Access**

St Mary's is part of the wider community and where we can assist the community we are delighted to do so. This year, local primary schools have made use of our swimming pool for swimming lessons, local football and hockey teams have used our all-weather pitches for a modest charge, and local schools have been invited to attend visiting speaker events. Next year will also see the introduction of the St Mary's 'Partnership with Primaries' programme which will involve local primary schools being invited to participate in science workshops and academic events.

# **ST. MARY'S SCHOOL SHAFTESBURY TRUST**

## **(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **Future Plans**

The Governors and the Senior Leadership Team are mindful of the Trust's recent trading deficits. With the agreement of the School's Bank, the Governors have implemented a Financial Plan with the objective of returning to a fully balanced budget and ensuring the School's long term viability. The Governors believe that the School is in a stable financial position, that the Financial Plan is being delivered and are optimistic about the future of St Mary's.

The Governors are aware of the challenges facing fee-paying parents and the uncertain economic and political climate, so are determined to ensure that the Trust is in a financial position to broaden the opportunity of an education at St Mary's. A fundraising and development campaign is being launched, with the aim of establishing a fund to enable means-tested "Beech Tree" bursaries to be offered without impacting on the School's financial position.

The Governors will continue to ensure that St Mary's provides the highest standard of education and supports the Headmistress's 'value-added' approach to the School's academic aims, which ensures that all pupils fulfil or exceed their potential in terms of exam grades. In addition, the recruitment, retention and development of staff remain a priority.

#### **Risk management**

The Governors have given due consideration to the major risks to which the trust is exposed, in particular those related to the operations and finances of the Trust, and are satisfied that systems and procedures are in place to mitigate our exposure to major risks.

#### **Financial review and results for the year**

##### **Going Concern**

The Governors have considered the comments in Note 1 to the Financial Statements and in the audit report relating to the going concern basis of preparation of the Financial Statements. After making appropriate enquiries, and their review of the Financial Plan, the Governors have a reasonable expectation that the Trust has adequate resources to continue in operational existence for the foreseeable future. In reaching their conclusion, the Governors have considered the uncertainties outlined in Accounting Policy 1.6. For this reason they continue to adopt the going concern basis in preparing the Financial Statements.

##### **Review of results**

Income derived from the charitable activity declined from £5,198,557 to £4,662,072. This reduction in income has resulted in a net deficit of £869,083 (2017: a deficit of £455,938). The overall deficit, after taking into consideration other fundraising income and unrealised investment gains, was £866,516 (2017: a deficit of £420,020).

The operating deficit has occurred after the application of depreciation charges totalling £468,014 (2017: £480,192).

The value of total funds decreased from £4,725,082 to £3,858,566 with unrestricted funds of £3,333,722 (2017: £4,062,100).

##### **Investments policy and performance**

Based upon anticipated spending commitments, any surplus funds are kept in low-risk deposit accounts. Those needed only in the longer term may be invested in assets which might produce a better return than deposits over time, albeit at the risk of temporary capital reduction. The investment of surplus funds in anything other than deposits may be subject to the advice of a qualified independent financial adviser, the appointment of whom is

# **ST. MARY'S SCHOOL SHAFTESBURY TRUST**

## **(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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reviewed regularly.

The value of the Croft House Endowment fund decreased in the year by £138,123 (2017: £104,772) after paying out bursaries of £140,690 (2017: £140,690).

#### **Key Management Personnel**

The Governors consider that the Headmistress, Deputy Headteacher (Academic), Deputy Headteacher (Pastoral), Director of Mission and Ethos, Head of Boarding and the Bursar comprise the Key Management Personnel (See note 9 to the accounts).

#### **Public benefit aims**

We have referred to the revised public benefit guidance (Public benefit: the public benefit requirement (PB1), Public benefit: running a charity (PB2) and Public benefit: reporting (PB3)) contained in the Charity Commissioner's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities. It is the school's intention to adhere to these guidelines. As an important part of our functions we audit on an annual basis the public benefit provided by our school. As a matter of policy, the school gives continuous active consideration to increasing the provision of public benefit.

The school's facilities including those used for sport and music have continued to be made available to the public and have been used for activities and charitable purposes. These activities have benefited local clubs and charities as well as giving children access to our facilities. Our minibuses have also been loaned in support of wider public benefit. Our sports staff regularly give their services to train children from other schools and our academic outreach programme to the maintained sector primary schools is a source of pride.

In addition to its overt charitable activities the school provides financial assistance towards the payment of the fees for some of its pupils who would otherwise not be able to access the school. In addition to scholarships, means-tested bursaries of £631,285 (2017: £304,906) were granted during the year, as disclosed in note 4. The charity does not depend on the services of volunteers and does not benefit from any donated facilities or services.

