

W G S TRUST
Charity Number: 505207
ANNUAL REPORT
YEAR ENDED 31 AUGUST 2020

W G S TRUST

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W G S TRUST

REFERENCE AND ADMINISTRATIVE INFORMATION

TRUSTEES

Lord Lee of Trafford (Chairman) DL, FCA
Mr R Bailey BA, ACA
Mr A Beardsworth MA (Cantab) ACA CTA
Mrs SJ Haslam BA
Mr DJ Illingworth BA, FCA
Mrs SE Marks, MA (Oxon) MA (Nott) FRSA
Mrs JD Pickering BSc
Mr CM Poston BSc, FCA

Mr Ian Goulty resigned as a Trustee on 3rd April 2020. There were no other movements of Trustees during the year.

Clerk to the Trustees

Mrs S Senn BSc (Econ), ACA

ADVISERS

Auditors

Crowe U.K. LLP
3rd Floor, The Lexicon
Mount Street
MANCHESTER
M2 5NT

Stockbrokers

Brown Shipley
3 Hardman Street
Manchester
M3 3HF

Bankers

Bank of Scotland
224 Ingram Street
Glasgow
G1 1DR

Lloyds Bank
223 Finney Lane
Heald Green
Cheshire
SK8 3PY

Registered and principal office

Withington Girls' School
Wellington Road
Fallowfield
Manchester
M14 6BL

Charity Number

505207

Constitution

The charity is unincorporated and is governed by a Trust Deed executed in 1976.

W G S TRUST

TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 AUGUST 2020

The Trustees of the W G S Trust present their Annual Report and audited accounts for the year ended 31 August 2020 and confirm they comply with the requirements of the Charities Act 2011, as amended by the trust deed and the Charities SORP 2015.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Trustees determine the general policy adopted by the Trust and work with professional advisers to deal with the day to day management of investments. Administration of the Trust including management of bursaries is undertaken by staff of Withington Girls' School (Charity Number 1158226) ('the School').

Objectives and activities for the public benefit

The objects of the Trust, as set out in the Trust Deed, are as follows:

- the advancement of the educational work of the School
- charitable purposes (whether educational or not) of or associated with the School
- the advancement of education in any part of the world

The Trustees confirm that they have referred to the Charity Commission's guidance on public benefit when reviewing the Trust's aims and objectives.

Provision of means-tested bursaries

The principal way in which the Trust supports the advancement of the educational work of the School is by providing means-tested bursaries to girls who have performed well in the entrance examination and might otherwise be unable to take up places offered to them by the School. Bursaries are also awarded to pupils whose family circumstances change, to enable them to continue to attend the School. Bursaries are made solely on the basis of parental means or to relieve hardship where a pupil's education would otherwise be at risk for example in the case of redundancy. In assessing means a number of factors are taken into consideration including family income, investments, savings, opportunity to generate additional income and family circumstances, for example dependent relatives.

The bursary awards range from 10% to 100% of fees. Information about fee assistance through bursaries is provided to all parents of girls applying to the Senior School and also to parents of junior girls, as a limited number of bursaries have been available for girls entering Years 5 and 6 in the Junior School from September 2015. The availability of means-tested bursaries is publicised through School advertisements in the press and promotional materials at local libraries. Details of the bursary policy and how to apply are also on the School website.

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Support for Capital Projects at the School

The other major way in which the Trust supports the educational advancement of the School is by providing financial assistance, in the form of grants and repayable loans, to enable a programme of capital development to take place.

Trustees agreed at their meeting in February 2021 to provide a capital grant of £1m for a two-storey extension to the Dining Room of the School. Work commenced on this project in April 2021 and it is expected to be completed in January 2022. The capital support is expected to be required in two instalments (September 2021 and December 2021). Trustees confirmed at their meeting in May 2021 that the capital grant will be financed from the partial disposal of investments. The start date for this project was delayed as a result of the pandemic. While planning permission for this project was obtained in April 2020, Governors of the the School put major capital expenditure on hold until they felt that the time was right for this major project to commence. That decision was taken in February 2021.

