

**THE WELLINGTON COLLEGE
ACCOUNTS AND REPORTS
FOR THE YEAR ENDED 31 JULY 2019**

THE WELLINGTON COLLEGE

GOVERNORS, OFFICERS AND ADVISERS

PRESIDENT

H.R.H. THE DUKE OF KENT
KG, GCMG, GCVO, ADC

PATRON

The Lord Archbishop of Canterbury

GOVERNORS AND CHARITY TRUSTEES

The Wellington College Governors are the charity trustees of The Wellington College ("The Charity"). They all served in office throughout the year except where indicated. The list includes any subsequent changes prior to the date of signing these financial statements. No Governor receives any remuneration or benefit from the charity.

P G C Mallinson BSc, MBA ^{1 3 4 7} Vice-President and Chairman

ex officio: The Duke of Wellington MA (Oxon), OBE, DL ⁴

Professor P J A Frankopan MA (Cantab), DPhil (Oxon), FRSA ^{2 4}

R Perrins BSc, FCA ^{1 6}

H Veary BA, FCA ^{1 5 6}

The Rt .Hon the Lord Strathclyde CH, PC, BA ³

E Chaplin BA, MA, CMG, OBE ^{1 3}

R Dennis CBE

D Ritchie FCA ^{5 6 7}

N Howard-Jones ^{3 6} (Resigned March 2019)

F A Kirk LLB ^{1 5 6}

V Rhodes BA, NPQH ²

G Galceran Ball ⁴

J A Cloughton MA (Oxon) ² (Resigned March 2019)

W Jackson MA (Oxon) ¹

H Stevenson MA ⁴

J May BA ⁷

M Milliken-Smith QC³ (Appointed December 2018)

¹Executive & Finance Committee

²Academic Committee

³Old Wellingtonian

⁷Investment Committee

⁴Nominations

⁵Eagle House Council

⁶Risk & Audit Committee

In addition to those marked above, the Eagle House Council is composed of A Brown, C Henderson, P Hucklesby, M Rickards, S Robinson, and J Dahl.

THE WELLINGTON COLLEGE

GOVERNORS, OFFICERS AND ADVISERS (CONTINUED)

The day to day running of the schools is delegated to the Master, the Headmaster, Bursars and Senior Management Teams.

Key Management Personnel

The Master	J E L Dahl MA
Eagle House Headmaster	A P N Barnard BA
Group Finance and Operations Director, Bursar and Clerk to the Governors	S J Crouch MA (Oxon)
Second Master	C Henderson BA (Oxon)
Deputy Academic	M J Oakman BA (Oxon)
Deputy Pastoral	D Walker
Deputy Safeguarding	D Lynch
Deputy Partnerships	I Henderson BA (Oxon)
Deputy Communications	R McColl
Deputy Performance and Development	K E Granville-Chapman BA, MSc
Director of Admissions	E Venables
Director of Development	M S Lindo BA,MA,MSc

Addresses

Wellington College Duke's Ride Crowthorne Berkshire RG45 7PU	Eagle House School Sandhurst Berkshire GU47 8PH
Wellington Academy Trust Ludgershall Road Tidworth Wiltshire SP11 9RR	

Websites

www.wellingtoncollege.org.uk
www.eaglehouseschool.com
www.thewellingtonacademy.org.uk

Bankers

Allied Irish Bank (GB)
26 Finsbury Square
London
EC2A 1DS

Solicitors

Farrer and Co LLP
66 Lincoln's Inn Fields
London
WC2A 3LH

Auditor

Crowe UK LLP
Aquis House
49-51 Blagrove St
Reading
Berks
RG1 1PL

Investment Advisers

Partners Capital
5, Young Street
London
W8 5EH

THE WELLINGTON COLLEGE
GOVERNOR'S REPORT
FOR THE YEAR ENDED 31 JULY 2019

The Governors of Wellington College present their annual report for the year ended 31 July 2019 under the Charities Act 2011, together with the audited accounts for the year.

The Wellington College (TWC) has the power under its sponsorship agreement with the Wellington College Academy Trust (WCAT) (Company number 06457394) to appoint the governors of that body. As a consequence it is considered, under FRS 102, to have control of WCAT and therefore the financial results of WCAT have to be included in the accounts of TWC, though the assets of WCAT are not available to TWC and TWC is not responsible for the liabilities of WCAT.

The following definitions have been adopted in these accounts:

Combined: WCAT and Consolidated Charity (defined below) combined
Consolidated Charity: TWC and its trading subsidiaries (the reporting entity of previous years)
Schools: the school operations of TWC and the College Trusts relating to them

Since the direct governance of WCAT and the operation of that entity is the responsibility of its own governors, the detailed reporting of those matters has not been incorporated onto the Governors' Report set out below.

WCAT's year end date is 31st August, however the results would not have been materially different had they been prepared to 31st July.

REFERENCE AND ADMINISTRATIVE INFORMATION

Wellington College is an independent co-educational boarding and day school providing education to boys and girls between the ages of 13 and 18 and, through Eagle House School, for children between the ages of 3 and 13 years. It was founded by a Royal Charter dated 13 December 1853 as a memorial to the 1st Duke of Wellington and is registered with the Charity Commission under charity number 309093.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The 1853 Charter was followed by four supplementary Charters. On 27 January 2006 the College was granted a new Royal Charter consolidating these previous Charters. On 12 March 2008 a further amendment to the Charter was granted which permits the advancement of education internationally as well as nationally and the support, provision or assistance in the provision of other educational establishments or initiatives. On 11 May 2011 a further amendment to the Charter was granted removing the age restriction for Governors. On June 17 2014 an amendment to the Charter was approved which appoints the Duke of Wellington as an ex-officio Governor of the College.

Governing Bodies

The 2006 Charter vests the government and control of the charity in the Governing Body whose members, of whom there shall be a minimum of 15, are elected by that Body subject to the approval of the Sovereign. Members may serve up to two consecutive terms of five years. The Governing Body has delegated the running of Eagle House to a separate Council chaired by a Governor, currently Howard Veary.

Recruitment and Training of Governors

A Nominations Committee meets as necessary to plan the future membership of the Governing Body in the light of likely retirements and the need for a range of skills and experience. It identifies suitable candidates and recommends them for consideration by Governors who decide on names to be submitted for The Queen's consent. When this has been given, candidates are then formally elected by the Governors.

THE WELLINGTON COLLEGE

GOVERNOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

Recruitment and Training of Governors (continued)

New members of the Governing Body receive, shortly after appointment, a full induction at Wellington College appropriate to their particular professional qualification or area of expertise. They are also encouraged to attend one of the seminars for new Governors offered by the Association of Governing Bodies for Independent Schools (AGBIS). All Governors are given the opportunity to attend externally provided seminars and courses on the role and responsibilities of Governors and Trustees. They are encouraged to visit the College and Eagle House on a regular basis, with visits to departments and Houses.

Organisational Management

The Governors of Wellington College meet at least three times a year. The work of preparing and implementing most of their policies is carried out by the members of the Executive and Finance Committee (E&FC), who meet two weeks before each meeting of the full Wellington College Board and at any other time as required.

The other principal committees, apart from the Eagle House Council, are:

- i) The Investment Committee
- ii) Nominations Committee
- iii) The Academic Committee
- iv) The Risk, Audit and Trustee Committee

Various governors take on a leading role in linking to various areas of College activities such as Health & Safety, Buildings and Estates and Heritage. Felicity Kirk was the designated Governor for Child Protection for both Wellington College and Eagle House School during the year.

The Eagle House Council meets at least three times a year. The work of preparing and implementing most of their policies is carried out by its Finance Committee and its Academic Committee who meet two weeks before each meeting of the full Eagle House Council, under the chairmanship of Howard Veary.

The Governors appoint the Master of the College who is charged with its entire administration with the assistance of the Bursar, who is also appointed by the Governors, and his Senior Management Team. The Bursar is charged with the administration of the Charity. The Master and Bursar attend all meetings of the Governing Board and most committee meetings. The Bursar is also Clerk to the Governors. The remuneration of the Master and the Bursar is set by the Governors on appointment, and reviewed annually as a result of the outcomes of the performance appraisal system. The remuneration of other key management personnel is set as part of the annual budgeting process and takes into account the performance of each person against their appraisal targets.

The selection of the Headmaster of Eagle House School is made by the Eagle House Council with the appointment ratified by Wellington Governors. The Headmaster of Eagle House is charged with the day-to-day administration of Eagle House with the help of the Bursar of Eagle House who is also appointed by the Eagle House Council.

The two trading subsidiaries of the charity, Wellington College Enterprises Limited and Wellington College International Limited each have their own board of directors. In each case the directors of the companies include Governors and members of the senior management team of the Charity and the activities of the companies are reported to the Executive and Finance Committee at each of its meetings.

Group Structure and Relationships

The Charity has a wholly owned non-charitable subsidiary, Wellington College Enterprises Limited, whose business activities include construction and the provision of leisure and retail services. Profits are gift aided to the College's Trust Funds specifically to fund bursary awards. In 2019 profits amounted to £256k (2018 £888k).

THE WELLINGTON COLLEGE

GOVERNOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

Group Structure and Relationships (continued)

The Charity has a wholly owned non-charitable subsidiary, Wellington College International Limited which operates in the furtherance of the College's developments overseas. Profits are gift aided to the College's Trust Funds. In 2019 this amounted to £2,438k (2018 £1,405k).

The Wellington College Limited is a dormant company, formed to protect the name of the College. Wellington College International (India) Limited and Wellington College International (Russia) Limited were formed to investigate international development opportunities in the respective territories named. They did not trade in the year and are dormant.

The Charity is the sponsor of the Wellington College Academy Trust, which comprises a secondary school and a primary school, as part of its own charitable objectives. Since the College has the ability to appoint the governors the results of WCAT have been consolidated in these accounts even though the assets of WCAT and its liabilities are not the responsibility of the College.

Trust Funds

The College operates four trust funds which provide scholarships and bursaries to the College and a fifth which invests any proceeds from advanced fee payments. The investment of these funds was managed by Partners Capital in 2018-19 (see Note 15) and the performance of the funds is overseen by the Investment Committee.

The Heritage Fund was established in 1992 by the Governors out of the proceeds from the sale of some capital assets of the College and a donation from an Old Wellingtonian. It is used for the permanent enhancement of the College and for bursaries. The fund may be supplemented at the Governors' discretion with the proceeds from the sale of any other College capital assets or through donated gifts.

The Fisher Endowment was instituted in 1978 in memory of a former Master, to provide for bursaries and scholarships.

The Combined Trust Funds consist of a number of individual trust and prize funds set up by individual donors for scholarships, prizes and bursaries and also include the Foundation Capital which represents the original endowment to provide education to children of deceased commissioned service officers under the terms of the Royal Charter of 1853, as subsequently amended in 1855, 1952, 1960, 2006, 2008, 2011 and 2014. This fund is also used to invest money raised for College Development projects which is not immediately required for expenditure.

The Prince Albert Foundation has been set up to receive donations directed at the provision of life changing bursaries for pupils who would not otherwise be able to attend the College.

Risk Management

The Governors of Wellington College are responsible for the management of risks faced by the Charity. Detailed consideration of risk is delegated to the Risk, Audit and Trustee Committee, who are assisted by the Bursars and the Senior Management Teams. Risks are identified, assessed and controls established throughout the year. A formal review of the Charity's risk management processes is undertaken on an annual basis.