#### **Governors**

##### **Governors during the year were:**

Miss V Younghusband, Chair  
Dr K Mounde, Vice Chair  
Major General N Borton (appointed 26 January 2018)  
Mr M Brown (resigned 20 October 2017)  
Mr P Conrath  
Mr M C Farmer  
Mr P Geikie-Cobb (appointed 26 January 2018)  
Mr R T Moulding (resigned 29 September 2017)  
Mrs S Pender-Cudlip (resigned 29 September 2017)  
Sister M A (Gemma) Simmonds CJ  
Mrs J L Watts



# **ST. MARY'S SCHOOL SHAFTESBURY TRUST**

## **(A Company Limited by Guarantee)**

### **TRUSTEES' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **Appointment of trustees**

The governing document provides for up to twelve Governors. New Governors are recruited in order to refresh and add to the skill and experience mix of the Board. Governors are selected and elected by the Governing Body at any time, any changes to be ratified at the Annual General Meeting. The assistance of the Association of Governing Bodies of Independent Schools (AGBIS) is available if there are difficulties in recruitment.

The Chair of Governors is elected by the Board, as is the Vice Chair.

#### **Trustee induction and training**

Governors follow the Guidelines for Governors document issued by AGBIS. New trustees undergo an induction process to familiarise them with the school and their statutory obligations.

On occasion, individual Governors attend training workshops offered through AGBIS and other external organisations. The inspection of the school's governance is now an integral part of any external inspection schedule.

#### **Statement of Governors' responsibilities**

The Governors (who are also trustees and directors of St. Mary's School Shaftesbury Trust for the purposes of company law) are responsible for preparing the Governors' 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. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of 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;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

#### **Disclosure of information to auditor**

Each of the persons who are trustees at the time when this Trustees' Report is approved has confirmed that:

- so far as the Governors are aware, there is no relevant audit information of which the trust's auditor is unaware, and
- that trustees have taken all the steps that ought to have been taken as trustees in order to be aware of any information needed by the trust's auditor in connection with preparing their report and to establish that

**ST. MARY'S SCHOOL SHAFTESBURY TRUST**  
**(A Company Limited by Guarantee)**

**TRUSTEES' REPORT (continued)**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

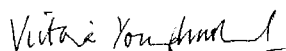
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the Trust's auditor is aware of that information.

**Auditor**

The auditor, Mazars LLP, has indicated its willingness to continue in office. The Designated Governors will propose a motion re-appointing the auditor at a meeting of the Governors.

This report was approved by the Trustees, on and signed on their behalf by:



14 June 2019  
**Miss V Younghusband, Chair**

14 June 2019  
**Date**

# **ST. MARY'S SCHOOL SHAFTESBURY TRUST**

## **(A Company Limited by Guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. MARY'S SCHOOL SHAFTESBURY TRUST**

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#### **Opinion**

We have audited the financial statements of St. Mary's School Shaftesbury Trust (the 'parent charity') and its subsidiary for the year ended 31 August 2018 which comprise the consolidated statement of financial activities incorporating income and expenditure account, the consolidated balance sheet, the trust balance sheet, the consolidated 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 trust's affairs as at 31 August 2018 and of the group's 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 trust 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 related to going concern**

We draw attention to note 1.6 in the financial statements, which indicates that the school will need to enroll sufficient students for 2019/20 academic year, control costs and maintain its current funding facilities in order to continue to operate in its current form. As stated in note 1.6, these events or conditions indicate that a material uncertainty exists that may cast significant doubt on the School'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 trustees 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.

# **ST. MARY'S SCHOOL SHAFTESBURY TRUST**

## **(A Company Limited by Guarantee)**

### **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. MARY'S SCHOOL SHAFTESBURY TRUST**

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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.

#### **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' Report 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 within the Trustees' Report has been prepared in accordance with applicable legal requirements.

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

In light of the knowledge and understanding of the group and the trust and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report included within the Trustees' Report.

We have nothing to report in respect of the following matters in relation to which 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.

# ST. MARY'S SCHOOL SHAFTESBURY TRUST (A Company Limited by Guarantee)

## INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF ST. MARY'S SCHOOL SHAFTESBURY TRUST

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### Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the directors 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 directors 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 directors are responsible for assessing the trust'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 directors intend to liquidate the trust 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 [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### Use of the audit report

This report is made solely to the trust'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 trust'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 trust and the company's members as a body for our audit work, for this report, or for the opinions we have formed.



Jonathan Marchant (Senior statutory auditor)

for and on behalf of Mazars LLP

Chartered Accountants and Statutory Auditor

5th Floor  
Merck House  
Seldown Lane  
Poole  
BH15 1TW

Date: 28/6/19

**ST. MARY'S SCHOOL SHAFTESBURY TRUST**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME  
AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

