

W G S TRUST
Charity Number: 505207
ANNUAL REPORT
YEAR ENDED 31 AUGUST 2022

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 J Pickering BSc (resigned December 2021)
Mr CM Poston BSc, FCA
Mrs SE Senn BSc (Econ, ACA) (joined December 2022)

Mr DJ Illingworth sadly passed away during the year. The Trustees and Withington Girls' School are extremely grateful for his enduring commitment to the School and to the WGS Trust.

There were no other movements of Trustees during the year.

Clerk to the Trustees

Mrs A Cohen LLB

ADVISERS

Auditor

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

Stockbrokers

Brown Shipley
3 Hardman Street
Manchester
M3 3HF

Banker

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 on 13th May 1976.

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TRUSTEES' ANNUAL REPORT YEAR ENDED 31 AUGUST 2022

The Trustees of the W G S Trust present their Annual Report and audited accounts for the year ended 31 August 2022 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 was completed in February 2022. The capital support was paid in two instalments during the year and was 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 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.

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.

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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.

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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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 outgoing resources of (£1,959,647) (2021: Incoming resources of £2,818,211) 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 £175,216 (2021: £173,727).

This amount excludes £75,000 received from the Zochonis Charitable Trust (2021: £75,000) the terms of which are that this money must be spent on bursaries in the 2022/23 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 2022.

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The focus for our fundraising activities is to increase funding for means-tested bursaries. Our Bursary Fund is integral to our School, consolidating our vision and ethos to create a warm community centred on equality and opportunity, irrespective of a pupil's race, religion, social background and financial position, ensuring that Withington retains its position as a true centre for excellence open to all. Following a strategic review of our Bursary provision, our immediate aim is to increase our overall bursary provision to support 1 in 5 Senior School pupils (currently 1 in 6).

A new bursary publication detailing our 'case for support' has been produced with input from donors, governors and bursary recipients. We have also launched a new programme called 'Parents Funding Futures'. In response to requests from some parents, this programme makes it easier for parents to support the Bursary Fund by donating at the same time that monthly or termly fee payments are made.

As part of our strategy to diversify how we are asking for support, we ran our first ever Giving Day in March 2022. A Giving Day is a 36-hour, multichannel fundraising campaign which aims to engage our whole community and was underpinned by a bespoke online platform. The Giving Day raised over £70,000 for our Bursary Fund and has helped raise awareness of Bursary Fundraising – even among those who did not donate. One of our aims was to attract new donors and it is pleasing to note that 58% of donors to the Giving Day had not given before.

We were delighted to welcome members of the Emily Simon Society back to school for their first annual lunch since the pandemic. The Emily Simon Society recognises those who have chosen to remember Withington with a gift in their will and members enjoyed hearing from student leaders of Withington's Model United Nations Society (WiMUN).

Applications to the 'Ad Lucem Fund' 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 the Fund supported: 6 graphic tablets for design technology, a digital art station for the art department, 4 virtual reality headsets - a central resource which will have applications across the curriculum, flower planters for the new outdoor learning space, a career focused leadership programme for Year 12 students, Languages for Life week which provided students with a variety of language-related enrichment activities to explore the possibilities that language learning offers in school and beyond and an Archive project to digitise the school's original handwritten admissions registers which can now be viewed on the Archive section of our website.

In order to review the way that we engage with our alumnae and former staff, we conducted a piece of research to try and find out how they want us to engage with them going forward in terms of our events and our communications. As a result of this, from 2023 we will be holding a reunion catering for year groups celebrating a significant anniversary since leaving WGS (10, 20, 30 years, etc.) in September and holding online reunions for other groups. We will also extend the circulation of our quarterly E-news and will be employing increased segmentation in our email communications to ensure we are as relevant as possible to different age groups of alumnae. Withington Onwards, our annual alumnae publication, was perceived to be an important and valued form of communication by respondents and so we intend to widen its circulation to include as many alumnae as possible.