There are three principal areas of risk which have been defined as having the potential to affect the operations of the charity.

- Threats impacting on the wellbeing of pupils. These encompass the risk of physical or mental harm arising from the actions of staff, other pupils or persons external to the organisation
- Threats which impact on the public perception of the College and therefore the desirability of pupil places in our schools. These may include the threats above but also matters such as examination performance or other matters which affect the relative popularity of the College against our competitors

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GOVERNOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019**

Risk Management (continued)

- Threats to the independent school sector as a whole. These may include changes to taxation of charities or taxation matters affecting College staff such as alterations to the taxation of accommodation or fee remission

These threats are individually reviewed and linked to specific policies and actions which may mitigate the risks arising from them. The action plans are also reviewed to ensure that action is being taken.

The key controls used by the Charity include:

- Formal agendas, minutes and terms of reference for all Committee and Board activity
- Comprehensive strategic planning, budgeting, cash flow forecasting, management accounting and forecasting
- Established organisational structures and lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Comprehensive risk assessment programmes
- Vetting procedures as required by law for the protection of the vulnerable.

Through the risk management processes established for the schools, the Wellington College Governors are satisfied that the major risks identified have been mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Object and aims

The Object for which the College is established and incorporated, is the advancement of education (whether nationally or internationally) for the public benefit by:

- the provision of the College for the benefit of the Foundationers and others and, in so providing, preference shall be given to the Foundationers: and
- supporting, providing or assisting in the provision of other educational establishments or initiatives; and/or such other means as the Governors shall, in their absolute discretion, determine.

Public Benefit – Aims and Intended Impact

In meeting this Object, Wellington College aims to provide a world class education, both through strong academic tuition and through holistic education, so as to develop every pupil to his or her greatest potential. This builds self reliance and inculcates a desire for and understanding of Service, thereby benefiting the wider community

In the furtherance of these aims, the Governors of Wellington College, as the charity trustees, have complied with the duty in 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

In order to ensure that the benefits of the charity may be spread as widely as possible, the College makes awards of scholarships and bursaries from the College trust funds as described above. It also makes significant awards from its unrestricted income. The details of this are set out in the section on grant making policy below.

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GOVERNOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019**

Charitable Objectives

Wellington College has a strong focus on its charitable objectives. These activities and Wellington's future plans in this area are based on the following principles:

1. The school is committed to broadening its intake to include children of families who could not otherwise afford an independent education through an enhanced bursaries programme and to exploring alternatives to bursaries where appropriate, including its sponsorship of WCAT, teaching schools initiative and independent state school partnership activities.
2. The school will always strive to maximise the value it obtains when deploying its charitable funds and assets.
3. Wellington recognises that an essential component in facilitating fund raising is that the school itself must offer the highest standard of education. It is this excellence that is a key factor in attracting donors. This requires that the school is:
 - a) run on a sound long term financial basis
 - b) able to compete with other similar schools including being able to attract the most talented pupils in order to maintain its all round excellence
 - c) able to attract and retain talented staff.

Initiatives in Support of the Charitable Objectives and Public Benefit

The close relationship with the Wellington Academy has continued during the past year, and members of teaching staff give advice and support to, and share resources with, their counterparts at the Academy. This has included:

- Coaching courses for selected staff
- Individual coaching for selected staff
- Individual mentoring for selected staff
- Peer Coaching Programme for Yr 12 to Yr 10 (Coachbright)
- Marketing and Social Media Training for staff
- Careers and university entrance support for academy pupils
- Teaching support in particular subjects including science
- Bespoke GCSE and A Level revision courses for students
- Oxbridge, Medicine and Russell Group University advice and individual help for students
- Yr 12 Chemistry teaching
- Joint CPD for staff
- Access to the entire Wellington ISSP Programme
- 6 places annually on Wheeler Programme
- Specialist Governors in teaching and learning for the Local Governing Bodies, including a new chair of the Academy LGB.

The long-standing programme of other educational outreach initiatives has continued to grow in the course of the year. The College has developed and expanded its partnership with a number of local state schools to continue a programme of activities similar to that which was previously provided by central government funding for the Independent State School Partnership programme. Participation increased from 1600 students in 2017-18 to over 1900 in 2018-19. For 2019-20 the College has doubled its funding for this important initiative in order to expand further and provide more opportunities for more students and more schools. The College has also maintained its Confucius classroom status which brings government funding to take Mandarin teaching into local primary schools. The Wheeler

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Initiatives in Support of the Charitable Objectives and Public Benefit (continued)

programme, which has now had 3 successful years, represents a considerable expansion to the current partnership and access initiatives of the College. It is a transformative 5 year experience for 20 students per year, working in conjunction with each student's own school and family to support their development with the added input from Wellington. Each year, there are 3 study days, individual support and a residential experience. Currently 60 pupils benefit from this programme, and this will rise to 80 pupils in 2019-20 and 100 pupils in 2020-21.

Pupils from local schools have attended various lectures, talks and seminars, as well as the annual University Fair. The Master's Lecture programme continues to provide a wide selection of speakers. It is attended by parents, former parents and members of the local community, as well as staff and pupils. Similarly, a lecture series entitled "Teenagers Translated" was well attended by parents at the local schools to which it was offered. The Teaching School Partnership offered a 6 week course in Mindfulness for free to local teachers. Some senior leaders and Heads at some local schools received coaching from Wellington coaches.

Wellington College continues to value the role of the Crowthorne Trust within the local community. The Crowthorne Trust provides educational grants to young people living in the locality of Crowthorne, to help them to pursue some project, usually overseas, that they would not otherwise be able to do. The trustees of this charity are predominantly employees of Wellington College and its meetings are held at the College.

A programme of meetings with Bracknell Forest Council and councillors representing local wards continues and has continued to explore ways in which the College can engage yet more actively with its local community.

Both the College and Eagle House continue to provide extensive facilities and assistance within their local communities. The Bracknell Forest Kwik Cricket festival, local orchestras, school prize givings, sports matches and other events are hosted at College and in the grounds. A number of Berkshire Youth teams, particularly hockey and rugby, train at Wellington. The College also provides secure parking for minibuses which belong to a number of local charities. External access to the historic archives of the College for general academic research is being developed.

Through the Wellington Walkers Club the College is able to provide access to large parts of the estate and we were pleased to provide guided tours of the College & grounds as fundraising opportunities for a number of local charities. The annual Fireworks & Bonfire Spectacular is open to the local community; it was very well attended this year and raised funds for local causes.

This year, the College is currently providing temporary accommodation (June to October 2019) for Crowthorne Old Age to Teen Society (COATS) whilst their day centre is being refurbished. This includes a daily lunch being provided by the College Catering Dept. Royal Berkshire Fire and Rescue Service have also relocated to the College during the ongoing redevelopment of the Crowthorne Community Fire Station. This is for a period of twelve months – through to summer 2020 when the new tri-service station will be opened.

The Ark Pre-School will also temporarily relocate to the College whilst their current home, the Crowthorne Baptist Church, is being redevelopment. Their stay will last two full terms and will begin in January 2020.

THE WELLINGTON COLLEGE

GOVERNOR'S REPORT (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

Principal activities of the year

The Charity's main activity has been to provide education to boys and girls from the ages of 3 to 18 in its two schools, Eagle House School and Wellington College. It also runs educational conferences and courses, has continued to be an active sponsor of the Wellington Academy, and through its subsidiary, Wellington College Enterprises Ltd, runs a Sports Club and associated activities, which are open to members of the public. Individual trading subsidiaries manage the development of overseas schools in each territory of operation.

This year, Wellington College averaged 1034 (2018:1037) pupils of whom approximately 82% were boarders and 18% were day pupils and 39% were girls. The continued high number of visitors attending Visitors' Mornings, together with the level of registrations and interest in the school, provide confidence that the school will continue to operate at high numbers for the foreseeable future.

At Eagle House School the number of pupils through the year averaged 384 (2018: 380) of whom 32 were boarders and 43% were girls. A further 80 pupils took advantage of flexi-boarding in the year.

Both schools welcome children from all backgrounds, regardless of race, creed or religion. Criteria for admissions can be obtained direct from the schools or their websites.

Achievements in the Year

The total number of pupils at the College remains high: admission into academic year 2019/20 is 1062 pupils at Wellington College and 382 at Eagle House.

The busy timetable in music, drama and sports continued to enrich the life of those inside and outside Wellington.

Specific achievements against the Charitable Objectives include:

- Fundraising to bring children from more varied backgrounds to Wellington has developed further in the year. In the course of the year £1.1m of donations were received.
- Interaction with the Academies continued to be fostered by a programme of joint teaching and learning, as well as arts and sports activities.
- The tenth Festival of Education was held at the College and attracted a very wide range of visitors and speakers from across the education sector and over 4,000 attendees.
- A new Performing Arts Centre was completed and opened in Autumn 2018.
- A conference programme on a range of education topics attracted the highest calibre of speakers and delegates from the state and independent sectors.
- Sound financial performance enabled the College to repay existing bank debt and the successful raising of a 40 year £30m private placement.
- Continuing to strengthen the College's resilience by increasing the demand for places in every category. Over 4 candidates pre-test for every place at Year 9 entry, with greater competition for sixth form entry.
- The College continues to attract excellent staff at newly qualified and experienced levels.
- The successful opening of a national school for Chinese pupils and an international school in Hangzhou, further expansion in Shanghai and a new international school in Bangkok

Grant-making policy

The availability of all awards for fee-assistance is found on our website at www.wellingtoncollege.org.uk.

Economic uncertainty has continued to affect a number of parents this year. We have continued an instalment scheme which allows parents to spread the termly fees over a number of instalments.

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Fee Remission

New scholarships no longer automatically carry fee remission, but give access to means tested bursaries. The progress of pupils receiving scholarships is reviewed at least annually to ensure that their progress is in line with their abilities.

There are 352 holders of awards in the schools. Of these 167 received some degree of fee remission representing 5.0% of gross fees. Nine pupils received full remission and a further fourteen received 85% or more in remission. External funding covered £38k of fee remission. Restricted funds paid £1,611k towards covering remissions and the balance of £684k was drawn from non restricted funds.

Foundationers

Included within the remissions noted above, foundation awards have been made to six pupils in 2018-19, totalling £127k. The eligibility criteria for a Foundation award can be found on the College website.

Volunteers

A number of parents manage and operate a Charity Shop in the centre of the College during normal school term times which generated funds during the year for distribution to various charities chosen by the pupils. The Medical Centre is assisted by parents who volunteer to take pupils to medical and dental appointments if their own parents are unable to do so. The College is grateful for parents' continued support and for their time and effort as well as for the help of Old Wellingtonians with fundraising and careers advice. The Eagle House Parents' Association has continued to provide social and fundraising support for school projects.

Governance

The school's charitable policy is reviewed on a regular basis in order to ensure that it is compliant with any changes in legislation or guidance from the Charity Commission and that the available charitable resources are being used to best effect in meeting the College's charitable objectives.

Modern Slavery and Human Trafficking

A statement of the College's policy in this matter and the actions that it is undertaking to ensure that it complies with the Modern Slavery Act has been prepared and will be available on the College website at www.wellingtoncollege.org.uk

Fundraising Policy

Wellington College has registered with the Fundraising Regulator. The Community Office ensures that the College complies with the Fundraising Preference Service (FPS), which became law in 2018. In addition, the Community Office ensures that it complies with the 1998 Data Protection Act (DPA). During this last year it has also been working towards compliance with the 2019 General Data Protection Regulation (GDPR), which became law in May 2019.