		Endowment funds	Restricted funds	Unrestricted funds	Total funds	Total funds 2017 Restated
	Note	2018 £	2018 £	2018 £	2018 £	Restated £
<b>Income and endowments from:</b>						
Donations and legacies	2	-	-	344	344	750
Charitable activities	4	-	-	4,662,072	4,662,072	5,198,557
Other trading activities		-	-	72,397	72,397	40,420
Investments	3	-	-	34,741	34,741	2,639
<b>Total income and endowments</b>		-	-	4,769,554	4,769,554	5,242,366
<b>Expenditure on:</b>						
Raising funds		-	-	86,535	86,535	38,492
Charitable activities		140,705	-	5,411,397	5,552,102	5,659,812
<b>Total expenditure</b>	6	140,705	-	5,497,932	5,638,637	5,698,304
<b>Net expenditure before taxation</b>		(140,705)	-	(728,378)	(869,083)	(455,938)
Taxation		-	-	-	-	-
<b>Net expenditure before investment gains</b>		(140,705)	-	(728,378)	(869,083)	(455,938)
Net gains on investments	12	2,567	-	-	2,567	35,918
<b>Net expenditure before other recognised gains and losses</b>		(138,138)	-	(728,378)	(866,516)	(420,020)
<b>Net movement in funds</b>		(138,138)	-	(728,378)	(866,516)	(420,020)
<b>Reconciliation of funds:</b>						
Total funds brought forward		662,482	500	4,062,100	4,725,082	5,145,102
<b>Total funds carried forward</b>		524,344	500	3,333,722	3,858,566	4,725,082

The notes on pages 16 to 35 form part of these financial statements.

# ST. MARY'S SCHOOL SHAFTESBURY TRUST

Registered number: 01949068

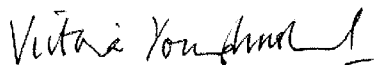
(A Company Limited by Guarantee)

## CONSOLIDATED BALANCE SHEET

AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	11		8,482,221		8,915,573
Investments	12		524,344		662,467
			<u>9,006,565</u>		<u>9,578,040</u>
<b>Current assets</b>					
Debtors	13	106,608		327,853	
Cash at bank and in hand		4,610		142,485	
		<u>111,218</u>		<u>470,338</u>	
<b>Creditors: amounts falling due within one year</b>	14	<u>(2,310,311)</u>		<u>(2,303,611)</u>	
<b>Net current (liabilities)</b>			<u>(2,199,093)</u>		<u>(1,833,273)</u>
<b>Total assets less current liabilities</b>			<u>6,807,472</u>		<u>7,744,767</u>
<b>Creditors: amounts falling due after more than one year</b>	15		<u>(2,948,906)</u>		<u>(3,019,685)</u>
<b>Net assets</b>			<u>3,858,566</u>		<u>4,725,082</u>
<b>Charity Funds</b>					
Endowment funds	17		524,344		662,482
Restricted funds	17		500		500
Unrestricted funds	17		3,333,722		4,062,100
<b>Total funds</b>			<u>3,858,566</u>		<u>4,725,082</u>

The financial statements were approved and authorised for issue by the trustees on 14 June 2019 and signed on their behalf, by:



.....  
**Miss V Younghusband, Chair**

The notes on pages 16 to 35 form part of these financial statements.

# ST. MARY'S SCHOOL SHAFTESBURY TRUST

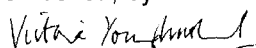
Registered number: 01949068

(A Company Limited by Guarantee)

## TRUST BALANCE SHEET AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
<b>Fixed assets</b>					
Tangible assets	11		8,474,407		8,915,573
Investments	12		524,444		662,567
			<u>8,998,851</u>		<u>9,578,140</u>
<b>Current assets</b>					
Debtors	13	121,126		326,923	
Cash at bank and in hand		1,495		135,944	
		<u>122,621</u>		<u>462,867</u>	
<b>Creditors:</b> amounts falling due within one year	14	(2,303,102)		(2,298,168)	
<b>Net current liabilities</b>			<u>(2,180,481)</u>		<u>(1,835,301)</u>
<b>Total assets less current liabilities</b>			<u>6,818,370</u>		<u>7,742,839</u>
<b>Creditors:</b> amounts falling due after more than one year	15		(2,947,599)		(3,019,685)
<b>Net assets</b>			<u>3,870,771</u>		<u>4,723,154</u>
<b>Charity Funds</b>					
Endowment funds	17		524,344		662,482
Restricted funds	17		500		500
Unrestricted funds	17		3,345,927		4,060,172
<b>Total funds</b>			<u>3,870,771</u>		<u>4,723,154</u>

The financial statements were approved and authorised for issue by the trustees on 14 June 2019 and signed on their behalf, by:



.....  
**Miss V Younghusband, Chair**

The notes on pages 16 to 35 form part of these financial statements.



**ST. MARY'S SCHOOL SHAFTESBURY TRUST**  
**(A Company Limited by Guarantee)**

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	2018 £	2017 £
<b>Cash flows from operating activities</b>			
Net cash provided by operating activities	19	25,133	355,269
<b>Cash flows from investing activities:</b>			
Interest payable		(230,733)	(234,794)
Purchase of tangible fixed assets		(22,255)	(21,940)
Drawdown from endowment fund		140,690	140,690
<b>Net cash used in investing activities</b>		<b>(112,298)</b>	<b>(116,044)</b>
<b>Cash flows from financing activities:</b>			
Repayments of loan borrowings		(147,559)	(141,155)
Repayments of finance leases		(30,193)	(33,941)
<b>Net cash used in financing activities</b>		<b>(177,752)</b>	<b>(175,096)</b>
<b>Change in cash and cash equivalents in the year</b>		<b>(264,917)</b>	<b>64,129</b>
Cash and cash equivalents brought forward		141,023	76,894
<b>Cash and cash equivalents carried forward</b>	<b>20</b>	<b>(123,894)</b>	<b>141,023</b>

The notes on pages 16 to 35 form part of these financial statements.

