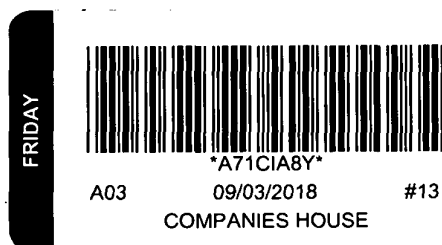


**PAPPLEWICK EDUCATIONAL TRUST LIMITED**

**(BY GUARANTEE)**

**FINANCIAL STATEMENTS**

**31ST AUGUST 2017**



**Contents**

**Page**

Notice of Annual General Meeting	1
Report of the council of management	2 - 5
Report of the auditor	6 - 7
Statement of financial activities	8
Balance sheet	9
Cash flow statement	10
Notes to the financial statements	11 - 19

**PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

**NOTICE OF MEETING**

---

NOTICE IS HEREBY GIVEN that the fifty-first Annual General Meeting of the company will be held at Papplewick School, Windsor Road, Ascot, Berkshire SL5 7LH at 12.00pm on the seventh day of March 2018 for the following purposes:

- 1 To receive and consider the financial statements for the year ended 31st August 2017, together with the reports of the Council of Management and the auditors thereon.
- 2 To re-elect three members to the Council of Management.
- 3 To re-appoint Jacob Cavenagh & Skeet as auditors and to authorise the Council of Management to fix their remuneration.
- 4 To transact any other business which, under the company's Articles of Association, may be transacted at an Ordinary General Meeting.

Dated this twenty-second day of November 2017



**S G Burrows  
Secretary**

Papplewick School  
Windsor Road  
Ascot  
Berkshire SL5 7LH

A member entitled to attend and vote at this meeting may appoint a proxy to attend and vote for him or herself, and such proxy need not be a member of the company. Such notice of appointment of proxy must be lodged at the registered office not later than 48 hours before the meeting.

## **PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

### **REPORT OF THE COUNCIL OF MANAGEMENT TO THE MEMBERS**

---

The Council of Management hereby presents its Annual Report and Strategic Report for the year ended 31 August 2017 under the Charities Act 2011, together with audited financial statements for the year, and confirms that the latter comply with the requirements of the Act, the Trust Deed, the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and the Financial Reporting Standard 102 (FRS 102). The Annual Report serves the purpose of both a Trustees' Report and a Directors' Report under company law.

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

Papplewick Educational Trust Limited was formed in 1964 as a company limited by guarantee. It is a charity, with the registered number 309087.

#### **Governors**

The Governors of the School are also the charity's trustees. The Governors who served during the year were:

<b>Council of Management</b>	Brigadier A R E Hutchinson (Chairman) Dr S J Abbott (retired on 26 July 2017) J P C Frost T G F Lord R T F Fleming (retired on 30 November 2016) The Venerable N A Russell A A M Try S D Walker S G Burrows
<b>Secretary</b>	

#### **Professional advisers and key personnel**

The Headmaster Mr T W Bunbury BA University College Durham, PGCE  
The Bursar Mr S G Burrows FCA

Principal and registered office address	Papplewick School Windsor Road Ascot Berkshire SL5 7LH	Solicitors	Osborne Clarke 2 Temple Back East Bristol BS1 6EG
Auditor	Jacob Cavenagh & Skeet 5 Robin Hood Lane Sutton Surrey SM1 2SW	Bankers	Lloyds Bank plc 1-2 Market Place Reading Berks RG1 2EQ

The key management personnel are the members of the Council of Management, the Headmaster and the Bursar.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

The charity's objects, powers and constitution are all set out in its Memorandum and Articles of Association which are dated 4<sup>th</sup> November 1964.

#### **Recruitment and training of Governors**

The Charity's elected Governors are appointed at the termly meeting of the Council of Management based on a recommendation from the Chairman of Governors having taken into account eligibility, personal competence, specialist skills and local availability of the individual concerned. In accordance with new regulations, the training policy in place for Governors is kept under rolling review.

#### **Organisation**

The Council of Management determines the general policy of the school. The day to day management of the school is delegated to the Headmaster and the Bursar. The directors of the company are the Charity's trustees and they form the Council of Management of the school. The Council of Management comprises a minimum of 5 and a maximum of 15 Governors. At the AGM each year, one third of the Council of Management retires from office. The remuneration of the key management personnel is set by the Council of Management at their Summer Term meeting each year.

## **PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

### **REPORT OF THE COUNCIL OF MANAGEMENT TO THE MEMBERS (continued)**

---

#### **Council Members**

The current Council of Management is as shown at the beginning of this report. Mr Lord, Brigadier Hutchinson and Mr Try retire by rotation and, being eligible, offer themselves for re-election.