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Withington has played a prominent role in professional development for school fundraising over the last year. Headmistress, Sarah Haslam and Director of Development, Lesley Dowdall spoke at the annual HMC, IDPE and AGBIS Schools Bursary Conference in March 2022, giving an account of the Bursary programme at Withington. Lesley Dowdall was also Co-Chair of the IDPE (Institute for Development Professionals in Education) Annual Conference held in June 2022, leading on the curation of content and speakers and contributing to sector-wide discussion, debate and dissemination of best practice.

The running costs for the Development Office have been borne equally by the WGS Trust and the School. In the year ended 31st August 2022, the direct costs for each were £81,642(2021: £88,356).

The Fundraising Approach

The School employs an in-house Development Team to carry out fundraising on its behalf. The Director of Development reports directly to the Headmistress. A professional fundraising consultancy is engaged to assist with a biennial telephone campaign which also assisted with the Giving Day in 2022.

The WGS Trust (Charity 505207) 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 WGS Trust to register. The Trust's voluntary registration is evidence of its desire to follow best practice. The Trust also follows the Institute of Fundraising's code of practice and we have published our own Fundraising Code of Practice.

The Development Team can confirm that all activities comply with the requirements of the Fundraising Regulator, that of the Institute of Fundraising's Code of Practice and our own Code of Practice. Careful monitoring of the activities of the Development Office is carried out by Governors of the School and Trustees of the WGS Trust. The Director of Development submits reports on fundraising activities to Governors and Trustees.

There have been no complaints about fundraising activities in the year to 31 August 2022 (2021: NIL).

The School paid £411,739 (2021: £402,057) into the Trust. This equates to 4% of fee income plus an additional sum of £50,000 for the year to 31st August 2022 (the same calculation as the previous eleven years).

Bursaries were awarded to 98 pupils (2021: 112 pupils): 95 in the Senior School and 3 from the Junior School. This equates to over 17% of pupils in the Senior School and almost 2% of pupils in Year 5 and 6 of the Junior School receiving bursary support, of whom 18 benefited from full remission of fees. Thirty-two pupils in the Senior School obtained a bursary worth 80% of more of fees. The total cost of these bursaries was £717,780 (2021: £740,587). The bursaries enabled pupils who have met the entrance criteria, whose families would not otherwise have been able to afford the fees, to attend the School.

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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 £1,155,955 (2021: gain of £2,715,514) of which the realised position for 2021 was a gain of £991,405 (2021: gain of £644,068).

As described in Note 12, Trustees undertook an exercise in connection with the finalisation of the 2020 accounts 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, and a review of the recent and likely future use, it was appropriate to consider if additional funds should be classified as restricted for bursaries. It is on this basis that funds are now allocated. The Capital Grant of £1,000,000 for the Dining Room Extension was paid from Unrestricted Reserves.

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. This was increased to 10% in July 2022. 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 decrease in funds of £1,959,647 (2021: increase in funds of £2,818,211).

Trustees monitor the effect of the pandemic and other global market conditions on the return of the investment portfolio and the movement of investments at their meetings.

For the year ended 31st August 2022 the capital return of the portfolio posted a negative return of 9.60% compared to a fall in the FTSE 250 ex Investment Trust index of 24.30% and a fall in the FTSE All Share index of 4.47%.

For the same period last year (to period ending 31st August 2021), the capital return for the portfolio was a positive 31.98% whilst the FTSE 250 ex Investment Trust index increased by 40.40% on a capital return basis and a rise in the FTSE All Share index of 22.7% on a capital return basis.

Total cost and charges of the portfolio for the period totalled £12,695.

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The long-term effects of the pandemic are still unknown, and, as for many entities at this time, there has been a negative impact on the portfolio due to the volatility of global markets. Trustees acknowledge that there is potential for increased demand for bursary funding from Withington Girls' School (Charity 1158226) moving forwards and further volatility of the investment portfolio is possible.

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.

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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 8th July 2022 it was agreed that no single holding should normally represent appreciably more than 10% 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.