# **ST. MARY'S SCHOOL SHAFTESBURY TRUST**

## **(A Company Limited by Guarantee)**

### **NOTES TO THE FINANCIAL STATEMENTS** **FOR THE YEAR ENDED 31 AUGUST 2018**

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#### **1. Accounting Policies**

##### **1.1 Basis of preparation of financial statements**

The financial statements have been prepared in accordance with 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) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

St. Mary's School Shaftesbury Trust meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Statement of Financial Activities (SOFA) and Balance Sheet consolidate the financial statements of the Trust and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis. The prior year SOFA has been restated to reclassify income that had previously been net against a related expense. The adjustment ensures consistency with the current year presentation and has no impact on the previously reported net expenditure, the value of the reported funds, or the balance sheet.

No separate SOFA has been presented for the Trust alone as permitted by section 408 of the Companies Act 2006.

##### **1.2 Company status**

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

##### **1.3 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the Trust and which have not been designated for other purposes.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Trust for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

# ST. MARY'S SCHOOL SHAFTESBURY TRUST

## (A Company Limited by Guarantee)

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

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#### 1. Accounting Policies (continued)

##### 1.4 Income

###### Fees and similar income

Fees receivable and charges for services are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions allowed by the School.

###### Other educational income

Other educational income is derived from the provision of optional extra services to the pupils, such as tuition for Music, Speech and Drama, Learning Support, and from charges made for occasional boarding.

##### 1.5 Expenditure

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the Trust.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Trust's educational operations, including support costs and costs relating to the governance of the Trust apportioned to charitable activities.

Expenditure is recognised in the period in which it is incurred. The irrecoverable element of VAT is included within the item of expense to which it relates. Direct charitable expenditure comprise those costs relating to service deliverance in accordance with the School's objectives.

Governance costs are those incurred in connection with administration of the Trust and compliance with constitutional and statutory requirements. These costs include audit, legal advice for governors and the costs associated with meeting constitutional and statutory requirements such as the cost of Governors' meetings and the preparation of statutory accounts.

# ST. MARY'S SCHOOL SHAFTESBURY TRUST

## (A Company Limited by Guarantee)

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

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#### 1. Accounting Policies (continued)

##### 1.6 Going concern

The nature of the School's operations is such that significant cash inflows occur on a termly basis which leads to large variations in the cash available and the overdraft requirements. Whilst the school is asset rich, cash flow management is vital. Alongside cost control and student recruitment, a key element of the Financial Plan depends upon our cash flow remaining within the current overdraft facility. To this end, the Governors have prepared cash flow forecasts to August 2021, which show that the School should remain within its existing overdraft facility throughout that period. These forecasts are regularly reviewed by the board, the Finance and Development Committee and the bank. The Trust's relationship with our bank is strong and our assumption remains that this facility will be renewed and the amount will continue to be available throughout the coming year.

At 31 August 2018 the School had net current liabilities of £2,199,093 (2017: £1,823,973). The School's expenditure exceeded income by £866,516 (2017: expenditure exceeded income by £420,020). As a result, the school has no free reserves.

Key metrics in the Financial Plan revolve around the School reaching its target pupil numbers and addressing specific financial targets. Issues surrounding these challenging but achievable financial targets are addressed in the regular review and analysis of our enterprise risk management process, undertaken at board and Senior Leadership Team level. While the Governors have produced detailed forecasts based on reasonable assumptions and are confident of satisfying the financial targets agreed with the bank, there can be no certainty in this matter. The financial statements do not include any adjustment that would result from the School not being able to meet its liabilities as they fall due.

The Governors are confident that providing the objectives of the Financial Plan continue to be met the School is a going concern, and despite the uncertainties noted above, have considered it appropriate to prepare the accounts on a going concern basis.

##### 1.7 Basis of consolidation

The financial statements consolidate the accounts of St. Mary's School Shaftesbury Trust and all of its subsidiary undertakings ('subsidiaries').

The Trust has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and Expenditure Account.

The income and expenditure account for the year dealt with in the accounts of the Trust was -£705,731 (2017 - £421,949).

##### 1.8 Tangible fixed assets and depreciation

Expenditure on improvements and modernisation which enhances the long-term capability of the school is capitalised and depreciated in line with the policy for freehold buildings. Expenditure on repairs and general maintenance incurred on a regular basis are along with individual items costing less than £2,000, charged to the Statement of Financial Activities as incurred.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account.