The previous major capital project undertaken by the School was the Sports Development Project which was completed during the 2017/18 academic year. Work started in August 2017 and was completed at Easter 2018.

The Development Office launched a Capital Appeal for this project with a target of £500,000 and cumulative donations as at 31st August 2020 were £350,904 (2019: £350,754).

Recruitment and Training of Trustees

The statutory power of appointing new Trustees is vested in the Governors of Withington Girls' School. This power is to be exercised so that immediately after any appointment, at least one of the Trustees is not a Governor, and the power shall cease to have effect upon being released in writing by the Governors or if the School shall be discontinued or shall become a maintained school or if the power of appointing all or a majority of the Governors shall be vested in a local or other public authority and/or any officer or department of the government. However, if the power of appointing new Trustees as indicated above shall cease to have effect, the statutory power of appointing Trustees shall be vested in the surviving or continuing Trustee or Trustees for the time being, or the personal representative of the last surviving or continuing Trustee.

New Trustees are selected to provide the Trust with an appropriate breadth of abilities and experience. New Trustees are inducted into the workings of the Charity by the Chairman of the Trust, the Headmistress of the School and the Clerk to the Trust.

Risk Management

The Trustees are responsible for the management of the risks faced by the Trust. The principal risk faced by the Trust is the performance of the investment portfolio.

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TRUSTEES' ANNUAL REPORT YEAR ENDED 31 AUGUST 2020

Trustees of the Charity manage the portfolio under the guidance of the Chair of the Trust. The Trustees bring a diverse range of skills and experiences to the Charity. The fund is administered by external stockbrokers. Trustees actively monitor the performance of the investment portfolio, mainly through quarterly reports from the stockbrokers. The investment policy of the Trustees is to aim to achieve an above average dividend yield to provide the income for means-tested bursaries, with a view to long-term capital appreciation of the holdings, consistent with an acceptable level of risk. Trustees have taken the decision to invest primarily in smaller UK quoted companies and no one holding should normally represent appreciably more than 7.5% of the overall portfolio in order to ensure a suitable spread of risk.

The key controls used by the Charity include:

- Formal agendas and supporting papers for all Trust meetings
- Consideration of regulatory compliance at all Trust meetings
- Comprehensive budgeting, management accounting, and reports on investment performance
- Clear authorisation and approval levels
- Use of a Risk Register to assess the likelihood and impact of each risk together with the steps taken in mitigation
- Regular meetings of Trustees, a standing item of which is Conflicts of Interest and/or Conflicts of Loyalty
- Active monitoring of the investment portfolio and mechanisms to effect transactions at short notice

The Trustees are satisfied that the major risks identified have been adequately managed where necessary. It is recognised that systems can only provide reasonable but not absolute assurance.

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TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 AUGUST 2020

OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects of the Charity, which are set out in the Trust Deed, are the advancement of the educational work of Withington Girls' School, charitable purposes of, or associated with, the School and the advancement of education in any part of the world. The School is a separate charity which provides a day school for girls from the ages of seven to eighteen.

In setting and planning our objectives Trustees have given careful consideration to the Charity Commission's general guidance on public benefit.

A specific aim of the Charity is to maintain and enhance the level of means-tested bursary support to safeguard the diversity of the school community. The School has never offered financial support on a non-means-tested basis, such as academic scholarships. The School is committed to providing public benefit as is evidenced in its published Annual Report.

ACHIEVEMENTS AND PERFORMANCE

REVIEW OF THE YEAR

The Trust has generated incoming resources of £876,074 (2019: £787,993) for the year.

Governors of the School approved a new Development & Alumnae Strategy (2019 to 2024) at their meeting in September 2019. The key focus of this Strategy, which dovetails with the School's Development Plan, is to continue to raise funds for School priorities. A significant focus is to increase funding for means-tested bursaries as one of the aims of the School is to maintain and increase the level of Governors' means-tested bursary support to secure the diversity of the School community, with the eventual aim of needs-blind admission.

Donations received by the WGS Trust for the bursary fund amount to £125,662 (2019: £71,075).