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RESERVES

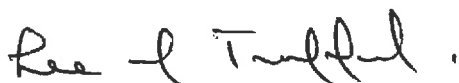
In formulating their reserves policy the Trustees are concerned that the Trust has a sufficient level of reserves to enable it to meet its objects and policies, which have been described earlier in this report. In particular the Trustees consider that the Trust should have adequate capital to provide 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.

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 unrestricted 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 the current volatility in the markets has resulted in a loss on the investment portfolio in the current year of £1,155,955 (2021: gain of £2,715,514). The level of reserves remains healthy overall at £9,437,803 (2021: £11,397,450).

Unrestricted reserves as at 31st August 2022 are £5,319,235 after taking into account the payment of £1m to the School (2021: £5,861,817).

Approved by the Trustees on _____ and signed on its behalf by:

31st March 2023



Lord Lee of Trafford

WGS TRUST

STATEMENT OF TRUSTEES' RESPONSIBILITIES YEAR ENDED 31ST AUGUST 2022

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.

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES YEAR ENDED 31ST AUGUST 2022

Opinion

We have audited the financial statements of WGS Trust ('the charity') for the year ended 31 August 2022 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including 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 2022 and of its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the 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

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

The trustees are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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 this gives rise to a material misstatement in the financial statements themselves. 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

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES YEAR ENDED 31ST AUGUST 2022

Reports) Regulations 2008 requires 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 and proper accounting records have not been kept by the 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 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 Acts 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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

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.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charity operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Charities Act 2011 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charity's ability to operate or to avoid a material

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INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEES YEAR ENDED 31ST AUGUST 2022

penalty. We also considered the opportunities and incentives that may exist within the charity for fraud. The laws and regulations we considered in this context for the UK operations were the Charities Act Regulations

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, reading minutes of meetings of those charged with governance and sample testing of income.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.



Crowe U.K. LLP
Statutory Auditor
The Lexicon
Mount Street
Manchester
M2 5NT

Date 25th May 2023

WGS TRUST

STATEMENT OF FINANCIAL ACTIVITIES FOR YEAR ENDED 31st AUGUST 2022

		Unrestricted Funds 2022	Capital Grant 2022 2022	Restricted Funds 2022	Total 2022	Unrestricted Funds 2021	Capital Appeal 2021	Restricted Funds 2021	Total 2021
	Notes	£	£	£	£	£	£	£	£
INCOME AND EXPENDITURE									
INCOME									
Donations		3,107	0	175,216	178,323	3,473	0	173,727	177,200
Contributions from Withington Girls' School		0	0	411,739	411,739	0	0	402,057	402,057
Investment Income	2	262,897	0	173,774	436,671	239,808	0	158,191	397,999
Income generating activities	3	0	0	0	0	0	0	0	0
Total Income		266,004	0	760,729	1,026,733	243,281	0	733,975	977,256
EXPENDITURE									
Costs of raising funds	4	81,641	0	0	81,641	88,356	0	0	88,356
		81,641	0	0	81,641	88,356	0	0	88,356
Expenditure on charitable activities									
Bursaries paid to pupils of Withington Girls' School	5	0	0	717,780	717,780	0	0	740,587	740,587
Annual Fund	6	15,576	0	0	15,576	2,829	0	0	2,829
Capital Grant to Withington Girls' School		0	1,000,000	0	1,000,000	0	24,304	0	24,304
Other Charitable Expenditure	7	15,428	0	0	15,428	18,483	0	0	18,483
Total Charitable Activities Expenditure		31,004	1,000,000	717,780	1,748,784	21,312	24,304	740,587	786,203
Total expenditure		112,645	1,000,000	717,780	1,830,425	109,668	24,304	740,587	874,559
Net income/(expenditure) before gains on investment		153,359	(1,000,000)	42,949	(803,692)	133,613	(24,304)	(6,612)	102,697
Net gain/(loss) on investments		(695,941)	0	(460,014)	(1,155,955)	1,621,101	0	1,094,413	2,715,514
TRANSFER BETWEEN RESERVES	12	0	0	0	0	0	0	2,171,055	0
NET MOVEMENT IN FUNDS	12	(542,582)	(1,000,000)	(417,065)	(1,959,647)	1,754,714	(24,304)	3,258,856	2,818,211
RECONCILIATION OF FUNDS									
TOTAL FUNDS BROUGHT FORWARD	12	6,861,817	0	4,535,633	11,397,450	5,107,103	24,304	3,447,832	8,579,239
TOTAL FUNDS CARRIED FORWARD	12	6,319,235	(1,000,000)	4,118,568	9,437,803	6,861,817	0	6,706,688	11,397,450

The notes on pages 20 to 25 form part of these accounts.
All amounts relate to continuing operations.