# ST. MARY'S SCHOOL SHAFTESBURY TRUST

## (A Company Limited by Guarantee)

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

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#### 1. Accounting Policies (continued)

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold buildings and improvements	-	10 - 50 years reducing balance or straight line
Furniture, fittings and equipment	-	3 or 5 years straight line

Impairment reviews are carried out on a periodic basis. If an asset is found to have a carrying value materially higher than its recoverable amount it is written down accordingly.

#### 1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance Sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Consolidated Statement of Financial Activities incorporating Income and Expenditure Account.

- (i) **Subsidiary undertakings**  
Investments in subsidiaries are valued at cost less provision for impairment.

#### 1.10 Leasing and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the Trust. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of Financial Activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

#### 1.11 Operating leases

Rentals under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

#### 1.12 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the Trust; this is normally upon notification of the interest paid or payable by the Bank.

#### 1.13 Debtors

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

# ST. MARY'S SCHOOL SHAFTESBURY TRUST

## (A Company Limited by Guarantee)

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

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#### 1. Accounting Policies (continued)

##### 1.14 Cash at Bank and in hand

Cash at bank and 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.

##### 1.15 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance Sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the trust anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

##### 1.16 Financial instruments

The Trust 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.

##### 1.17 Pensions

Retirement benefits to employees of the school are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme and the assets are held separately from those of the school.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 21, the TPS is a multi-employer scheme and the school is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The school also operates a defined contribution scheme for non-teaching staff. Contributions are charged in the SOFA as they become payable.

**ST. MARY'S SCHOOL SHAFTESBURY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**1. Accounting Policies (continued)**

**1.18 Changes in accounting presentation**

Comparative figures have been restated to reflect a change in accounting presentation:

- (i) The cost of means tested bursaries and scholarships totalling £40,690 in 2017 have been shown as a deduction against gross school fees. Previously these costs were shown within resources expended through charitable activities.

These presentational changes have had no impact on the net movement in funds reported in the previous year.

These presentation changes have been made to be consistent with presentation adopted by a number of other schools in the independent sector.

**2. Income from donations and legacies**

	<b>Endowment funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Donations	-	-	344	344	750
<b>Total 2017</b>	-	-	750	750	

**3. Investment income**

	<b>Endowment funds 2018 £</b>	<b>Restricted funds 2018 £</b>	<b>Unrestricted funds 2018 £</b>	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
Bank interest	-	-	132	132	46
Other interest	-	-	34,609	34,609	2,593
	-	-	34,741	34,741	2,639
<b>Total 2017</b>	-	-	2,639	2,639	

**ST. MARY'S SCHOOL SHAFTESBURY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**4. Income from charitable activities**

	Endowment funds	Restricted funds	Unrestricted funds	Total funds	Total funds 2017 Restated
	2018 £	2018 £	2018 £	2018 £	Restated £
School fees	-	-	4,662,072	4,662,072	5,198,557
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b>Total 2017 Restated</b>	-	-	5,198,557	5,198,557	
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	

**Analysis of incoming resources from charitable activities**

	2018 £	2017 Restated £
<b>Gross school fees</b>		
Gross school fees	5,394,114	5,367,671
Means tested bursaries and scholarships	(631,285)	(304,906)
Non means tested scholarships	(349,575)	(137,703)
Other discounts	(204,781)	(124,190)
	<u>          </u>	<u>          </u>
Fee income	4,208,473	4,800,872
Other educational income	453,599	397,685
	<u>          </u>	<u>          </u>
<b>Total</b>	4,662,072	5,198,557
	<u>          </u>	<u>          </u>



**ST. MARY'S SCHOOL SHAFTESBURY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**5. Analysis of expenditure on charitable activities**

	Endowment funds	Restricted funds	Unrestricted funds	Total funds	Total funds 2017 Restated
	2018 £	2018 £	2018 £	2018 £	Restated £
Education	140,705	-	4,922,864	5,063,569	5,160,530
Support costs of schooling	-	-	467,516	467,516	480,192
	<u>140,705</u>	<u>-</u>	<u>5,390,380</u>	<u>5,531,085</u>	<u>5,640,722</u>
<b>Total 2017 Restated</b>	<u>-</u>	<u>-</u>	<u>5,640,723</u>	<u>5,640,723</u>	

**6. Analysis of Expenditure by expenditure type**

	Staff costs	Depreciation	Other costs	Total	Total 2017 Restated
	2018 £	2018 £	2018 £	2018 £	Restated £
Expenditure on fundraising trading	50,951	502	35,082	86,535	38,492
<b>Costs of raising funds</b>	<u>50,951</u>	<u>502</u>	<u>35,082</u>	<u>86,535</u>	<u>38,492</u>
Education	3,016,891	-	2,046,678	5,063,569	5,160,530
Support costs of schooling	-	467,516	-	467,516	480,192
<b>Charitable activities</b>	<u>3,016,891</u>	<u>467,516</u>	<u>2,046,678</u>	<u>5,531,085</u>	<u>5,640,722</u>
<b>Expenditure on governance</b>	<u>-</u>	<u>-</u>	<u>21,017</u>	<u>21,017</u>	<u>19,090</u>
	<u>3,067,842</u>	<u>468,018</u>	<u>2,102,777</u>	<u>5,638,637</u>	<u>5,698,304</u>
<b>Total 2017 Restated</b>	<u>3,550,687</u>	<u>480,192</u>	<u>1,667,425</u>	<u>5,698,304</u>	