All fundraising activities for the College are carried out by Community Office staff with assistance from the parents and pupils in the running of specific fundraising events. The College does not use professional fundraisers or have any commercial participators. All fundraising activities are managed by the Director of Development, with overall oversight by the members of the governing body.

No complaints relating to fundraising activities have been received during this financial period.

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GOVERNOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019**

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The Governors intend that each of the school operating units within the Consolidated Charity, namely Wellington College and Eagle House School, should, if possible, aim to generate a cash surplus from all operational activities (including annual capex and contributions from Trusts to bursaries but excluding major projects) of at least 7% of net fee income. This currently gives a target for Wellington College of c £2.1m cash generation and £300,000 for Eagle House.

In the reporting year the College entity generated a total operating cash surplus (net incoming resources plus depreciation) of £6,304,000 or 16.5% of net fee income (2018: £6,662,000 or 17.8%). Eagle House produced an operating cash surplus of £878,000 or 14.9% of net income (2018: £968,000 or 16.8%). The overall net incoming resources of the Consolidated Charity, including its trading companies, were £4,409k (2018: £8,959k), which after net realised and unrealised investment gains of £2,053k (2018: £1,236k), gave a net increase in funds of £6,462k (2018: £10,195k), in the year.

During the year WCE generated a surplus of £256k. This includes the proportion of the profit on the sale of the property development of Victoria Place relevant to 2019. Of this £256k was donated to College in the current year. In 2018 WCE generated a taxable profit of £888k of which £888k was donated to College.

Wellington College International received the payments of franchise fees from Wellington schools in China and Thailand during 2019. A profit of £2,438k (2018: £1,408k) was generated in 2019 of which £2,438k was donated to College.

Designated Funds

The Charity currently holds £4,186,000 of designated funds. The largest element, £3,160,000, is the accumulated profits of Wellington College Enterprises and Wellington College International which have been gifted to the College and the profits are designated for the support of the bursary and other College programmes. The non endowed portion of the Heritage Fund, which can be used for the permanent enhancement of the College or for bursaries, £975,000, is also held under this heading, as are the net asset value of the trading subsidiaries and the accumulated profit of the Advance Fee fund.

Investment Performance against Objectives

The Governors' investment powers are governed by the Trust Deed, which permits the Charity's funds to be invested in any authorised investment. The Governors' policy, in the case of the Combined Trust Funds, Fisher Endowment and Heritage Funds, is to maximise the total return with due respect for the risk; and of the Advanced Fees Scheme to match the return required in order to fund to maturity the profile of the related liability. In the year the Trusts distributed 4.6% of the average value of their assets over the last three years, after allowing for specific approved distributions. For 2019 the annual distribution to College was reduced by £150k to bring distributions into line with long term investment goals.

In the course of the year the process of transferring assets managed by Cazenove Capital to the management of Partners Capital was completed.

Reserves Policy

Ideally the Consolidated Charity needs free reserves to enable it to meet its charitable obligations in the eventuality of an unexpected revenue shortfall. Free reserves are defined by the Charity Commission as unrestricted funds available to spend on the general purposes of the Charity and, therefore, exclude those restricted or designated for particular purposes and those already utilised in purchasing tangible fixed assets. The Governors believe that the level of reserves or facilities freely available in the Consolidated Charity (including its trading subsidiaries) for its general purpose should be up to the equivalent of one term's operating costs (2019: £17,904k), subject to the continuing needs of the schools to develop and maintain their buildings and facilities at an appropriate level. The consolidated free reserves position at 31 July 2019 was £8,863k (2018: £16,636k). The change in the year arises

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Reserves Policy (continued)

from the way that the repaid AIB loans were treated in the calculation and does not represent any deterioration in the College's financial position. This policy is reviewed annually by the Governors.

Reserves Policy: Wellington College Academy Trust

As an independent entity WCAT has its own reserve policy which is appropriate to the environment in which it operates. This policy is as follows:

The Trustees review the reserve levels of the Trust annually. This review encompasses the nature of income and expenditure streams, the need to match income with commitments and the nature of reserves.

The Trustees have determined that the appropriate level of free cash reserves would be equivalent to 4 weeks expenditure, approximately £550K. The reason for this is to provide sufficient working capital to cover delays between spending and receipt of grants and to provide a cushion to deal with unexpected emergencies such as urgent maintenance.

The Trust's current level of free reserves (total funds less the amount held in fixed assets and restricted funds) is currently below this level but the Trustees have agreed necessary budget projections and identified other management actions in order to generate the required level of reserves

The Academy Trust has Restricted General Funds of £ 61,583 (2018: £Nil), Restricted Endowment Fund of £745,280 (2018: £693,367) and Unrestricted General Funds of £74,035 (2018: £126,628) to carry forward.

The fund that can only be realised by disposing of tangible fixed assets if £28,531,287 (2018: £29,523,733).

In respect of any surplus or deficit recognised in relation to the Trust's share of the Local Government Pension Scheme, this would generally result in a cash flow effect for the Trust in the form of an increase or decrease in employer's pension contributions over a number of years. This year a deficit of £1,330,000 (2018: Deficit £297,000) has been recognised in the accounts; this does not represent an immediate liability.

FUTURE PLANS

The College's Development Plan for the period 2019-2024, under its 15th Master, James Dahl, includes the following themes:

- Mission: the aim is to make Wellington College one of Britain's, and the world's, leading and most inspiring co-educational schools for boarding and day pupils. We wish to provide a transformative experience with a commitment to leadership, service and an international outlook;
- The College's Five Values of Respect, Responsibility, Courage, Integrity and Kindness;
- As well as academic excellence and the primacy of the classroom, core areas also include the arts and performance, community and service, international outlook, leadership for all, the wider Wellington family, pastoral care and warmth, sport, spirituality and well-being;
- Co-education and size: we believe that full co-education provides the ideal environment for both boys and girls in which to learn and flourish. Plans are being developed to move the school to 50/50 representation of boys and girls.
- Partnership with the Wellington Academies: The Wellington Academy opened in September 2009, moved into new buildings in April 2011 and is based on many of the core features of Wellington College. We have opened a second academy in Wiltshire at primary level to ensure that pupils arrive at the Academy with improved levels of literacy and numeracy; a further free school primary opened in 2019.
- A principal part of the development quest is to find funding for bursaries, for children from all backgrounds to attend Wellington College, irrespective of means.

THE WELLINGTON COLLEGE
GOVERNOR'S REPORT (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

FUTURE PLANS (continued)

Specific targets for the coming year include:

- Further embedding the Wellington College Values
- Continue to act as a leading example of independent school partnerships with academies.
- Exploring further international expansion.
- Achieve our cash generation targets to fund ongoing development of the estate and our offer;
- Build an additional boarding house as part of the move to 50/50 balance in co-ed

ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group, and of the incoming resources and application of resources of the charity and group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- observe the methods and principles in the charities SORP;
- state whether applicable 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 charitable company will continue to operate.

The Governors are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the charity and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group, and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Having reviewed the funding facilities available to the charity together with the expected ongoing demand for places at the schools and the charity's future projected cash flows, the Governors have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

Approved by the Board of Governors of Wellington College on 25 February 2020 and signed on its behalf by:



Peter Mallinson
Vice President and Chairman

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE WELLINGTON COLLEGE

Opinion

We have audited the financial statements of the Wellington College for the year ended 31 July 2019 which comprise the Consolidated Statement of Financial Activities, the Balance Sheets (comprising Combined, Consolidated Charity and Schools), the Cash Flow Statement 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).

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and of the parent charity's affairs as at 31 July 2019 and of the group's incoming resources and application of resources, 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 Charities Act 2011.

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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE WELLINGTON COLLEGE (CONTINUED)

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 we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 13, the trustees 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 group's and the parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE WELLINGTON COLLEGE (CONTINUED)

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

Crowe U.K. LLP

Crowe U.K. LLP

Statutory Auditor

Reading

Date: 9 April 2020

Crowe UK LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

THE WELLINGTON COLLEGE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2019

	Notes	Schools	Unrestricted	Designated	Restricted	Endowed	Consolidated Charity	WCAT Restricted	Combined 2019	Combined 2018
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM										
Charitable activities										
School fees receivable	4(a)	44,403	-	-	-	-	44,403	-	44,403	43,068
Funding for school operations		-	-	-	-	-	-	7,239	7,239	6,781
Ancillary trading income	5	1,397	-	-	-	-	1,397	908	2,305	2,769
Other trading activities										
Non-ancillary trading	6	1,043	-	-	-	-	1,043	-	1,043	836
Non-charitable trading	7	-	7,974	-	-	-	7,974	-	7,974	9,717
Investments										
Investment income	8	192	137	316	-	-	645	1	646	1,214
Voluntary Sources										
Donations and capital grants		38	-	1,497	-	-	1,535	269	1,804	3,169
Other Income	9	1,119	6	-	-	-	1,125	-	1,125	2,305
Total Income		<u>48,192</u>	<u>8,117</u>	<u>1,813</u>	<u>-</u>	<u>-</u>	<u>58,122</u>	<u>8,417</u>	<u>66,539</u>	<u>69,859</u>

THE WELLINGTON COLLEGE
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 JULY 2019

		Unrestricted	Restricted	Endowed	Consolidated	WCAT	Combined	Combined
	Notes	Schools	Designated		Charity	Restricted	2019	2018
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
EXPENDITURE ON								
Charitable activities								
School operating costs and grant making	10	44,681	708	1,080	-	46,469	9,826	54,662
Raising funds								
Non-charitable trading	7	-	4,929	-	-	4,929	-	6,938
Fundraising costs		80	-	-	-	80	-	124
Financing costs	13	2,151	72	12	-	2,235	-	712
Total expenditure	10	<u>46,912</u>	<u>5,709</u>	<u>1,092</u>	<u>-</u>	<u>53,713</u>	<u>9,826</u>	<u>62,436</u>
NET INCOME BEFORE GAINS		<u>1,280</u>	<u>2,408</u>	<u>721</u>	<u>-</u>	<u>4,409</u>	<u>(1,409)</u>	<u>7,423</u>
Investment (losses)/gains		1,183	73	307	490	2,053	47	1,249
Transfers between funds	11	2,168	(1,769)	(399)	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes		-	-	-	-	(726)	(726)	539
NET INCOME/(EXPENDITURE)	12	<u>4,631</u>	<u>712</u>	<u>629</u>	<u>490</u>	<u>6,462</u>	<u>(2,088)</u>	<u>9,211</u>
Total funds brought forward		67,031		9,406	17,747	94,184	30,046	115,019
TOTAL FUNDS CARRIED FORWARD		<u>72,374</u>	<u>10,035</u>	<u>18,237</u>	<u>100,646</u>	<u>27,958</u>	<u>128,604</u>	<u>124,230</u>