This amount excludes £75,000 received from the Zochonis Charitable Trust (2019: £70,000) the terms of which are that this money must be spent on bursaries in the 2020/21 year. As a result, this donation has been included within Withington Girls' School's accounts as a payment on account for the year to 31 August 2020.

The Development Office of the School launched a bursary/hardship appeal in July 2020 supported by an alumna (and her husband) who pledged to match the first £12,633 donated. The response from this direct mail appeal, the first carried out by the school, has been exceptional. The amount raised in total (including pledges), when this appeal closed in October 2020, was £114,339. The alumna increased her pledge to ensure that more than £100,000 was raised.

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TRUSTEES' ANNUAL REPORT YEAR ENDED 31 AUGUST 2020

This direct mail appeal was part of the newly approved strategy to diversify our methods of making a fundraising ask. Half of all donors who gave to the appeal were either new donors or long lapsed donors who had not given for more than ten years.

The annual Emily Simon Society Lunch was held on 11th March 2020. This provided an opportunity for members of the Society to visit the School, meet some current bursary recipients, and to learn about the School's partnership, WithGambia, that has been running for many years.

The Annual Fund was renamed and relaunched as the 'Ad Lucem Fund' and applications were invited from staff members to bid for funding to support projects which enhance and enrich the girls' learning but that normally fall outside the reach of the annual school budget. This year we particularly encouraged projects that provide opportunities to compensate for experiences lost during the COVID-19 outbreak.

The running costs for the Development Office have been borne equally by the WGS Trust and the School. In the year ended 31st August 2020, the direct costs for each were £78,581 (2019: £72,653).

The School paid £397,852 (2019: £382,258) into the Trust. This equates to 4% of fee income plus an additional sum of £50,000 for the year to 31st August 2020 (the same calculation as the previous nine years).

Bursaries were awarded to 108 girls (2019: 104 girls): 100 in the Senior School and 8 from the Junior School. This equates to over 17% of girls in the Senior School and almost 9% of girls in Year 5 and 6 of the Junior School receiving bursary support, of whom 17 benefited from full remission of fees. Thirty-three girls in the Senior School obtained a bursary worth 80% or more of fees. The total cost of these bursaries was £710,609 (2019: £672,434). The bursaries enabled girls who have met the entrance criteria, whose families would not otherwise have been able to afford the fees, to attend the School.

The pupils in receipt of bursaries may also receive support with the purchase of school uniform, individual music/drama lessons, curriculum-related school trips and similar expenses.

The overall result for the investment portfolio for the year was a loss of £138,164 (2019: loss of £340,544) of which the realised position for 2020 was a gain of £439,427 (2019: gain of £1,803,481).

As described in Note 12, Trustees undertook an exercise in May 2021 to re-evaluate the level of Restricted Reserves for bursaries. Trustees felt that, in the context of their agreement to provide a capital grant of £1m to the School for the two-storey Dining Room extension, it was appropriate to consider if additional funds should be classified as restricted for bursaries. The decision to transfer £2,171,055 from Unrestricted Funds to Restricted Funds was made following careful and considered analysis.

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TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 AUGUST 2020

Trustees ensure that the portfolio is invested in a diverse range of sectors while at the same time ensuring that no single holding is appreciably more than 7.5% of the investment portfolio. Particular focus is given to any holdings which are approaching or in excess of this threshold to determine whether the level of risk is acceptable or whether it is appropriate to sell a proportion or all of the holding.

Trustees compare the performance of the portfolio with the FTSE 250 (ex-Investment Trust) Index and one or more appropriate charity indices at each of their meetings.

The overall result for the year was a net reduction in funds of £67,308 (2019: reduction in funds of £316,852).

The effect of the pandemic continues to have an impact on the return of the investment portfolio and the movement of investments. This is being monitored by Trustees at their meetings.

For the year ended 31st August 2020 the capital return of the portfolio posted a positive return of 2.47% compared with a drop in the FTSE 250 ex Investment Trust index of 12.6% and a drop in the FTSE All Share index of 12.6%. For the same period last year, the capital return for the portfolio was a negative return 2.49% whilst the FTSE 250 ex Investment Trust index dropped by 7.9% on a total return basis.