WGS TRUST

BALANCE SHEET AS AT 31st AUGUST 2022

	Notes	2022 £	2021 £
INVESTMENTS	8	9,375,852	11,211,050
CURRENT ASSETS			
Debtors	9	28,902	62,943
Cash	10	428,808	123,577
		457,710	186,520
CREDITORS			
Amounts falling due within one year		3,119	(3,120)
Inter-company accounts		392,640	
		395,759	
NET CURRENT ASSETS		61,950	183,400
NET ASSETS		9,437,803	11,394,450
ACCUMULATED FUNDS			
Restricted	12	4,118,568	8,903,371
Unrestricted - designated	12	-1,000,000	-54,274
Unrestricted - not designated	12	6,319,235	12 591,193
		9,437,803	21 440,290

Approved by the Board of Trustees on 31st March 2023
and signed on its behalf by

Lord Lee of Trafford

Lee of Trafford

Mrs S J Haslam

S. J. Haslam

WGS TRUST

STATEMENT OF CASH FLOWS

FOR YEAR ENDED 31 AUGUST 2022

	2022	2021
	£	£
Reconciliation of net movement in funds to net cash flow from operating activities		
Net movement in funds	(1,959,647)	2,818,211
Deduct interest income shown in investing activities	(80)	(61)
Add net (gain)/loss on investment portfolio	1,155,955	(2,715,514)
(Increase) in debtors	34,041	(35,507)
(Decrease)/increase in creditors	392,640	(402,309)
Net cash from operating activities	(377,091)	(335,180)
Cash flows from investing activities		
Interest income	80	61
Purchase of investments	(1,201,268)	(890,806)
Disposal of investments	1,885,508	889,465
Cash used in investing activities	684,319	(1,280)
(Decrease) in cash equivalents in the year	307,228	(336,460)
Cash and cash equivalents at the beginning of the year	126,577	463,037
Total cash and cash equivalents at the end of the year	433,805	126,577
Breakdown of Cash and Cash Equivalents	£	£
Lloyds Bank Current Account	428,808	126,577
	428,808	126,577
Cash held by Stockbrokers	4,996	0
Total cash and cash equivalents at the end of the year	433,805	126,577

WGS TRUST
NOTES ON THE FINANCIAL STATEMENTS
YEAR ENDED 31st AUGUST 2022

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 payment is made.

(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 2022 there were no funds in this category.

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 2022

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.

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

	2022	2021
	£	£
Bank interest	80	61
Dividends on UK listed investments	436,591	397,938
	<u>436,671</u>	<u>397,999</u>

3. INCOME GENERATING ACTIVITIES

	2022	2021
	£	£
Alumnae networking events	0	0
	<u>0</u>	<u>0</u>

WGS TRUST

NOTES ON THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2022

4. FUNDRAISING COSTS

	2022	2021
	£	£
Staff costs recharged from Withington Girls' School	71,561	66,271
Promotional materials	7,047	3,270
Telephone Campaign	(2,320)	13,041
Giving Day	3,247	4,263
Other fundraising costs	2,106	1,511
	<u>81,641</u>	<u>88,356</u>

5. BURSARIES

	2022	2021
	£	£
Bursaries paid for pupils of Withington Girls' School	<u>717,780</u>	<u>740,587</u>

The total number of pupils in receipt of bursaries during the year was (2021:).