**ST. MARY'S SCHOOL SHAFTESBURY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**7. Governance costs**

	Endowment funds 2018 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Auditor's remuneration	-	-	21,017	21,017	16,680
Professional fees	-	-	-	-	2,410
	<u>-</u>	<u>-</u>	<u>21,017</u>	<u>21,017</u>	<u>19,090</u>
	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>21,017</u></u>	<u><u>21,017</u></u>	<u><u>19,090</u></u>

**8. Net income/(expenditure)**

This is stated after charging:

	2018 £	2017 £
Depreciation of tangible fixed assets:		
- owned by the charitable group	440,375	438,771
- held under finance leases	27,639	41,421
Auditors' remuneration - audit	21,017	16,680
Auditors' remuneration - other services	-	2,410
Operating lease rentals	17,182	19,523
	<u><u>440,375</u></u>	<u><u>438,771</u></u>

# ST. MARY'S SCHOOL SHAFTESBURY TRUST

## (A Company Limited by Guarantee)

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

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#### 9. Staff costs

Staff costs were as follows:

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Wages and salaries	2,568,347	2,976,971
Social security costs	218,775	251,447
Other pension costs	280,720	322,269
	<u>3,067,842</u>	<u>3,550,687</u>

The charity made ex-gratia payments in the year totalling £32,760 (2017: £42,022) as part of redundancy payments made to staff members.

The average number of persons employed by the trust during the year was as follows:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
Teaching and pastoral	133	141
Administration	11	13
Maintenance and domestic	21	54
	<u>165</u>	<u>208</u>

The number of higher paid employees was:

	<b>2018</b>	<b>2017</b>
	<b>No.</b>	<b>No.</b>
In the band £60,001 - £70,000	1	1
In the band £80,001 - £90,000	0	1

The key management personnel of the charity comprise the Head Mistress, Deputy Head Teacher, Director of Studies, Director of Mission and Ethos, Head of Boarding and the Bursar. The total employee benefits for these personnel were £328,130 (2017: £427,305). The Trustees receive no remuneration.

#### 10. Taxation

The company is registered as a charity and there is no liability to taxation on its charitable activities.

**ST. MARY'S SCHOOL SHAFTESBURY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**11. Tangible fixed assets**

<b>Group</b>	<b>Freehold buildings and improvement £</b>	<b>Furniture, fittings and equipment £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 September 2017	15,206,165	2,273,419	17,479,584
Additions	-	34,662	34,662
At 31 August 2018	<u>15,206,165</u>	<u>2,308,081</u>	<u>17,514,246</u>
<b>Depreciation</b>			
At 1 September 2017	6,407,356	2,156,655	8,564,011
Charge for the year	403,033	64,981	468,014
At 31 August 2018	<u>6,810,389</u>	<u>2,221,636</u>	<u>9,032,025</u>
<b>Net book value</b>			
At 31 August 2018	<u>8,395,776</u>	<u>86,445</u>	<u>8,482,221</u>
At 31 August 2017	<u>8,798,809</u>	<u>116,764</u>	<u>8,915,573</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

<b>Group</b>	<b>2018 £</b>	<b>2017 £</b>
Freehold buildings and improvements	1,844,543	1,967,513
Furniture, fittings and equipment	48,163	63,426
	<u>1,892,706</u>	<u>2,030,939</u>

**ST. MARY'S SCHOOL SHAFTESBURY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

<b>Trust</b>	<b>Freehold property £</b>	<b>Fixtures &amp; fittings £</b>	<b>Total £</b>
<b>Cost</b>			
At 1 September 2017	15,206,165	2,273,419	17,479,584
Additions	-	26,346	26,346
At 31 August 2018	<u>15,206,165</u>	<u>2,299,765</u>	<u>17,505,930</u>
<b>Depreciation</b>			
At 1 September 2017	6,407,356	2,156,655	8,564,011
Charge for the year	403,033	64,479	467,512
At 31 August 2018	<u>6,810,389</u>	<u>2,221,134</u>	<u>9,031,523</u>
<b>Net book value</b>			
At 31 August 2018	<u>8,395,776</u>	<u>78,631</u>	<u>8,474,407</u>
At 31 August 2017	<u>8,798,809</u>	<u>116,764</u>	<u>8,915,573</u>

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

<b>Trust</b>	<b>2018 £</b>	<b>2017 £</b>
Land and buildings	1,844,543	1,967,513
Furniture, fittings and equipment	48,163	63,426
	<u>1,892,706</u>	<u>2,030,939</u>