All operations are continuing. Comparative year detail is shown in note 29

The notes on pages 21 to 53 form part of these accounts

THE WELLINGTON COLLEGE
BALANCE SHEETS
31 JULY 2019

	Notes	Combined		Consolidated Charity		Schools	
		£'000 2019	£'000 2018	£'000 2019	£'000 2018	£'000 2019	£'000 2018
FIXED ASSETS							
Buildings and equipment	14	91,215	89,104	62,720	59,580	61,386	58,231
Investments	15	<u>57,288</u>	<u>33,618</u>	<u>56,399</u>	<u>32,781</u>	<u>57,849</u>	<u>34,231</u>
		<u>148,503</u>	<u>122,722</u>	<u>119,119</u>	<u>92,361</u>	<u>119,235</u>	<u>92,462</u>
CURRENT ASSETS							
Stocks		656	362	648	351	417	84
Stocks held for Development	16	-	1,953	-	1,953	-	-
Debtors	17	1,321	1,603	850	1,147	997	3,874
Cash at bank and in hand		<u>30,504</u>	<u>28,701</u>	<u>29,262</u>	<u>27,991</u>	<u>28,862</u>	<u>27,693</u>
		<u>32,481</u>	<u>32,619</u>	<u>30,760</u>	<u>31,442</u>	<u>30,276</u>	<u>31,651</u>
CREDITORS							
Amounts due within one year	18	<u>(16,910)</u>	<u>(16,071)</u>	<u>(15,093)</u>	<u>(14,876)</u>	<u>(14,725)</u>	<u>(15,789)</u>
NET CURRENT ASSETS		<u>15,571</u>	<u>16,548</u>	<u>15,667</u>	<u>16,566</u>	<u>15,551</u>	<u>15,862</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>164,074</u>	<u>139,270</u>	<u>134,786</u>	<u>108,927</u>	<u>134,786</u>	<u>108,324</u>
CREDITORS: Amounts falling due in more than one year	19	<u>(34,140)</u>	<u>(14,743)</u>	<u>(34,140)</u>	<u>(14,743)</u>	<u>(34,140)</u>	<u>(14,743)</u>
Defined Benefit Pension Liability		<u>(1,330)</u>	<u>(297)</u>	-	-	-	-
TOTAL NET ASSETS		<u>128,604</u>	<u>124,230</u>	<u>100,646</u>	<u>94,184</u>	<u>100,646</u>	<u>93,581</u>
FUNDS							
Endowment Funds	23	18,237	17,747	18,237	17,747	18,237	17,747
Restricted Funds	24	37,993	39,452	10,035	9,406	10,035	9,406
Unrestricted Funds-Designated	25a	4,186	3,474	4,186	3,474	4,186	2,871
Unrestricted Funds-Other	25b	<u>68,188</u>	<u>63,557</u>	<u>68,188</u>	<u>63,557</u>	<u>68,188</u>	<u>63,557</u>
TOTAL FUNDS	22	<u>128,604</u>	<u>124,230</u>	<u>100,646</u>	<u>94,184</u>	<u>100,646</u>	<u>93,581</u>

Approved and authorised to be issued by the Governors on 25 February 2020 and signed on their behalf by

P Mallinson



R Perrins



The notes on pages 21 to 53 form part of these accounts

THE WELLINGTON COLLEGE
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 JULY 2019

	Combined		Consolidated Charity	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
Cash flows from operating activities				
Net movement in funds	5,101	8,672	6,462	10,195
Depreciation	3,866	3,427	2,634	2,182
Profit on sale of fixed assets	(1,125)	(2,305)	(1,125)	(2,305)
Investment income	(646)	(1,214)	(645)	(1,198)
Interest paid	2,235	712	2,235	710
Net gain on investments	(2,100)	(1,249)	(2,053)	(1,236)
(Increase) in stock	(294)	(164)	(297)	(168)
Decrease in stock held for development	1,953	1,240	1,953	1,240
Decrease in debtors	282	240	297	243
Increase/(Decrease) in creditors	(225)	3,129	(746)	3,176
Defined Benefit Pension costs less contributions	307	370	-	-
Increase in final term deposits	426	264	426	264
Cash provided by operating activities	9,780	13,122	9,141	13,103
Cash flows from investing activities				
Payments to acquire fixed asset investments	(52,772)	(7,618)	(51,941)	(7,618)
Proceeds from the sale of fixed asset investments	30,999	10,287	30,450	10,287
Capital Grants received	100	41	-	-
Payments to acquire tangible fixed assets	(6,868)	(15,575)	(6,665)	(15,539)
Proceeds from the sale of tangible fixed assets	2,017	2,884	2,017	2,880
Interest paid	(2,235)	(712)	(2,235)	(710)
Investment income	646	1,214	645	1,198
Cash (used in) investing activities	(28,113)	(9,479)	(27,729)	(9,502)
Cash flows from financing activities				
Bank loan repaid	(10,495)	(283)	(10,495)	(283)
Loan Note issued	30,000	-	30,000	-
Capital element of finance lease repayments	(103)	(59)	(103)	(59)
Cash provided by/(used in) financing activities	19,402	(342)	19,402	(342)
Advance Fee Scheme				
Amounts utilised and repaid	(3,060)	(2,848)	(3,060)	(2,848)
Interest credited to advance fees	65	47	65	47
Receipts from new contracts	3,526	2,740	3,526	2,740
Cash provided by/(used in) advance fees	531	(61)	531	(61)
Increase in cash and cash equivalents in the year	1,600	3,240	1,345	3,198
Cash and cash equivalents at the beginning of the year	29,583	26,343	28,596	25,398
Cash and cash equivalents at the end of the year	31,183	29,583	29,941	28,596
Analysis of cash and cash equivalents				
Cash at bank and in hand	30,504	28,701	29,262	27,991
Cash awaiting investment	679	882	679	605
	31,183	29,583	29,941	28,596

Charity law requires separate administration of the cash flows of endowed and other restricted funds of the Charity. This constraint has not adversely affected group cash flows as stated above.

The notes on pages 21 to 53 form part of these accounts.

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

1. CHARITY INFORMATION

The object of the College is the advancement of education (whether nationally or internationally) for the public benefit. The College meets this object through its primary aim of providing the College and by supporting, providing or assisting in the provision of other educational establishments or initiatives. The unincorporated charity incorporated under a Royal Charter dated 13th December 1853 (charity number 309093), is domiciled in the UK. The address of the registered office is Wellington College, Crowthorne, Berks RG45 7PU.

2. ACCOUNTING POLICIES

a) Basis of preparation

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 2016) – Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The Wellington College 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 note(s).

No separate SOFA or Income and Expenditure Account have been presented for the College alone as permitted by the Charities SORP (FRS 102).

The surplus of the Charity for the year (excluding Wellington College Enterprises Limited and Wellington College International Limited) was £7,065k (2018: £9,591k).

Having reviewed the funding facilities available to the Consolidated Charity together with the expected ongoing demand for places and the schools' projected cash flows, the Governors have a reasonable expectation that the Consolidated Charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to operate the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 13.

b) Basis of consolidation

The Wellington College (TWC) has the power under its sponsorship agreement with the Wellington College Academy Trust (WCAT) (Company number 06457394) to appoint the governors of that body. As a consequence it is considered, under FRS 102, to have control of WCAT and therefore the financial results of WCAT have to be included in the accounts of TWC, though the assets of WCAT are not available to TWC and TWC is not responsible for the liabilities of WCAT.

**THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019**

b) Basis of consolidation (continued)

The following definitions have been adopted in these accounts:

Combined: WCAT and Consolidated Charity (defined below) combined

Consolidated Charity: TWC and its trading subsidiaries (the reporting entity of previous years)

Schools: the school operations of TWC and the College Trusts relating to them

The accounts of the Charity (Schools) comprise:

- i) The Wellington College
- ii) Its Funds
 - a) The Heritage Fund
 - b) Advance Fees
 - c) The Combined Trust Funds
 - d) The Fisher Endowment Fund
 - e) The Prince Albert Foundation
- iii) Eagle House

The results of the subsidiary trading companies are presented in the consolidated SOFA by disclosing the income and expenditure derived from their non-charitable trading activities separately from those of the Charity. A summary profit and loss account for the subsidiaries is included in note 7. The companies' assets and liabilities are included in the balance sheet on a line-by-line basis, in accordance with the SORP.

c) Fees receivable and similar income

Fees receivable, charges for services and use of premises are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions allowed by the College, but include contributions received from designated or restricted funds for scholarships, bursaries and other grants.

d) Donations

Donations receivable for the general purposes of the Charity are credited to "other unrestricted funds", to distinguish them from direct school income. Donations for purposes restricted by the wishes of the donor are taken to "restricted funds" where these wishes are legally binding on the Governors. Donations required to be retained as capital in accordance with the donor's wishes are accounted for as "endowments" – permanent or expendable according to the nature of the restriction.

e) Resources expended

Resources expended are accounted for on an accruals basis. Overheads and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Construction and repair costs, supplied to the College by its subsidiary, are capitalised or expensed and eliminated from consolidated trading income and expenditure.

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

e) Resources expended (continued)

Governance costs comprise the costs of running the charity, including strategic planning for its future development, also internal and external audit, any legal advice for the Governors, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

f) Fund accounting

Unrestricted Funds

Unrestricted funds relate to the School's general operational funds.

Unrestricted Funds – Designated

Designated unrestricted funds relate to funds which have been set aside for particular future expenditure.

Restricted Funds

Restricted funds are those which must be applied in accordance with the purpose specified by the donor. Expenditure relating to these purposes is charged directly to the fund.

Endowment Funds

Endowment funds consist of investments. The purpose to which that investment may be applied is restricted in accordance with the terms of the endowment trust.

g) Pension schemes

The Charity contributes to the Teachers' Pension Defined Benefits Scheme (TPS) at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme. The Charity also contributes to a defined contribution scheme for its non-teaching staff at 11% of annual basic pay. Wellington College, Eagle House and Wellington College Enterprises all operate an auto-enrolment defined contribution scheme with a contribution rate of 3% (from April 2019) for staff who do not wish to join the main non-teaching staff scheme. Contributions to all schemes are charged in the SOFA as they become due in accordance with the rules of the schemes.

Retirement benefits to employees of the Academy Trust are provided by the Teachers' Pension Scheme ('TPS') and the Local Government Pension Scheme ('LGPS'). These are defined benefit schemes and the assets are held separately from those of the Academy Trust.

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Academy Trust 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 quadrennial valuations using a prospective unit credit method. As stated in note 27, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions are recognised in the period to which they relate.

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

g) Pension schemes (continued)

The LGPS is a funded scheme and the assets are held separately from those of the Academy Trust in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are obtained at least triennially and are updated at each balance sheet date. The amounts charged to operating surplus are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the statement of financial activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

h) Buildings and equipment

Capitalisation and replacement

The original College land and buildings are all listed properties and are carried at original cost. The Governors do not consider it appropriate to have these revalued.

Expenditure incurred in keeping the properties in a fit and useful condition is written off in the year it is incurred unless the subsequent expenditure provides an enhancement of economic benefits in excess of the previously assessed standard of performance, in which case it is capitalised. Items costing less than £1,000 are written off as an expense as acquired.

Depreciation

The original College buildings are not depreciated as the amounts involved would not be material. Freehold land and building work in progress are also not depreciated. Depreciation on other tangible fixed assets is provided at rates calculated to write off the excess of cost or valuation over estimated residual value over their estimated useful economic lives as follows:

Buildings, improvements and extensions	2% - 10% per annum on cost
Leasehold buildings, and improvements	2% - 10% per annum on cost
Furniture and equipment	10% - 33% per annum on cost
Computer equipment	25% - 33% per annum on cost
Motor vehicles	25% per annum on cost

i) Investments

Listed investments are carried at their mid-market value at the balance sheet date. Investment properties are carried at open market value assuming vacant possession and the investment in the subsidiary undertakings is carried at cost.