The long-term effects of the pandemic are still unknown and, as for many entities at this time, there is potential for increased demand for bursary funding from Withington Girls' School (Charity 1158226) and continued volatility of the investment portfolio.

The fundraising approach

The School employs an in-house Development Team to carry out fundraising on its behalf. This is led by a Director of Development who has experience in fundraising and follows best practice.

The Development Director reports directly to the Headmistress of the School who is also a Trustee of the Trust. A professional fund-raiser is engaged specifically to assist with the biennial telephone campaign. As mentioned earlier, all running costs of the Development Office are shared equally between the Trust and the School.

The Trust registered as a member of the Fundraising Regulator in October 2017. Registration is optional for charities which spend less than £100,000 on fundraising each year and, as a result, there was no requirement for the Trust to register. The Trust's voluntary registration is evidence of its desire to follow best practice.

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TRUSTEES' ANNUAL REPORT YEAR ENDED 31 AUGUST 2020

The Director of Development is a member of the Institute of Fundraising which also has a code of practice. The Development Team are pleased to confirm that all fundraising activities for the School or the Trust have complied with the requirements of the Fundraising Regulator and the Institute of Fundraising's Code of Practice. The School and Trust have also adopted a WGS Fundraising Code of Practice that sets out the principles by which we will pursue and accept donations and also to demonstrate a commitment to ethical practices in relation to donors, so as to ensure openness, transparency and respect.

Careful monitoring of the activities of the Development Office is carried out by Governors of the School and Trustees of the WGS Trust. The Development Director submits a report on fundraising activities for each Governors' meeting and each Trustees' meeting and attends the meetings to answer any questions raised.

There have been no complaints about fundraising activities in the year to 31 August 2020 (2019: NIL).

General Data Protection Regulations (GDPR) Update

The School and the Trust are fully aware of their responsibilities under the General Data Protection Regulations (GDPR) which came into effect from May 2018. Over recent years, the Development Team has requested and recorded communication preferences for contacts and conducts Data Protection Impact Assessments as appropriate to carefully consider who is being approached for support, how the approach is made and how often this is done, to ensure that our fundraising is not unreasonably intrusive or persistent. All consent and communication preferences are retained on a specialist database.

In July 2020, the Development Office became aware that the School's database software provider, Blackbaud, had suffered a ransomware attack and that there had been a data breach. The company provided the School with a data file which enabled analysis to be carried out to determine which individuals were affected and which data had been breached. Data subjects known to have personal data included in the breach were informed by email at the beginning of August. The breach was reported to the ICO, the Charity Commission and Action Fraud in respect of the Trust and the School. The Charity Commission acknowledged the Serious Incident Report noting that Trustees were dealing with the matter appropriately and responsibly.

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TRUSTEES' ANNUAL REPORT

YEAR ENDED 31 AUGUST 2020

INVESTMENT POWERS

These are governed by the Trust Deed which permits the Trustees to invest in a manner that they see fit. The Trustees have a policy designed to achieve an above average dividend yield, with a view to long term capital appreciation, consistent with acceptable risk.

In order to achieve this high yield combined with longer term capital growth the Trustees have decided to invest predominantly in a broad range of smaller UK quoted companies. The Trustees are minded to avoid exposure to investments which are deemed to be unsuitable in the context of the objectives and interests of the WGS Trust and Withington Girls' School, when considering the portfolio as a whole. This includes preference to avoid sectors or companies involved in the following activities: tobacco and payday lending.

The Trustees seek to maintain a conservative approach to funds and at their meeting on 24th April 2015 it was agreed that no single holding should normally represent appreciably more than 7.5% of the investment portfolio. Particular focus is given to any holdings which are approaching or in excess of this threshold to determine whether the level of risk is acceptable or whether it is appropriate to sell a proportion or all of the holding. The level of liquidity depends on anticipated financial support for future School projects.

The Trustees monitor the investment performance against the FTSE Small Cap (ex Investment Trust) Index and one or more appropriate charity indices.