**12. Fixed asset investments**

<b>Group</b>	<b>Investment fund £</b>
<b>Market value</b>	
At 1 September 2017	662,467
Bursaries paid during year	(140,690)
Revaluations	2,567
At 31 August 2018	<u>524,344</u>

**ST. MARY'S SCHOOL SHAFTESBURY TRUST**  
**(A Company Limited by Guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**12. Fixed asset investments (continued)**

<b>Trust</b>	<b>Listed securities</b>	<b>Unlisted securities</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Market value</b>			
At 1 September 2017	662,467	100	662,567
Bursaries paid during year	(140,690)	-	(140,690)
Revaluations	2,567	-	2,567
	<u>662,467</u>	<u>100</u>	<u>662,567</u>
At 31 August 2018	<u>524,344</u>	<u>100</u>	<u>524,444</u>

**13. Debtors**

	<b>Group</b>		<b>Trust</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Trade debtors	52,184	279,854	51,885	276,488
Amounts owed by group undertakings	-	-	14,996	2,822
Other debtors	10,247	3,049	10,247	3,049
Prepayments and accrued income	44,177	44,950	43,998	44,564
	<u>106,608</u>	<u>327,853</u>	<u>121,126</u>	<u>326,923</u>

**ST. MARY'S SCHOOL SHAFTESBURY TRUST**  
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**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2018**

**14. Creditors: Amounts falling due within one year**

	<b>Group</b>		<b>Trust</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans and overdrafts	283,867	149,365	283,867	149,365
Payments received on account	600,487	726,091	600,487	726,091
Net obligations under finance leases and hire purchase contracts	205,275	307,302	204,997	307,302
Trade creditors	49,296	46,297	48,983	46,297
Corporation tax	-	470	-	-
Other taxation and social security	91,463	102,291	91,463	102,291
Other creditors	898,054	759,256	898,053	759,256
Accruals and deferred income	181,869	212,539	175,252	207,566
	<b>2,310,311</b>	<b>2,303,611</b>	<b>2,303,102</b>	<b>2,298,168</b>

**15. Creditors: Amounts falling due after more than one year**

	<b>Group</b>		<b>Trust</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loans	687,097	842,116	687,097	842,116
Net obligations under finance leases and hire purchase contracts	2,261,809	2,177,569	2,260,502	2,177,569
	<b>2,948,906</b>	<b>3,019,685</b>	<b>2,947,599</b>	<b>3,019,685</b>

Included within the above are amounts falling due as follows:

	<b>Group</b>		<b>Trust</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Between one and two years</b>				
Bank loans	152,103	155,047	152,103	155,047
<b>Between two and five years</b>				
Bank loans	531,520	509,385	531,520	509,385
<b>Over five years</b>				
Bank loans	3,473	177,684	3,473	177,684

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**15. Creditors: Amounts falling due after more than one year (continued)**

Creditors include amounts not wholly repayable within 5 years as follows:

	<b>Group</b>		<b>Trust</b>	
	<b>2018</b>	<b>2017 restated</b>	<b>2018</b>	<b>2017 restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Repayable by instalments	1,360,423	1,591,358	1,360,423	1,591,358

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	<b>Group</b>		<b>Trust</b>	
	<b>2018</b>	<b>2017 restated</b>	<b>2018</b>	<b>2017 restated</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Between one and five years	904,859	763,895	903,552	763,895
After five years	1,356,950	1,413,674	1,356,950	1,413,674
	2,261,809	2,177,569	2,260,502	2,177,569

The bank overdraft and loan is secured by a first legal charge over the commercial freehold property known as St Mary's School dated 10 December 1990 and a debenture dated 16 June 2012.

Obligations under finance leases are secured on the fixed assets to which they relate.

**Summary of funds**

**16. Summary of funds - current year**

	<b>Balance at</b>			<b>Gains/</b>	<b>Balance at</b>
	<b>1</b>	<b>Income</b>	<b>Expenditure</b>	<b>(Losses)</b>	<b>31 August</b>
	<b>September</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>2018</b>
	<b>2017</b>				<b>£</b>
	<b>£</b>				
General funds	4,062,100	4,769,554	(5,497,932)	-	3,333,722
Endowment funds	662,482	-	(140,705)	2,567	524,344
Restricted funds	500	-	-	-	500
	4,725,082	4,769,554	(5,638,637)	2,567	3,858,566



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**16. Summary of funds (continued)**

**17. Summary of funds - prior year**

	Balance at 1 September 2016 £	Income £	Expenditure £	Gains/ (Losses) £	Balance at 31 August 2017 £
General funds	4,377,349	5,283,056	(5,598,305)	-	4,062,100
Endowment funds	767,254	-	(140,690)	35,918	662,482
Restricted funds	500	-	-	-	500
	<u>5,145,103</u>	<u>5,283,056</u>	<u>(5,738,995)</u>	<u>35,918</u>	<u>4,725,082</u>