Investment gains and losses are recognised in the Statement of Financial Activities in the period in which they arise and are applied to the individual funds based on the opening capital balances of each fund, excluding investment properties which are specifically allocated.

j) Stock

Stock is carried at the lower of cost and net realisable value.

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

k) Leased assets

Assets obtained under hire purchase contracts or finance leases are capitalised in the balance sheet and are depreciated over their useful economic lives. The interest element of these leases is charged to the statement of financial activities account over the lease period. The capital element of the future payments is treated as a liability. Operating leases are accounted for on an accruals basis throughout the life of the lease.

l) Advance Fee Scheme Payments

Amounts received under the College's Advance Fee Scheme contracts for education not yet utilised to settle school fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

m) Parents' Deposits

The Governors have reviewed the contract terms under which Pupil fee deposits are held by the School. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 July 2019 have been included within current liabilities. The prior year Pupil fee deposits balance has been similarly represented.

n) Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

o) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

p) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

q) Financial Instruments

The College only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. The basic financial instruments are held at amortised cost and at fair value depending upon their respective nature. See Note 28 for further information.

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

3. JUDGEMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the charity's accounting policies, which are described in note 2, Trustees are required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

The trustees consider that there are no material judgements in applying accounting policies or key sources of estimation uncertainty.

4. SCHOOL FEES RECEIVABLE

	2019	2018
	£'000	£'000
(a) Fees receivable consist of:		
Gross fees	45,937	44,257
Less: Total bursaries, grants and allowances	<u>(3,145)</u>	<u>(2,846)</u>
	42,792	41,411
Add back scholarships, grants etc. paid for by Trust Funds	<u>1,611</u>	<u>1,657</u>
	<u>44,403</u>	<u>43,068</u>
(b) Total grants and awards paid for by Trust Funds consist of:		
Scholarships, grants etc.	850	1,000
Individual awards	<u>761</u>	<u>657</u>
	<u>1,611</u>	<u>1,657</u>

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

5. ANCILLARY TRADING INCOME

	2019	2018
	£'000	£'000
Consolidated Charity		
Entrance and registration fees	688	647
Income from school trips	<u>709</u>	<u>1,299</u>
	1,397	1,946
Wellington College Academy Trust		
Catering Income	220	204
Other Income	<u>688</u>	<u>619</u>
	<u>908</u>	<u>823</u>
Combined Total	<u><u>2,305</u></u>	<u><u>2,769</u></u>

6. NON ANCILLARY TRADING INCOME

	2019	2018
	£'000	£'000
Lettings	488	371
Easter courses	102	106
Other	<u>453</u>	<u>359</u>
	<u><u>1,043</u></u>	<u><u>836</u></u>

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

7. NON – CHARITABLE TRADING:

a) Wellington College Enterprises Limited

The College owns the entire share capital of Wellington College Enterprises Limited (a company incorporated in England and Wales, company number 01259773), which provides leisure and construction services. It pays its taxable profits under Gift Aid to the College.

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Turnover	4,803	<i>7,749</i>
Other income	<u>6</u>	<i>-</i>
Total Turnover	4,809	<i>7,749</i>
Administration costs	(4,397)	<i>(6,583)</i>
Finance costs	(3)	<i>(3)</i>
Transfers between funds	<u>(153)</u>	<i>(265)</i>
Operating and net profit	256	<i>898</i>
Corporation tax payable	-	<i>(10)</i>
Gift aid	<u>(844)</u>	<i>(300)</i>
Loss/profit transferred to reserves	<u>(588)</u>	<i>588</i>

At 31 July 2019 the total assets of the subsidiary were £2,024k (2018: £4,014k), total liabilities £595k (2018: £1,996k) and shareholders' funds £1,430k (2018: £2,018k). The aggregate non-charitable trading income and costs from the subsidiary included intra-group trading which are eliminated on consolidation, of £38k and £148k respectively (2018: £81k and £148k). WCE paid £nil interest on its property development loan from the College in the year (2018 £139k).

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

7. NON – CHARITABLE TRADING: (CONTINUED)

b) Wellington College International Limited

The College owns the entire share capital of Wellington College International Limited, (a company incorporated in England and Wales, company number 06578707) which manages the setting up of Wellington schools abroad. It pays its taxable profits under Gift Aid to the College.

	2019	<i>2018</i>
	£'000	<i>£'000</i>
Turnover	3,209	<i>2,005</i>
Bank Interest Received	<u>7</u>	<u><i>3</i></u>
Total Turnover	3,216	<i>2,008</i>
Administration costs	(527)	<i>(363)</i>
Transfers between funds	<u>(251)</u>	<u><i>(237)</i></u>
Operating and net profit	2,438	<i>1,408</i>
Corporation tax payable	-	<i>(3)</i>
Gift aid	<u>(2,453)</u>	<u><i>(1,390)</i></u>
(Loss)/profit transferred to reserves	<u>(15)</u>	<u><i>15</i></u>

At 31 July 2019 the total assets of the subsidiary were £169,818 (2018: £53,032), total liabilities £149,818 (2018: £18,187) and shareholders' funds £20,000 (2018: £34,845). The aggregate non-charitable trading costs of the subsidiary included intra-group trading which is eliminated on consolidation, of £251k (2018: £237k).

c) Dormant Companies

The Wellington College Limited (a company incorporated in England and Wales)

The company was formed to protect the name of the College. The company did not trade in the year.

Wellington College International (India) Limited (a company incorporated in England and Wales)

Wellington College International (Russia) Limited (a company incorporated in England and Wales)

These companies were formed to investigate international development opportunities in the respective territories named. They did not trade in the year.

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

8. INVESTMENT INCOME

	2019 £'000	2018 £'000
Consolidated Charity		
Listed investments	440	989
Bank interest received	<u>205</u>	<u>209</u>
	645	1,198
Wellington College Academy Trust		
Other investment income	<u>1</u>	<u>16</u>
Combined Total	<u><u>646</u></u>	<u><u>1,214</u></u>

9. OTHER INCOME

	2019 £'000	2018 £'000
Profit on disposal of fixed assets	<u><u>1,125</u></u>	<u><u>2,305</u></u>

10. ANALYSIS OF EXPENDITURE

	Staff costs £'000	Depreciation £'000	Other £'000	2019 Total £'000	2018 Total £'000
Charitable activities					
Teaching costs	14,969	-	4,685	19,654	19,930
Welfare	2,463	-	3,807	6,270	6,287
Premises	1,433	37	10,605	12,075	10,821
Support costs	<u>2,989</u>	<u>2,537</u>	<u>1,137</u>	<u>6,663</u>	<u>6,277</u>
School's operating costs	21,854	2,574	20,234	44,662	43,315
Grants, awards and prizes	<u>-</u>	<u>-</u>	<u>1,807</u>	<u>1,807</u>	<u>1,969</u>
	21,854	2,574	22,041	46,469	45,284
Raising funds					
Fundraising and publicity	-	-	80	80	124
Finance and other costs	-	-	2,235	2,235	710
TOTAL FOR SCHOOLS	<u>21,854</u>	<u>2,574</u>	<u>24,356</u>	<u>48,784</u>	<u>46,118</u>
Trading subsidiaries	<u>1,437</u>	<u>60</u>	<u>3,432</u>	<u>4,929</u>	<u>6,938</u>
TOTAL FOR CONSOLIDATED CHARITY	<u>23,291</u>	<u>2,634</u>	<u>27,788</u>	<u>53,713</u>	<u>53,056</u>
Wellington College					
Academy Trust	<u>6,149</u>	<u>1,232</u>	<u>2,445</u>	<u>9,826</u>	<u>9,380</u>
TOTAL COMBINED	<u><u>29,440</u></u>	<u><u>3,866</u></u>	<u><u>30,233</u></u>	<u><u>63,539</u></u>	<u><u>62,436</u></u>

Included within support costs are governance costs of £52k (2018 £50k).

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

10 ANALYSIS OF EXPENDITURE (CONTINUED)

Analysis of Payroll Costs	Combined		Consolidated Charity	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Wages and salaries	23,817	25,042	19,106	20,268
Social Security insurance costs	2,431	2,327	2,020	1,932
Pension costs	<u>3,192</u>	<u>3,084</u>	<u>2,165</u>	<u>2,070</u>
	<u>29,440</u>	<u>30,453</u>	<u>23,291</u>	<u>24,270</u>

The cost of wages and salaries in the consolidated charity fell in the year as the result of the TUPE transfer of catering staff to Sodexo. The average number of employees in the year in the Combined entity was 960 (2018: 1,012) of which 290 (2018: 279) were teaching staff. In the course of the year about 100 catering staff went over to Sodexo under a TUPE transfer and are therefore no longer included in payroll and staff number figures.

Neither the Governors of the Consolidated Charity nor persons connected with them received any remuneration or other benefits from the Consolidated Charity or any connected organisation. During the year, 8 Governors of the Consolidated Charity were reimbursed travel expenses totalling £4,037 (2018: 6 Governors were reimbursed £2,358).

The number of employees of the Combined entity whose emoluments exceeded £60,000 was:

	2019 No.	2018 No.
£60,000 - £70,000	22	25
£70,000 - £80,000	12	16
£80,000 - £90,000	3	5
£90,000-£100,000	3	1
£100,000-£110,000	2	2
£110,000 - £120,000	1	1
£130,000 - £140,000	1	1
£210,000-£220,000	1	1
£230,000-£240,000	-	1
£250,000-£260,000	1	

In connection with these higher paid employees, retirement benefits are accruing under defined contribution schemes for 7 employees (2018: 5) and under multi-employer defined benefit schemes for 39 employees (2018: 46). For the people accruing benefits under the defined contribution scheme the total employer contributions were £56,075 (2018: £46,658).

Key management personnel in the Combined entity received aggregate remuneration of £2,150k (2018 £2,028k).

Termination payments made to staff came to £nil in 2019 (2018:£97,562).

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

11. TRANSFERS

The amount transferred between funds can be analysed as follows:

	Unrestricted	Unrestricted Designated	Restricted	Endowed
	£'000	£'000	£'000	£'000
Rents and leases	110	(110)	-	-
WCI/WCE	1,408	(1,408)	-	-
Management charges	19	-	(19)	-
Transfer of Donations	<u>631</u>	<u>(251)</u>	<u>(380)</u>	<u>-</u>
Total Consolidated Charity	<u>2,168</u>	<u>(1,769)</u>	<u>(399)</u>	<u>-</u>

12. NET INCOME/(EXPENDITURE)

	2019	2018
	£'000	£'000
This is stated after charging/(crediting)		
Profit on disposal of fixed assets	(1,125)	(2,305)
Auditor's remuneration:		
For audit	50	49
For other services	7	10
Payments under operating leases		
For land and buildings	-	18
For plant and machinery	464	550
Amounts credited to advance fee contracts	65	47

Audit fees (inclusive of VAT) for the Schools were £38,070 (2018: £36,960).