RESERVES

In formulating their reserves policy the Trustees are concerned that the Trust has a sufficient level of reserves to enable it to meet its objects and policies, which have been described earlier in this report. In particular the Trustees consider that the Trust should have adequate capital to provide income up to the level required to support Junior and Senior pupils throughout their school career, and the provision of financial assistance for the building programme of the School.

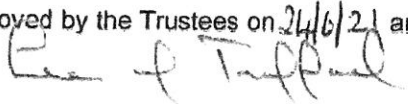
Trustees have reviewed the allocation of reserves between Unrestricted and Restricted during the year and further details of transfers carried out are shown in Note 12.

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TRUSTEES' ANNUAL REPORT YEAR ENDED 31 AUGUST 2020

Mindful of the increased demand for bursary funding together with financial support for the School's building and maintenance programme, the Trustees and the professional advisers consider that generation of reserves of a minimum of £10 million is required to meet these demands. This will enable both an active bursary outreach programme to continue to be developed and future building/maintenance projects to be financed. Achievement of this aim can only happen over a period of time and Trustees are encouraged by the resilience of the investment portfolio in the current year which has generated a loss of £138,164 (2019: loss of £340,554) and a small decrease in the overall level of reserves as at 31st August 2020 to £8,579,239 (2019: £8,646,547). Following the transfers from Unrestricted Reserves to Restricted Reserves, as described in Note 12, free reserves as at 31st August 2020 are £5,107,103 (2019: £7,330,051).

Approved by the Trustees on 24/6/21 and signed on its behalf by:



Lord Lee of Trafford

WGS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Trustees to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under charity law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period.

In preparing those financial statements the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departure disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Trustees are responsible for keeping accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, as amended by the trust deed and the Charities SORP 2015. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

WGS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES YEAR ENDED 31ST AUGUST 2020

Opinion

We have audited the financial statements of WGS Trust for the year ended 31 August 2020 which comprise the statement of financial activities, the balance sheet, 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).

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2020 and of its 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 charity 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 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.

WGS TRUST

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES YEAR ENDED 31ST AUGUST 2020

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; 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 12, 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 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 144 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

WGS TRUST

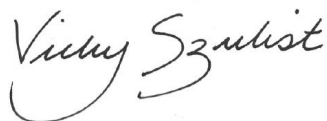
INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES YEAR ENDED 31ST AUGUST 2020

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

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

Use of our report

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.



Vicky Szulist

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

The Lexicon
Mount Street
Manchester
M2 5NT

30th June

2021

WGS TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31st AUGUST 2020

	Notes	Unrestricted Funds 2020	Capital Appeal 2020	Restricted Funds 2020	Total 2020	Unrestricted Funds 2019	Capital Appeal 2019	Restricted Funds 2019	Total 2019
		£	£	£	£	£	£	£	£
INCOME AND EXPENDITURE									
INCOME									
Donations		125,662	150	0	125,812	71,075	4,150	0	75,225
Contributions from Withington Girls' School		397,852	0	0	397,852	382,258	0	0	382,258
Investment Income	2	299,126	0	52,829	351,955	280,776	0	49,294	330,070
Income generating activities	3	455	0	0	455	440	0	0	440
Total income		823,095	150	52,829	876,074	734,549	4,150	49,294	787,993
EXPENDITURE									
Costs of raising funds	4	78,581	0	0	78,581	72,653	0	0	72,653
		78,581	0	0	78,581	72,653	0	0	72,653
Expenditure on charitable activities									
Bursaries paid to pupils of Withington Girls' School	5	657,780	0	52,829	710,609	623,140	0	49,294	672,434
Annual Fund	6	0	0	0	0	2,032	0	0	2,032
Other Charitable Expenditure	7	16,028	0	0	16,028	17,172	0	0	17,172
Total Charitable Activities Expenditure		673,808	0	52,829	726,637	642,344	0	49,294	691,638
Total expenditure		752,389	0	52,829	805,218	714,997	0	49,294	764,291
Net income before gains on investment		70,706	150	0	70,856	19,552	4,150	0	23,702
Net (loss) on investments		(117,083)	0	(21,081)	(138,164)	(299,768)	0	(40,786)	(340,554)
TRANSFER BETWEEN RESERVES	12	(2,176,571)	5,516	2,171,055	0	0	0	0	0
NET MOVEMENT IN FUNDS	12	(2,222,948)	5,666	2,149,974	(67,308)	(280,216)	4,150	(40,786)	(316,852)
RECONCILIATION OF FUNDS									
TOTAL FUNDS BROUGHT FORWARD	12	7,330,051	18,638	1,297,858	8,646,547	7,610,267	14,488	1,338,644	8,963,399
TOTAL FUNDS CARRIED FORWARD	12	5,107,103	24,304	3,447,832	8,579,239	7,330,051	18,638	1,297,858	8,646,547