**18. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

	Endowment funds 2018 £	Restricted funds 2018 £	Unrestricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	-	-	8,482,221	8,482,221
Fixed asset investments	524,344	-	-	524,344
Current assets	-	500	110,718	111,218
Creditors due within one year	-	-	(2,310,311)	(2,310,311)
Creditors due in more than one year	-	-	(2,948,906)	(2,948,906)
	<u>524,344</u>	<u>500</u>	<u>3,333,722</u>	<u>3,858,566</u>

**Analysis of net assets between funds - prior year**

	Endowment funds 2017 Restated £	Restricted funds 2017 Restated £	Unrestricted funds 2017 Restated £	Total funds 2017 Restated £
Tangible fixed assets	-	-	8,915,574	8,915,574
Fixed asset investments	662,482	-	(15)	662,467
Current assets	-	500	469,838	470,338
Creditors due within one year	-	-	(2,303,612)	(2,303,612)
Creditors due in more than one year	-	-	(3,019,685)	(3,019,685)
	<u>662,482</u>	<u>500</u>	<u>4,062,100</u>	<u>4,725,082</u>

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**19. Reconciliation of net movement in funds to net cash flow from operating activities**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Net expenditure for the year (as per Statement of Financial Activities)	(866,516)	(420,020)
<b>Adjustment for:</b>		
Depreciation charges	468,015	480,192
Gains on investment revaluation	(2,567)	(35,918)
Interest payable	230,733	234,794
Decrease/(Increase) in debtors	221,245	41,547
(Decrease)/increase in creditors	(25,307)	54,674
Tax paid	(470)	-
<b>Net cash provided by operating activities</b>	<b>25,133</b>	<b>355,269</b>

**20. Analysis of cash and cash equivalents**

	<b>Group</b>	
	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Cash in hand	4,610	142,485
Overdraft facility repayable on demand	(128,504)	(1,462)
<b>Total</b>	<b>(123,894)</b>	<b>141,023</b>

**21. Pension commitments**

The company operates a defined contribution pension scheme for non-teaching staff. The assets of the scheme are held separately from those of the company in an independently administered fund. The pension cost charge represents contributions payable by the trust to the fund and amounted to £71,526 (2017: £85,990). Contributions totalling £9,366 (2017: £10,114) were payable to the fund at the balance sheet date and are included in creditors.

**Introduction**

The Teachers' Pension Scheme ("TPS") is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pensions Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

**The Teachers' Pension Budgeting and Valuation Account**

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in

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

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#### 21. Pension commitments (continued)

the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.0%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

#### Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary ("GA"), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate ("SCR") is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2004 - 31 March 2012. The GA's report of June 2014 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £191.5 billion. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £176.6 billion. The assumed rate of return is 3.0% in excess of prices. The rate of real earnings growth is assumed to be 2.75%. The assumed gross rate of return is 5.06%.

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

#### Scheme Changes

From 1 September 2015, the employer contribution rate was increased to 16.4%. From 1 September 2019 the employer contribution rate will be increased to 23.68%. This has been taken into account in the forecast.

From 1 April 2015, the TPS is being reformed, with a different benefit structure for a number of members. These changes have been allowed for in the contribution rate set out above.

Under the definitions set out in Financial Reporting Standard (FRS 102 Section 28) Retirement Benefits, the TPS is a multi-employer pension scheme. The school is unable to identify its share of the underlying assets and liabilities of the scheme. Accordingly, the school has taken advantage of the exemption in FRS

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

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#### 21. Pension commitments (continued)

17 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The school has set out above the information available on the scheme.

Contributions totaling £208,200 (2017: £236,279) were paid into the scheme during the year. Contribution amounts outstanding as at 31 August 2018 and included in social security and other taxation payable creditors is £27,317 (2016: £29,630).

#### 22. Operating lease commitments

At 31 August 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

<b>Group</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Amounts payable:</b>		
Within 1 year	23,102	24,769
Between 1 and 5 years	50,683	3,248
	<u>73,785</u>	<u>28,017</u>

At 31 August 2018 the trust had annual commitments under non-cancellable operating leases as follows:

<b>Trust</b>		
<b>Amounts payable:</b>		
Within 1 year	22,859	24,769
Between 1 and 5 years	50,582	3,248
	<u>73,441</u>	<u>28,017</u>

#### 23. Related party transactions

No governor or closely connected person received, in their position as governor, trustee and director, emoluments from the charity. During the year 2 (2017: 3) trustees had expenses reimbursed totalling £974 (2017: £497).

#### 24. Controlling party

Throughout the year the trust has been under the control of the governors, a list of whom is disclosed in the trustees' report.

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**25. Principal subsidiaries**

**Coombe House Limited**

Subsidiary name	Coombe House Limited
Company registration number	02467010
Basis of control	
Equity shareholding %	100%
Total assets as at 31 August 2018	£ 11,307
Total liabilities as at 31 August 2018	£ (23,411)
Total equity as at 31 August 2018	£ (12,104)
Turnover for the year ended 31 August 2018	£ 72,397
Expenditure for the year ended 31 August 2018	£ (86,535)
Loss for the year ended 31 August 2018	£ (14,133)