#### **Statement of Trustees' Responsibilities**

The trustees (who are also directors of Papplewick Educational Trust Limited for the purposes of company law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue its operations.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention of fraud and other irregularities.

#### **OBJECTIVES AND AIMS**

The charity's aim is the provision of education for boarding and day students within an environment where each pupil can achieve his potential.

#### **Reserves policy**

The Council of Management has established a general reserve policy to afford some protection to the school and its charitable programme and to provide time to adjust to changing financial circumstances. The policy is to continue building up reserves by means of annual operating surpluses and judicious management, supplemented by appeals from time to time. The Council of Management has continued to keep the secured loan and overdraft facilities under review to ensure that in the absence of free reserves they remain adequate to cover the school's working capital requirements.

#### **Investment policy**

The School holds cash assets to fund operational or capital expenditure within a foreseeable timeframe. As such, capital volatility must be minimised and cash assets must therefore be held in cash or near cash investments denominated in sterling.

#### **Disclosure of information to auditors**

To the knowledge and belief of the Council of Management, there is no relevant information that the company's auditors are not aware of. The Council of Management has taken all steps necessary to ensure it is aware of any relevant information, and to establish that the company's auditors are aware of any such information.

#### **Auditors**

A resolution to re-appoint Jacob Cavenagh & Skeet will be put to the members at the Annual General Meeting.

## **PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

### **REPORT OF THE COUNCIL OF MANAGEMENT TO THE MEMBERS (continued)**

---

#### **STRATEGIC REPORT**

##### **Objectives for the year**

This year the focus continued to be on the education and academic performance of students as well as on maintaining the involvement of pupils in extra-curricular activities. The school made general improvements to all the facilities available to the students. Attention was given to maintaining the expertise of teaching staff, as well as to succession planning and staff development.

##### **Strategies to achieve the year's objectives**

These included developments to the curriculum, the ongoing provision of pastoral care to all students and efforts to maintain good relationships with parents. All staff at the school work very hard to ensure that pupils develop their academic, sporting, artistic, musical and social skills. This helps students to fulfil their potential, thereby building self-confidence and inculcating a desire to help the wider community. Our bursaries and scholarship programme continues to make awards available to deserving students, and there has been a further development of links with other schools including the granting of wider access to our facilities.

##### **Achievements and Performance**

The trustees have complied with their duty in Section 4 of the Charities Act 2006 to have due regard to the public benefit guidance published by the Charity Commission. The charity is pleased to have provided the education for around 200 pupils per term this year. Demand for the school continues to be strong and the school has been successful in maintaining its high academic performance. In terms of its wider responsibilities, the school's charitable programme has included:

- providing means tested bursaries of £164,428 or 3.4% of gross fees during the course of the academic year;
- the provision of its sports facilities to a local boys football team;
- weekly visits by the pupils to a local day care centre for the elderly, and singing by the choir at local events on other occasions;
- encouraging links with local state schools through sports fixtures and other activities;
- the provision of educational resources on its website with open access to all;
- a pen pal programme raising money for disadvantaged children in Nigeria;
- holding an annual sponsored walk for pupils, their parents and friends that this year raised money for the Make-A-Wish Foundation;
- supporting other charities through weekly collections in chapel and other fund raising events;
- donating text books, surplus school clothing and other equipment to deserving local and international causes.

##### **Financial Review**

Details of the school's net income of £964,128 (2016: net income of £506,380) are shown in the Statement of Financial Activities.

The school had total funds of £7,682,139 (2016: £6,718,011) at the end of the reporting period of which £2,088,874 (2016: £1,328,470) are restricted and not available for the general purposes of the school. Of the general funds, £5,543,627 (2016: £5,258,612) could only be realised by the disposal of the school's fixed assets and the remaining reserves are £49,638 (2016: £130,929). This level of reserves is consistent with the school's reserves policy.

## **PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

### **REPORT OF THE COUNCIL OF MANAGEMENT TO THE MEMBERS (continued)**

---

#### **Principal risks and uncertainties**

The Council of Management is responsible for the management of risk within the school. Detailed consideration of all risk is delegated to the Headmaster, the Bursar, the Senior Management Team and the Health & Safety Committee. Risks are identified, assessed and controls established throughout the year. A formal review of the school's risk management processes is undertaken on a periodic basis.