The notes on pages 19 to 24 form part of these accounts.
All amounts relate to continuing operations.

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BALANCE SHEET AS AT 31st AUGUST 2020

	Notes	2020 £	2019 £
INVESTMENTS	8	8,506,325	8,468,298
CURRENT ASSETS			
Debtors	9	27,436	8,097
Cash	10	450,907	488,128
		<u>478,343</u>	<u>496,225</u>
CREDITORS			
Amounts falling due within one year	11	<u>(405,429)</u>	<u>(317,976)</u>
NET CURRENT ASSETS		72,914	178,249
NET ASSETS		<u>8,579,239</u>	<u>8,646,547</u>
ACCUMULATED FUNDS			
Restricted	12	3,447,832	1,297,858
Unrestricted - designated	12	24,304	18,638
Unrestricted - not designated	12	<u>5,107,103</u>	<u>7,330,051</u>
		<u>8,579,239</u>	<u>8,646,547</u>

Approved by the Board of Trustees on 24th June 2021
and signed on its behalf by

Lord Lee of Trafford

Lord Lee of Trafford

Mrs S J Haslam

S. J. Haslam

WGS TRUST

STATEMENT OF CASH FLOWS

FOR YEAR ENDED 31 AUGUST 2020

	2020	2019
	£	£
Reconciliation of net movement in funds to net cash flow from operating activities		
Net movement in funds	(67,308)	(316,852)
Deduct interest income shown in investing activities	(106)	(193)
Add net loss on investment portfolio	138,164	340,554
(Increase)/decrease in debtors	(19,339)	45,234
Increase in creditors	87,453	315,976
Net cash from operating activities	138,864	384,719
Cash flows from investing activities		
Interest income	106	193
Purchase of investments	(1,949,083)	(3,644,825)
Disposal of investments	1,778,616	3,397,721
Cash used in investing activities	(170,361)	(246,911)
(Decrease)/increase in cash and cash equivalents in the year	(31,498)	137,808
Cash and cash equivalents at the beginning of the year	494,534	356,726
Total cash and cash equivalents at the end of the year	463,037	494,534
Breakdown of Cash and Cash Equivalents		
	£	£
Lloyds Bank Current Account	450,907	488,128
	450,907	488,128
Cash held by Stockbrokers	12,130	6,406
Total cash and cash equivalents at the end of the year	463,037	494,534

WGS TRUST
NOTES ON THE FINANCIAL STATEMENTS
YEAR ENDED 31st AUGUST 2020

1. ACCOUNTING POLICIES

(a) Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015.

The functional currency of the Charity is considered to be GBP because that is the currency of the primary economic environment in which the Charity operates.

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments.

The Charity is a Public Benefit Entity registered as a charity in England and Wales. Its charity number is 505207 (England and Wales).

(b) Incoming resources

All income is included within the Statement of Financial Activities ('SOFA') on a receivable basis.

(c) Resources expended

All expenditure is accounted for on an accruals basis and allocated directly to the category to which it relates. Governance costs comprise those costs incurred complying with constitutional and statutory requirements. Capital grants are accounted for when the Charity has made an obligation to pay the monies.

(d) Investments

Investments are stated at market value.

(e) Fund accounting

Funds held by the charity are either:

Unrestricted funds which can be used in accordance with the charitable objects at the discretion of the trustees.

Designated funds are those ear-marked for a specific purpose. As at 31st August 2020 these funds are due to be paid to the School for the Sports Development Project.