13. FINANCING COSTS

	2019	2018
	£'000	£'000
Bank charges and interest	<u>2,235</u>	<u>712</u>

In February 2019 the College issued a £30m loan note to Pricoa which is repayable in 2059. The interest rate is 3.3%. At the same time the College repaid all its outstanding loans from Allied Irish Bank and paid an interest settlement amount of £1.3m

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

14. TANGIBLE FIXED ASSETS

<u>COMBINED</u>	Assets in the course of construction	Freehold land and buildings	Leasehold land and buildings	Furniture and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost						
1 August 2018	20,964	55,402	35,714	8,348	556	120,984
Additions	496	5,646	-	725	-	6,868
Reclassifications	(20,964)	20,964	-	-	-	-
Disposals	-	(1,671)	-	(617)	-	(2,288)
31 July 2019	496	80,341	35,714	8,456	556	125,564
Depreciation						
1 August 2018	-	19,957	6,335	5,097	491	31,880
Charge for the year	-	2,118	1,162	548	37	3,866
Disposals	-	(782)	-	(615)	-	(1,397)
31 July 2019	-	21,293	7,497	5,030	528	34,349
Net book values 31 July 2019	496	59,048	28,217	3,426	28	91,215
1 August 2018	20,964	35,445	29,379	3,251	65	89,104

Included in leasehold land and building is recognition of the value of the land and buildings leased from Wiltshire County Council. The site is being leased over 125 years at a peppercorn rent of £100 per annum. The site is being depreciated straight line over a period of 50 years.

At 31 July 2019 the net book value of furniture and equipment includes an amount of £2,105,697 in respect of assets held under finance leases (2018: £2,179,797). The depreciation charge for the year on these assets was £74,100 (2018: £43,225).

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

14. TANGIBLE FIXED ASSETS (CONTINUED)

<u>CONSOLIDATED CHARITY</u>	Assets in the course of construction	Freehold land and buildings	Furniture and equipment	Motor vehicles	Total
Cost	£'000	£'000	£'000	£'000	£'000
1 August 2018	20,964	55,402	7,879	556	84,801
Additions	496	5,646	523	-	6,665
Reclassifications	(20,964)	20,964	-	-	-
Disposals	-	(1,671)	(617)	-	(2,288)
31 July 2019	496	80,341	7,785	556	89,178
Depreciation					
1 August 2018	-	19,957	4,773	491	25,221
Charge for the year	-	2,118	479	37	2,634
Disposals	-	(782)	(615)	-	(1,397)
31 July 2019	-	21,293	4,637	528	26,458
Net book values 31 July 2019	496	59,048	3,148	28	62,720
1 August 2018	20,964	35,445	3,106	65	59,580

At 31 July 2019 the net book value of furniture and equipment includes an amount of £2,105,697 in respect of assets held under finance leases (2018:£2,179,797). The depreciation charge for the year on these assets was £74,100 (2018:£43,225).

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

14. TANGIBLE FIXED ASSETS (CONTINUED)

<u>SCHOOLS</u>	Assets in the course of construction	Freehold land and buildings	Furniture and equipment	Motor vehicles	Total
	£'000	£'000	£'000	£'000	£'000
Cost					
1 August 2018	20,964	53,788	7,536	556	82,844
Additions	496	5,646	476	-	6,618
Reclassifications	(20,964)	20,964	-	-	-
Disposals	-	(1,671)	(600)	-	(2,271)
31 July 2019	496	78,727	7,412	556	87,191
Depreciation					
1 August 2018	-	19,647	4,475	491	24,613
Charge for the year	-	2,084	453	37	2,574
Disposals	-	(782)	(600)	-	(1,382)
31 July 2019	-	20,949	4,328	528	25,805
Net book values 31 July 2019	496	57,778	3,084	28	61,386
1 August 2018	20,964	34,141	3,061	65	58,231

At 31 July 2019 the net book value of furniture and equipment includes an amount of £2,105,697 in respect of assets held under finance leases (2018:£2,179,797). The depreciation charge for the year on these assets was £74,100 (2018:£43,225).

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

15. INVESTMENTS

	Combined		Consolidated Charity		Schools	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Investments at 1 August	32,736	34,156	32,176	33,609	33,626	35,059
Additions	52,772	7,618	51,941	7,618	51,941	7,618
Disposals	(30,999)	(10,287)	(30,450)	(10,287)	(30,450)	(10,287)
Revaluations	<u>2,100</u>	<u>1,249</u>	<u>2,053</u>	<u>1,236</u>	<u>2,053</u>	<u>1,236</u>
Investments at 31 July	<u>56,609</u>	<u>32,736</u>	<u>55,720</u>	<u>32,176</u>	<u>57,170</u>	<u>33,626</u>
Cash awaiting re-investment	<u>679</u>	<u>882</u>	<u>679</u>	<u>605</u>	<u>679</u>	<u>605</u>
Total Investments 31 July	<u><u>57,288</u></u>	<u><u>33,618</u></u>	<u><u>56,399</u></u>	<u><u>32,781</u></u>	<u><u>57,849</u></u>	<u><u>34,231</u></u>
Listed on the Stock Exchange	56,609	31,781	55,720	31,221	55,720	31,221
Investment Properties	-	955	-	955	-	955
Investment in subsidiaries	-	-	-	-	1,450	1,450
Cash deposits	<u>679</u>	<u>882</u>	<u>679</u>	<u>605</u>	<u>679</u>	<u>605</u>
	<u><u>57,288</u></u>	<u><u>33,618</u></u>	<u><u>56,399</u></u>	<u><u>32,781</u></u>	<u><u>57,849</u></u>	<u><u>34,231</u></u>

The Charity carries investments at cost of £1,430,000 in Wellington College Enterprises Limited, £20,000 in Wellington College International Limited, £1 in Wellington College International (Russia) Limited, £1 in Wellington College International (India) Limited and £1 in The Wellington College Limited all of which represent 100% of the issued share capital.

Wellington College Academy Trust carries investments at cost of £1 in Wellington College Academy Enterprises Ltd which represents 100% of the issued share capital.

At 31 July 2018, investment properties were revalued by Michael Hardy & Co (Wokingham) Ltd, a member of the National Association of Estate Agents. The valuation was based on Open Market Value assuming vacant possession. These properties have been sold in the year ended 31 July 2019.

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

15. INVESTMENTS (CONTINUED)

	Combined		Consolidated Charity and Schools	
	2019	2018	2019	2018
	£'000	£'000	£'000	£'000
UK	33,783	19,339	32,894	18,942
Overseas	22,826	13,397	22,826	13,234
Cash-UK	679	882	679	605
Investments at 31 July	<u>57,288</u>	<u>33,618</u>	<u>56,399</u>	<u>32,781</u>

Investments which comprise more than 5% of total market value of investments:

	2019	2018
Schroder Global Income Multi Manager Fund	-	19.2%
Schroder Equity Income Trust for Charities	-	15.8%
Partners Master Portfolio C	54.7%	17.8%
Partners Phoenix II	10.8%	-
Heronbridge UK Equity	-	7.5%
Charities Property Fund	2.3%	8.0%
Lansdowne Developed Market Fund	-	14.2%
Partners Greyhawk Fund	9.2%	-
Partners Harrier Fund	8.4%	-

In the course of the year to July 2018 the College appointed Partners Capital as its investment managers. At 31 July 2019 the transition of investments from Schroders to Partners was complete with the exception of some investments where the costs of transfer make the transfer uneconomic. The combined figures at 31 July 2018 include the value of investments made by Partners Capital, net of short term loans which were undertaken to cover the settlement days on disposal of securities. These ensured that the College remained invested in the market at all times.

16. STOCKS HELD FOR DEVELOPMENT

Wellington College Enterprises undertook the development of eleven houses for external sale in the period 2017-2019. The development was completed and the last house sold before 31 July 2019.

17. DEBTORS

	Combined		Consolidated Charity		Schools	
	2019	2018	2019	2018	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Fees and trade debtors	723	890	538	668	435	522
Due from group entities	-	-	-	-	294	2,907
Other debtors/accrued income	228	279	78	162	66	156
Prepayments	<u>370</u>	<u>434</u>	<u>234</u>	<u>317</u>	<u>202</u>	<u>289</u>
	<u>1,321</u>	<u>1,603</u>	<u>850</u>	<u>1,147</u>	<u>997</u>	<u>3,874</u>

The analysis of debtors for 2018 has been adjusted to bring non fee debtors of the schools into the fee and trade debtor heading.

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NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

18. CREDITORS: Amounts falling due within one year

	Combined		Consolidated Charity		Schools	
	2019	2018	2019	2018	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Bank loans and overdrafts	-	299	-	299	-	299
Lease creditors (see note 21)	109	104	109	104	109	104
Due to Group entities	-	-	-	-	169	1,493
Fees received in advance	979	767	979	767	979	767
Trade creditors	1,882	2,723	1,534	2,584	1,481	2,504
Taxation and social security	591	694	591	591	564	594
Entrance fees	3,962	3,536	3,962	3,536	3,962	3,536
Other creditors and accruals	6,285	5,676	4,816	4,723	4,359	4,220
Advance fees: Deferred	3,102	2,272	3,102	2,272	3,102	2,272
Income(see note 20)						
	<u>16,910</u>	<u>16,071</u>	<u>15,093</u>	<u>14,876</u>	<u>14,725</u>	<u>15,789</u>

In February 2019 the College loans from Allied Irish Bank were repaid.

The revolving credit facility of £5m with HSBC for the purpose of funding the staff housing project was closed in the year to July 2018.

A 40 year loan note for £30m was issued to Pricoa on February 11th 2019 at a rate of 3.3% for repayment in February 2059.

The maturity of the loans included within creditors is summarised below for Combined, Consolidated Charity and Schools.

	2019	2018
	£'000	£'000
After 5 years	30,000	8,841
Within 2 to 5 years	-	1,041
Within 1 to 2 years	<u>-</u>	<u>314</u>
	30,000	10,196
Within 1 year	<u>-</u>	<u>299</u>
	<u>30,000</u>	<u>10,495</u>

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

19. CREDITORS: Amounts falling due after more than one year

	Combined		Consolidated Charity		Schools	
	2019	2018	2019	2018	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Bank loan	-	10,196	-	10,196	-	10,196
Loan note due 2059	30,000		30,000		30,000	
Finance Leases (note 21)	1,952	2,060	1,952	2,060	1,952	2,060
Advance fees: Deferred Income (note 20)	<u>2,188</u>	<u>2,487</u>	<u>2,188</u>	<u>2,487</u>	<u>2,188</u>	<u>2,487</u>
	<u>34,140</u>	<u>14,743</u>	<u>34,140</u>	<u>14,743</u>	<u>34,140</u>	<u>14,743</u>

20. DEFERRED INCOME-ADVANCE FEE PAYMENTS

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

	2019	2018
	£'000	£'000
After 5 years	78	356
Within 2 to 5 years	1,113	1,157
Within 1 to 2 years	<u>997</u>	<u>974</u>
	2,188	2,487
Within 1 year	<u>3,102</u>	<u>2,272</u>
	<u>5,290</u>	<u>4,759</u>

The balance of the fund represents the accrued liability under the contracts. The movements during the year were:

	2019	2018
	£'000	£'000
Balance at 1 August	4,759	4820
New contracts	3,526	2,740
Amounts accrued to contracts	<u>65</u>	<u>47</u>
	<u>8,350</u>	<u>7,607</u>
Amounts utilised in payment of fees:		
To the College and Eagle House	<u>(3,060)</u>	<u>(2,848)</u>
Balance at 31 July	<u>5,290</u>	<u>4,759</u>

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

21. LEASE CREDITORS

Net obligations are payable as follows:

	Combined		Consolidated Charity		Schools	
	2019	2018	2019	2018	2019	2018
	£'000	£'000	£'000	£'000	£'000	£'000
Within one year	109	104	109	104	109	104
In 2 to 5 years	603	472	603	472	603	472
In more than 5 years	<u>1,348</u>	<u>1,588</u>	<u>1,348</u>	<u>1,588</u>	<u>1,348</u>	<u>1,588</u>
	<u>2,060</u>	<u>2,164</u>	<u>2,060</u>	<u>2,164</u>	<u>2,060</u>	<u>2,164</u>

22. ALLOCATION OF THE GROUP NET ASSETS

The net assets are held for the various funds and advance fees as follows:

Current Year	Fixed Assets	Investments	Net Current Assets/(Liabilities)	Long Term Liabilities	Total
	£'000	£'000	£'000	£'000	£'000
Endowment funds	-	15,110	3,127	-	18,237
Restricted funds	-	8,602	1,433	-	10,035
Unrestricted funds:					
Other designated funds	1,335	2,475	325	-	4,135
Other (Schools)	<u>61,385</u>	<u>28,715</u>	<u>10,040</u>	<u>(31,952)</u>	<u>68,188</u>
	62,720	54,902	14,925	(31,952)	100,595
Advance fee (designated)	<u>-</u>	<u>1,497</u>	<u>742</u>	<u>(2,188)</u>	<u>51</u>
Consolidated Charity total	62,720	56,399	15,667	(34,140)	100,646
Wellington College Academy Trust	<u>28,495</u>	<u>889</u>	<u>(96)</u>	<u>(1,330)</u>	<u>27,958</u>
Combined Net Assets Total	<u>91,215</u>	<u>57,288</u>	<u>15,571</u>	<u>(35,470)</u>	<u>128,604</u>

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

22. ALLOCATION OF THE GROUP NET ASSETS (continued)

Prior Year	Fixed Assets £'000	Investments £'000	Net Current Assets/(Liabilities) £'000	Long Term Liabilities £'000	Total £'000
Endowment funds	-	16,153	1,594	-	17,747
Restricted funds	-	8,632	774	-	9,406
Unrestricted funds:					
Other designated funds	1,349	3,258	(1,227)	-	3,380
Other (Schools)	58,231	3,242	14,340	(12,256)	63,557
	59,580	31,285	15,481	(12,256)	94,090
Advance fee (designated)	-	1,496	1,085	(2,487)	94
Consolidated Charity total	59,580	32,781	16,566	(14,743)	94,184
Wellington College Academy Trust	29,524	837	(18)	(297)	30,046
Combined Net Assets Total	89,104	33,618	16,548	(15,040)	124,230

23. ENDOWMENT FUNDS

Current Year	Balance 1 August 2018 £'000	Income £'000	Expenditure £'000	Transfers and Investment Gains £'000	Balance 31 July 2019 £'000
Foundation Capital					
Foundation Endowment	2,455	-	-	129	2,584
Heritage Fund	3,054	-	-	(45)	3,009
Other Trusts:					
Fisher Endowment	3,976	-	-	(18)	3,958
Scholarships, Bursaries	7,469	-	-	363	7,832
Prizes and other funds	793	-	-	61	854
Consolidated Charity Total	17,747	-	-	490	18,237
Wellington College Academy Trust	-	-	-	-	-
Combined Net Assets Total	17,747	-	-	490	18,237

THE WELLINGTON COLLEGE
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23. ENDOWMENT FUNDS (continued)

Prior Year	Balance 1 August 2017	Income	Expenditure	Transfers and Investment Gains	Balance 31 July 2018
	£'000	£'000	£'000	£'000	£'000
Foundation Capital					
Foundation Endowment	2,343	-	-	112	2,455
Heritage Fund	3,019	-	-	35	3,054
Other Trusts:					
Fisher Endowment	3,869	-	-	107	3,976
Scholarships, Bursaries	7,152	-	-	317	7,469
Prizes and other funds	<u>734</u>	<u>-</u>	<u>-</u>	<u>59</u>	<u>793</u>
Consolidated Charity Total	<u>17,117</u>	<u>-</u>	<u>-</u>	<u>630</u>	<u>17,747</u>
Wellington College Academy Trust	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Combined Net Assets Total	<u>17,117</u>	<u>-</u>	<u>-</u>	<u>630</u>	<u>17,747</u>

The Foundation Capital represents the original endowment to provide education to children of deceased commissioned service officers under the terms of the Royal Charter of 1853, as subsequently amended.

The Heritage Fund, which was established in 1992 by the Governors out of the proceeds from the sale of some capital assets of the College and a donation from an Old Wellingtonian, is used for the permanent enhancement of the College and bursaries. The fund may be supplemented at the Governors' discretion with the proceeds of the sale of any other College capital assets or through donated gifts. Any asset sales that represented the original Endowment are segregated in the Endowed section. The rules of the fund allow capital loans to be made to the College.

The Fisher Endowment was instituted in 1978 in memory of a former Master, to provide for bursaries and scholarships.

The other special trusts consist of a number of individual trust and prize funds set up by individual donors for scholarships, prizes and bursaries.

The Foundation and other special trusts are pooled for investment, are allocated their proportion of investment income and gains and losses and bear their own expenses.

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

24. RESTRICTED FUNDS

Current Year

	<i>Balance 1 August 2018</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers and Investment Gains/ (Losses)</i>	<i>Balance 31 July 2019</i>
	£'000	£'000	£'000	£'000	£'000
Foundation Endowment	381	46	(127)	21	321
Other Trusts:					
Finnis Trust	262	1	(1)	(15)	247
Fisher Endowment	-	29	(29)	-	-
Scholarships, Bursaries	4,340	179	(270)	1,545	5,794
Prince Albert Society	3,291	16	(366)	371	3,312
Prizes and other funds	959	16	(21)	(678)	276
Development	8	1,469	(145)	(1,330)	2
Building Projects	155	29	(102)	(6)	76
Eagle House	10	28	(31)	-	7
Consolidated Charity	<u>9,406</u>	<u>1,813</u>	<u>(1,092)</u>	<u>(92)</u>	<u>10,035</u>
Wellington College Academy Trust	<u>30,046</u>	<u>8,417</u>	<u>(9,826)</u>	<u>(679)</u>	<u>27,958</u>
Combined Total	<u>39,452</u>	<u>10,230</u>	<u>(10,918)</u>	<u>(771)</u>	<u>37,993</u>

Prior Year

	<i>Balance 1 August 2017</i>	<i>Income</i>	<i>Expenditure</i>	<i>Transfers and Investment Gains/ (Losses)</i>	<i>Balance 31 July 2018</i>
	£'000	£'000	£'000	£'000	£'000
Foundation Endowment	393	74	(105)	19	381
Other Trusts:					
Finnis Trust	-	262	-	-	262
Fisher Endowment	-	173	(173)	-	-
Scholarships, Bursaries	4,133	148	(487)	546	4,340
Prince Albert Society	3,100	131	(223)	283	3,291
Prizes and other funds	220	28	(21)	732	959
Development	3	2,670	(138)	(2,527)	8
Building Projects	3,269	88	(252)	(2,950)	155
Eagle House	4	94	(88)	-	10
Consolidated Charity	<u>11,122</u>	<u>3,668</u>	<u>(1,487)</u>	<u>(3,897)</u>	<u>9,406</u>
Wellington College Academy Trust	<u>31,030</u>	<u>7,844</u>	<u>(9,380)</u>	<u>552</u>	<u>30,046</u>
Combined Total	<u>42,152</u>	<u>11,512</u>	<u>(10,867)</u>	<u>(3,345)</u>	<u>39,452</u>

These include the income reserves on each of the Endowed Capital funds plus other scholarship and bursary funds.

THE WELLINGTON COLLEGE
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25a. UNRESTRICTED FUNDS-DESIGNATED

Current Year	<i>Balance</i>			Transfers and Investment Gains/ (Losses)	Balance 31 July 2019
	<i>1 August</i>				
	<i>2018</i>	Income	Expenditure		
	£'000	£'000	£'000		
Advance fee income	94	30	(66)	(7)	51
Heritage Fund	998	71	(79)	(15)	975
Entry Bursary Fund	<u>1,779</u>	<u>29</u>	<u>(632)</u>	<u>1,984</u>	<u>3,160</u>
Schools total	2,871	130	(777)	1,962	4,186
Trading companies' reserves	<u>603</u>	<u>7,987</u>	<u>(4,932)</u>	<u>(3,658)</u>	<u>-</u>
Consolidated Charity Total	<u>3,474</u>	<u>8,117</u>	<u>(5,709)</u>	<u>(1,696)</u>	<u>4,186</u>
Wellington College Academy Trust	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Combined Total	<u>3,474</u>	<u>8,117</u>	<u>(5,709)</u>	<u>(1,696)</u>	<u>4,186</u>
Prior Year	<i>Balance</i>			Transfers and Investment Gains/ (Losses)	Balance 31 July 2018
	<i>1 August</i>				
	<i>2017</i>	Income	Expenditure		
	£'000	£'000	£'000		
Advance fee income	136	100	(60)	(82)	94
Heritage Fund	1,519	103	(95)	(529)	998
Entry Bursary Fund	<u>1,274</u>	<u>33</u>	<u>(388)</u>	<u>860</u>	<u>1,779</u>
Schools total	2,929	236	(543)	249	2,871
Trading companies' reserves	<u>-</u>	<u>9,758</u>	<u>(6,962)</u>	<u>(2,193)</u>	<u>603</u>
Consolidated Charity Total	<u>2,929</u>	<u>9,994</u>	<u>(7,505)</u>	<u>(1,944)</u>	<u>3,474</u>
Wellington College Academy Trust	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Combined Total	<u>2,929</u>	<u>9,994</u>	<u>(7,505)</u>	<u>(1,944)</u>	<u>3,474</u>

Designated funds include the non endowed portion of the Heritage Fund, which can be used for the permanent enhancement of the College or for bursaries; and the reserves of the Advance Fee Fund, Wellington College Enterprises Limited and Wellington College International Limited.

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

25b. UNRESTRICTED FUNDS – OTHER

Current Year

	<i>Balance 1 August 2018 £'000</i>	<i>Incoming Resources £'000</i>	<i>Resources Expended £'000</i>	<i>Transfers and Investment Gains £'000</i>	<i>Balance 31 July 2019 £'000</i>
Retained Income-Consolidated Charity Total	<u>63,557</u>	<u>48,192</u>	<u>(46,912)</u>	<u>3,351</u>	<u>68,188</u>
Wellington College Academy Trust	-	-	-	-	-
Combined Total	<u>63,557</u>	<u>48,192</u>	<u>(46,912)</u>	<u>3,351</u>	<u>68,188</u>

Prior Year

	<i>Balance 1 August 2017 £'000</i>	<i>Incoming Resources £'000</i>	<i>Resources Expended £'000</i>	<i>Transfers and Investment Gains £'000</i>	<i>Balance 31 July 2018 £'000</i>
Retained Income-Consolidated Charity Total	<u>52,821</u>	<u>48,391</u>	<u>(44,102)</u>	<u>6,447</u>	<u>63,557</u>
Wellington College Academy Trust	-	-	-	-	-
Combined Total	<u>52,821</u>	<u>47,807</u>	<u>(44,102)</u>	<u>6,447</u>	<u>63,557</u>

26. CONTRACTS AND COMMITMENTS

At 31 July 2019 there were capital commitments of £nil (2018: £4,554,868).