6 ANNUAL FUND

	2022	2021
	£	£
Purchase of equipment for Withington Girls' School	15,576	2,829
	<u>15,576</u>	<u>2,829</u>

7 OTHER CHARITABLE EXPENDITURE

	2022	2021
	£	£
Sundry expenses	1,162	2,093
Subscriptions	0	919
Clerk to the Trust	2,500	2,500
Stockbroking fee	678	678
Postage	2,217	2,113
Office expenses	424	1,112
Database software	2,759	2,660
Trustee Indemnity Insurance	2,058	2,058
Governance Costs		
Audit Fees	3,630	4,350
	<u>15,428</u>	<u>18,483</u>

The Trustees received no remuneration or reimbursement of expenses during the year (2021 £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 2022

8 INVESTMENTS

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

	2022 £	2021 £
UK quoted investments		
At valuation:		
At 1 September 2020	11,211,050	8,494,195
Additions at cost	1,201,268	890,806
Disposal proceeds	(1,885,508)	(889,465)
Changes in market value	(1,155,955)	2,715,514
At 31 August 2021	<u>9,370,856</u>	<u>11,211,050</u>
Cash held by stockbrokers	4,996	12,130
	<u><u>9,375,852</u></u>	<u><u>11,223,180</u></u>

All investments are held for charity use.

The historical cost of investments held is £7,398,786 (2021: £7,166,391).

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

9 DEBTORS

	2022 £	2021 £
Income tax recoverable	28,902	44,171
Amount due from Withington Girls' School	0	18,772
	<u><u>28,902</u></u>	<u><u>62,943</u></u>

10 CASH AT BANK

	2022 £	2021 £
Lloyds Bank Current Account	428,808	126,577
	<u><u>428,808</u></u>	<u><u>126,577</u></u>

11 CREDITORS

	2022 £	2021 £
Amounts falling due within one year		
Accruals	3,119	3,120
Amount due to Withington Girls' School	0	0
	<u><u>3,119</u></u>	<u><u>3,120</u></u>

WGS TRUST

NOTES ON THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2022

12 ACCUMULATED FUNDS

	2022 £	2021 £
Restricted - for Bursaries		
At 1 September 2021	4,535,633	3,447,832
Net gain/(loss) on investments	(460,014)	1,094,413
Net (expenditure) before gains on investment	42,949	(6,612)
At 31 August 2021	<u>4,118,568</u>	<u>4,535,633</u>
	2022 £	2021 £
Unrestricted - not designated		
At 1 September 2021	6,861,817	5,107,103
Net income before gains on investment	153,359	133,613
Net gain/(loss) on investments	(695,941)	1,621,101
At 31 August 2022	<u>6,319,235</u>	<u>6,861,817</u>
Unrestricted - designated		
At 1 September 2021	0	24,304
Net (expenditure)/income before gains on investment	(1,000,000)	(24,304)
At 31 August 2022	<u>(1,000,000)</u>	<u>0</u>
Total	<u><u>9,437,803</u></u>	<u><u>11,397,450</u></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. The Capital Grant was made from Unrestricted Reserves during the current year.

The Restricted Funds represent a fund specifically for bursaries.

13 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Investments £	Other assets £	Total £
Restricted funds	4,118,568	0	4,118,568
Unrestricted funds	5,257,285	61,950	5,319,235
	<u>9,375,852</u>	<u>61,950</u>	<u>9,437,802</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 £1,445 (2021: £1,040).
The value including gift aid is £1,556 (2021: £1,300)

Trustees confirmed their commitment to provide a capital grant to Withington Girls' School

WGS TRUST

NOTES ON THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2022

of £1m at their meeting in February 2021 from Unrestricted Reserves.

The capital grant is for a two-storey extension to the Dining Room.

Trustees confirmed at their meeting in May 2021 that the capital grant will be financed from the partial disposal of investments.

15 FINANCIAL INSTRUMENTS

	2022 £	2021 £
Financial assets measured at amortised cost (a)	457,710	189,520
Financial assets measured at fair value (b)	9,375,852	13,927,905
Financial liabilities measured at amortised cost (c)	(395,760)	(3,120)
Net financial assets measured at amortised cost	<u>9,437,803</u>	<u>14,114,305</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		