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

(f) Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

WGS TRUST

NOTES ON THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

1. ACCOUNTING POLICIES CONTINUED

(g) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgement, estimates, and assumptions about the carrying value 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 ongoing 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 affected current and future periods.

Trustees have carried out an exercise to estimate an appropriate transfer from Unrestricted to Restricted Reserves, as explained in Note 12 on page 23 to these accounts.

In the view of the trustees, no other assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

(h) Going Concern

Trustees consider that the WGS Trust is a Going Concern. Trustees monitor the School's requirement for bursary funding and capital projects at each of their meetings to ensure that this can be funded.

Trustees monitor the impact of the pandemic on the return of the investment portfolio and the movement of investments at their meetings. The School provides Trustees with an indication of the funding required for bursaries. The Trustees then decide the amount that is paid to the School.

The Trustees believe that the Trust is able to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements, and have therefore prepared the financial statements on a going concern basis.

2. INVESTMENT INCOME

	2020	2019
	£	£
Bank interest	106	193
Dividends on UK listed investments	351,849	329,877
	<u>351,955</u>	<u>330,070</u>

3. INCOME GENERATING ACTIVITIES

	2020	2019
	£	£
Alumnae networking events	455	440
	<u>455</u>	<u>440</u>

WGS TRUST

NOTES ON THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

4. FUNDRAISING COSTS

	2020	2019
	£	£
Staff costs recharged from Withington Girls' School	65,379	52,713
Promotional materials	4,546	5,822
Telephone Campaign	6,767	12,033
Other fundraising costs	1,889	2,085
	<u>78,581</u>	<u>72,653</u>

5. BURSARIES

	2020	2019
	£	£
Bursaries paid for pupils of Withington Girls' School	<u>710,609</u>	<u>672,434</u>

The total number of pupils in receipt of bursaries during the year was 108 (2019: 104).

6 ANNUAL FUND

	2020	2019
	£	£
Purchase of equipment for Withington Girls' School	0	2,032
	<u>0</u>	<u>2,032</u>

7 OTHER CHARITABLE EXPENDITURE

	2020	2019
	£	£
Sundry expenses	2,076	1,126
Subscriptions	0	482
Clerk to the Trust	2,500	2,500
Stockbroking fee	672	670
Postage	2,869	2,243
Recruitment costs	0	1,745
Office expenses	478	124
Database software	2,323	2,142
Trustee Indemnity Insurance	1,960	1,960
Governance Costs		
Audit Fees	3,150	4,180
	<u>16,028</u>	<u>17,172</u>

The Trustees received no remuneration or reimbursement of expenses during the year (2019 £NIL).

There are no employees of the Charity.

There are no employees who received employee benefits (excluding pension costs) of more than £60,000.

WGS TRUST

NOTES ON THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

8 INVESTMENTS

The movements on this account during the year were as follows:

	2020 £	2019 £
UK quoted investments		
At valuation:		
At 1 September 2019	8,461,892	8,555,342
Additions at cost	1,949,083	3,644,825
Disposal proceeds	(1,778,616)	(3,397,721)
Changes in market value	(138,164)	(340,554)
At 31 August 2020	<u>8,494,195</u>	<u>8,461,892</u>
Cash held by stockbrokers	12,130	6,406
	<u><u>8,506,325</u></u>	<u><u>8,468,298</u></u>

All investments are held for charity use.

The historical cost of investments held is £6,451,777 (2019: £5,841,909).

Trustees continue to monitor the impact of the pandemic on the portfolio.