At 31 July 2019 a number of major maintenance projects were in progress. The committed expenditure required to complete these projects was £265,000.

At 31 July 2019 the Combined group had future minimum lease payments under non-cancellable operating leases as follows:

	Land and Buildings		Plant and Machinery	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Expiring in:				
In less than one year	-	-	461	360
Between two and five years	-	-	540	541
Between five and ten years	-	-	-	-
	<u>-</u>	<u>-</u>	<u>1,001</u>	<u>901</u>

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

27. PENSION COSTS

Consolidated Charity

a) Teachers' Pension Defined Benefits Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,487,389 (2018: £1,409,780) and at the year-end £199,933 (2018 - £196,152) was accrued in respect of contributions to this scheme.

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

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

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

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

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

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

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

b) Non teaching staff Defined Contribution Scheme

The school also runs a defined contribution scheme for its non-teaching staff. The school's contributions to the scheme during the year ended 31 July 2019 were £541,786 (2018: £566,808) at the rate of 11% of gross salary.

Wellington College, Eagle House and Wellington College Enterprises all operate an auto-enrolment defined contribution scheme for staff who do not wish to join the main non-teaching staff scheme. Contributions to this scheme were £135,804 in the year (2018: £93,429) at the rate of 5% of gross salary from April 2019 (2018: 3%).

Total outstanding contributions for non-teaching schemes at the year end were £nil (2018: nil).

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

27. PENSION COSTS (CONTINUED)

Wellington College Academy Trust

The Academy Trust's employees belong to two principal pension schemes: the Teachers' Pension Scheme England and Wales (TPS) for academic and related staff; and the Local Government Pension Scheme (LGPS) for non-teaching staff, which is managed by Wiltshire Council. Both are defined-benefit schemes.

The pension costs are assessed in accordance with the advice of independent qualified actuaries. The latest actuarial valuation of the TPS related to the period ended 31 March 2014 and of the LGPS 31 March 2016.

There were no outstanding or prepaid contributions at either the beginning or the end of the financial year.

a) Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in academies and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

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. 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 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education in March 2019.

The key elements of the valuation and subsequent consultation are:

- an increase in employer rates from 16.48% to 23.68% of pensionable pay (including a 0.08% employer administration charge) with the rise in contribution delayed from 1 April to 1 September 2019
- 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 £196,000 million giving a notional past service deficit of £22,100 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- there will be funding from the DFE for the financial year 2019/20 to help maintained schools and academies meet the additional costs arising from the scheme valuation. Funding for 2020/21 onwards will be discussed as part of the next Spending Round review.

The TPS valuation for 2016 determined an employer rate of 23.6%, which is payable from September 2019. The next valuation of the TPS will be at March 2020 and will be based on March 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2023.

The pension costs paid to the TPS in the period amounted to £415,481 (2018: £404,247).

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

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

THE WELLINGTON COLLEGE
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27. PENSION COSTS (CONTINUED)

b) Local Government Pension Scheme

The LGPS is a funded defined-benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years are 15.4 per cent for employers and 5.5 - 12.5 per cent for employees. The estimated value of employer contributions for the forthcoming year is £305,000

The Academy Trust has agreed to pay the default contribution rates using contribution relief, these future rates are as follows:

Period Rate	Employer Contribution
2019/20	20.10%

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18 July 2013.

Total Contributions Made	2019 £'000	2018 £'000
Employer's contributions	287	260
Employee's contributions	<u>94</u>	<u>92</u>
Total contributions	<u>381</u>	<u>352</u>
Principal actuarial assumptions	%	%
Rate of increase in salaries	2.6	2.7
Rate of increase for pensions in payment	2.3	2.4
Discount rate	1.8	2.8

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	2019 Years	2018 Years
Retiring today		
-Males	21.4	22.5
-Females	23.7	24.9
Retiring in 20 years		
-Males	22.3	24.1
-Females	<u>25.1</u>	<u>26.7</u>

Scheme liabilities would have been affected by changes in assumptions as follows:	Approximate increase in employer liability	Approximate monetary amount £000
0.5% decrease in Real Discount Rate	13%	773
0.5% increase in Salary Increase Rate	1%	43
0.5% increase in the Pension Increase Rate	12%	719

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27. PENSION COSTS (CONTINUED)

	2019	2018
	£'000	£000
Defined benefit pension scheme net liability		
Scheme Assets	4,809	4,243
Scheme Obligations	<u>(6,139)</u>	<u>(4,540)</u>
Net Liability	<u>(1,330)</u>	<u>(297)</u>
	2019	2018
The Academy Trust's share of the assets in the scheme	Fair Value	Fair Value
	£'000	£'000
Equities	3,415	3,012
Bonds	673	594
Cash	96	85
Property	<u>625</u>	<u>552</u>
Total market value of assets	<u>4,809</u>	<u>4,243</u>
Actual return on scheme assets - gain/(loss)	<u>291</u>	<u>303</u>
Amounts recognised in the Statement of Financial Activities		
Current service cost (net of employee contributions)	278	354
Past service cost	17	-
Interest income	(123)	(95)
Interest cost	135	111
Net interest cost	<u>307</u>	<u>370</u>
Changes in the present value of defined benefit obligations		
	2019	2018
	£'000	£'000
Obligations at 1 September	4,540	4,105
Current service cost	565	614
Interest cost	135	111
Employee contributions	94	92
Actuarial loss/(gain)	894	(331)
Benefits paid	(106)	(51)
Past service cost	17	-
At 31 August	<u>6,139</u>	<u>4,540</u>
Changes in the fair value of the Academy Trust's share of scheme assets	2019	2018
	£'000	£'000
Assets at 1 September	4,243	3,639
Interest income	123	95
Actuarial gain	168	208
Employer contributions	287	260
Employee contributions	94	92
Benefits paid	(106)	(51)
At 31 August	<u>4,809</u>	<u>4,243</u>

THE WELLINGTON COLLEGE
NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 JULY 2019

28. FINANCIAL INSTRUMENTS

	2019	2018
Combined Total	£000	£000
Financial assets measured at amortised cost	32,270	30,773
Financial liabilities measured at amortised cost	41,640	23,889
Financial assets measured at fair value	<u>56,609</u>	<u>31,509</u>

The Combined total income expense gains and losses in respect of financial instruments are summarised below

Total income for financial assets held at amortised cost	191	187
Total income for financial assets held at fair value	646	1,214
Total interest expense for financial liabilities held at amortised cost	<u>2,079</u>	<u>712</u>

	2019	2018
Consolidated Charity	£000	£000
Financial assets measured at amortised cost	30,558	29,426
Financial liabilities measured at amortised cost	40,839	23,494
Financial assets measured at fair value	<u>55,720</u>	<u>31,221</u>

The Consolidated Charity's' income expense gains and losses in respect of financial instruments are summarised below

Total income for financial assets held at amortised cost	191	187
Total income for financial assets held at fair value	645	1,198
Total interest expense for financial liabilities held at amortised cost	<u>2,079</u>	<u>710</u>

	2019	2018
Schools	£000	£000
Financial assets measured at amortised cost	30,087	31,882
Financial liabilities measured at amortised cost	40,302	24,412
Financial assets measured at fair value	<u>55,720</u>	<u>31,221</u>

The Schools' income expense gains and losses in respect of financial instruments are summarised below

Total income for financial assets held at amortised cost	184	83
Total income for financial assets held at fair value	644	1,198
Total interest expense for financial liabilities held at amortised cost	<u>2,079</u>	<u>710</u>

Financial assets measured at amortised cost comprise fee and trade debtors, amounts owed by group undertakings, other debtors and cash and cash equivalents less prepayments and VAT debtors,

Financial assets measured at fair value comprise listed investments.

Financial liabilities measured at amortised cost comprise bank loans, amounts owed to group companies, net obligations under finance leases and hire purchase contracts, trade creditors, other creditors and accruals less deferred income.

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29. STATEMENT OF FINANCIAL ACTIVITIES: COMPARATIVE YEAR DETAIL

Year to July 2018	Schools	Unrestricted	Designated	Restricted	Endowed	Consolidated Charity	WCAT Restricted	Combined 2018
	£'000		£'000	£'000	£'000	£'000	£'000	£'000
INCOME AND ENDOWMENTS FROM								
Charitable activities								
School fees receivable	43,068		-	-	-	43,068	-	43,068
Funding for school operations	-		-	-	-	-	6,781	6,781
Ancillary trading income	1,946		-	-	-	1,946	823	2,769
Other trading activities								
Non-ancillary trading	836		-	-	-	836	-	836
Non-charitable trading	-		9,717	-	-	9,717	-	9,717
Investments								
Investment income	164		239	795	-	1,198	16	1,214
Voluntary Sources								
Donations and capital grants	72		-	2,873	-	2,945	224	3,169
Other Income	<u>2,305</u>		-	-	-	<u>2,305</u>	-	<u>2,305</u>
Total Income	<u>48,391</u>		<u>9,956</u>	<u>3,668</u>	-	<u>62,015</u>	<u>7,844</u>	<u>69,859</u>

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Year to July 2018	Unrestricted	Designated	Restricted	Endowed	Consolidated Charity	WCAT Restricted	Combined 2018
Schools £'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
EXPENDITURE ON							
Charitable activities							
School operating costs and grant making	43,358	457	1,469	-	45,284	9,378	54,662
Raising funds							
Non-charitable trading	-	6,938	-	-	6,938	-	6,938
Fundraising costs	124	-	-	-	124	-	124
Financing costs	620	72	18	-	710	2	712
Total expenditure	<u>44,102</u>	<u>7,467</u>	<u>1,487</u>	-	<u>53,056</u>	<u>9,380</u>	<u>62,436</u>
NET INCOME BEFORE GAINS	<u>4,289</u>	<u>2,489</u>	<u>2,181</u>	-	<u>8,959</u>	<u>(1,536)</u>	<u>7,423</u>
Investment (losses)/gains	173	(4)	437	630	1,236	13	1,249
Transfers between funds	6,274	(1,940)	(4,334)	-	-	-	-
Actuarial gains/(losses) on defined benefit pension schemes	-	-	-	-	-	539	539
NET INCOME/(EXPENDITURE)	<u>10,736</u>	<u>545</u>	<u>(1,716)</u>	<u>630</u>	<u>10,195</u>	<u>(984)</u>	<u>9,211</u>
Total funds brought forward	<u>55,750</u>		<u>11,122</u>	<u>17,117</u>	<u>83,898</u>	<u>31,030</u>	<u>115,019</u>
TOTAL FUNDS CARRIED FORWARD	<u>67,031</u>		<u>9,406</u>	<u>17,747</u>	<u>94,184</u>	<u>30,046</u>	<u>124,230</u>

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30. RELATED PARTY TRANSACTIONS

The Academy Trust had transactions with the sponsor, Wellington College, relating to £11,500 in sales from the Academy to Wellington College (2018 £32,081) and £nil in purchases by the Academy from Wellington College (2018 £ nil).

Donations of £146,134 were made by Wellington College to the Wellington College Academy Trust in the year (2018 £136,296).

31. POST BALANCE SHEET EVENT

On 17th January 2020 the Regional Schools Commissioner for the South West, approved the transfer of Wellington College Academy Trust's (WCAT) schools (The Wellington Academy, Wellington Primary Academy and Wellington Eagles) into Royal Wootton Bassett Academy Trust. It is planned that the effective date of the transfer will be 1st April 2020. The parents of pupils at the WCAT schools have been informed of the planned change.