9 DEBTORS

	2020 £	2019 £
Income tax recoverable	<u>27,436</u>	<u>8,097</u>
	<u><u>27,436</u></u>	<u><u>8,097</u></u>

10 CASH AT BANK

	2020 £	2019 £
Lloyds Bank Current Account	450,907	488,128
	<u><u>450,907</u></u>	<u><u>488,128</u></u>

11 CREDITORS

	2020 £	2019 £
Amounts falling due within one year		
Accruals	3,120	3,120
Amount due to Withington Girls' School	402,309	314,856
	<u><u>405,429</u></u>	<u><u>317,976</u></u>

WGS TRUST

NOTES ON THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

12 ACCUMULATED FUNDS

	2020 £	2019 £
Restricted - for Bursaries		
At 1 September 2019	1,297,858	1,338,644
Net (loss) on investments	(21,081)	(40,786)
Net income before gains on investment	0	0
Transfer from Unrestricted Reserve	2,171,055	0
At 31 August 2020	<u>3,447,832</u>	<u>1,297,858</u>
	2020 £	2019 £
Unrestricted - not designated		
At 1 September 2019	7,330,051	7,610,267
Net income before gains on investment	70,706	19,552
Net (loss) on investments	(117,083)	(299,768)
Transfer to Restricted Reserve - for Bursaries	(2,171,055)	0
Transfer to Unrestricted - designated Reserve	(5,516)	0
At 31 August 2020	<u>5,107,103</u>	<u>7,330,051</u>
Unrestricted - designated		
At 1 September 2019	18,638	14,488
Net income before gains on investment	150	4,150
Transfer from Unrestricted Reserve	5,516	0
At 31 August 2020	<u>24,304</u>	<u>18,638</u>
Total	<u>8,579,239</u>	<u>8,646,547</u>

As a result of Trustees' commitment, at their meeting in February 2021, to provide a £1m Capital Grant to the School for a two-storey extension to the Dining Room, a decision was made to re-evaluate the level of Restricted Reserve for bursaries. A review of the overall Reserves of the Trust, resulting from fundraising appeals, was carried out for the period from 2004 to 2020.

Trustees considered detailed proposals at their meeting in May 2021 and determined that they felt it was appropriate for a transfer of £2,171,055 to be made from Unrestricted Reserves to Restricted Reserves for this purpose. Consideration was given to the donations provided for the 100 Plus Bursary Appeal which commenced in 2005 and reached its £2m target in 2011, in addition to a proportion of income and capital movements on the portfolio from 2005 to 31st August 2020, in making this assessment.

Trustees felt that while historically the Trust has provided capital support for major building projects, it was appropriate to ring fence a larger sum specifically for bursaries.

The School's capital project commenced in April 2021 and is expected to be completed in January 2022.

The Restricted Funds represent a fund specifically for bursaries.

In respect of the Unrestricted - designated fund for the Sports Development project, a transfer has been made from the Unrestricted Fund to reflect a proportion of income and capital movements from 2018 to 31st August 2020. This designated fund includes donations received to date which have not been paid over to the School. The value as at 31st August 2020 is £24,304 (2019: £18,638). This amount is due to be paid to the School before 31st August 2021.

WGS TRUST

NOTES ON THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Investments £	Other assets £	Total £
Restricted funds	3,447,832	0	3,447,832
Unrestricted funds	5,058,493	72,914	5,131,407
	<u>8,506,325</u>	<u>72,914</u>	<u>8,579,239</u>

14 RELATED PARTY

The Governors of Withington Girls' School (Charity Number 1158226) appoint the Trustees of WGS Trust. Transactions with Withington Girls' School have been identified and disclosed within the accounts as appropriate.

Donations received from Trustees during the year were £220 (2019: NIL).
The value including gift aid is £275 (2019: NIL)

Trustees confirmed their commitment to provide a capital grant to Withington Girls' School of £1m at their meeting in February 2021. The capital grant is for a two-storey extension to the Dining Room. Work commenced on the project in April 2021 and the capital support is expected to be required in two instalments (September 2021 and December 2021). Trustees confirmed at their meeting in May 2021 that the capital grant will be financed from the partial disposal of investments.

15 FINANCIAL INSTRUMENTS

	2020 £	2019 £
Financial assets measured at amortised cost (a)	478,343	496,225
Financial assets measured at fair value (b)	8,506,325	8,468,298
Financial liabilities measured at amortised cost (c)	(405,429)	(317,976)
Net financial assets measured at amortised cost	<u>8,579,239</u>	<u>8,646,547</u>
(a) Financial assets at amortised cost include cash and other debtors		
(b) Financial assets at fair value include investments		
(c) Financial liabilities include other creditors		