The main risks that the Governors have identified and the plans to manage those risks are:

- **Reputation:** The School's success is built on its reputation for the education and well-being of our pupils. We manage this risk through safeguarding policies, staff recruitment policies, pastoral support for both pupils and staff and active identification and resolution of health and safety related issues.
- **Finance:** Our ability to continue is reliant on pupil fees and the ability to pay bills as they fall due. This risk is managed by marketing activity, having a reputation for academic excellence and active cash-flow management
- **Curriculum:** Academic excellence requires the most able teachers with state of the art facilities delivering the curriculum to able students. We manage this risk by combining attractive salaries, on-going investment in our estate and an approach to enrolment that works with supportive parents whose children have an appetite for learning and a bursary scheme that recognises pupil achievement and aptitude.

Through these risk management processes the Council of Management is satisfied that the major risks identified have been adequately mitigated where necessary in order to minimise any impact they may have on the school in the future. It is recognised that systems only provide reasonable but not absolute assurance that major risks have been adequately managed.

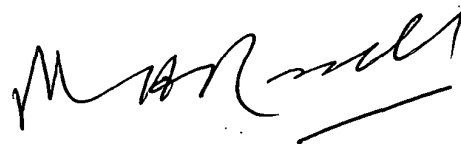
#### **Plans for the Future**

The future plans of the school include:

- maintaining the school roll at around existing levels;
- maintaining the current high standards of academic achievement;
- maintaining the current high levels of pastoral support for the students;
- continuing to balance academic achievement with a curriculum allowing full scope for the development of sporting, artistic, musical and social skills;
- continuing to offer means-tested bursaries in order to widen access to the school;
- continuing to build links with other schools, organisations and the local community
- continuing to develop the School's buildings and facilities.

The Report of the Council of Management and the Strategic Report were signed on behalf of the Council.

**Registered office**  
Papplewick School  
Windsor Road  
Ascot  
Berkshire SL5 7LH



**N A Russell**  
**Member of Council**

Dated this twenty-second day of November 2017

**REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF  
PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

---

**Opinion**

We have audited the financial statements of Papplewick Educational Trust Limited (the 'charity') for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the 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 charitable company's affairs as at 31 August 2017 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors' 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.

**Other information**

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

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

We have nothing to report in this regard.

**Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of our audit:

- the information given in the Trustees' Report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report have been prepared in accordance with applicable legal requirements.

**REPORT OF THE INDEPENDENT AUDITOR  
TO THE MEMBERS OF  
PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

---

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

In the light of the knowledge and understanding of the charity and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included with the governors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

**Responsibilities of governors'**

As explained more fully in the governors' responsibilities statement set out on page 3, the governors' (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors' 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 governors' 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 governors' either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

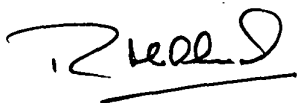
**Auditor's responsibilities for the audit of the financial statements**

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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 charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and regulations made under that Act. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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 charitable company and its members as a body, for our audit work, for this report, or for the opinions we have formed.



**Richard Haffenden MA (Cantab) FCA CTA**  
**Senior Statutory Auditor**  
For and on behalf of  
Jacob Cavenagh & Skeet  
Statutory Auditor  
Chartered Accountants  
5 Robin Hood Lane  
Sutton, Surrey, SM1 2SW

**21** November 2017



**PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

**STATEMENT OF FINANCIAL ACTIVITIES INCLUDING INCOME AND EXPENDITURE ACCOUNT  
FOR THE YEAR ENDED 31ST AUGUST 2017**

	Note	Unrestricted Funds £	Restricted Funds £	Total 2017 £	Unrestricted Funds £	Restricted Funds £	Total 2016 £
<b>INCOME FROM</b>							
<b>Charitable activities:</b>							
School fees	3	4,410,362	-	4,410,362	4,367,855	-	4,367,855
Other educational income	4	7,494	-	7,494	8,124	-	8,124
<b>Other trading activities</b>		3,049	-	3,049	3,938	-	3,938
<b>Investments</b>							
Interest from UK bank accounts		11,179	-	11,179	12,170	-	12,170
<b>Donations</b>		51,283	774,634	825,917	73,526	284,546	358,072
<b>Other income</b>		<u>5,203</u>	<u>-</u>	<u>5,203</u>	<u>5,519</u>	<u>-</u>	<u>5,519</u>
<b>Total income</b>		<u>4,488,570</u>	<u>774,634</u>	<u>5,263,204</u>	<u>4,471,132</u>	<u>284,546</u>	<u>4,755,678</u>
<b>EXPENDITURE ON:</b>							
<b>Raising funds:</b>							
Finance costs under advanced fee scheme		-	-	-	566	-	566
Bank interest		<u>-</u>	<u>-</u>	<u>-</u>	<u>2,054</u>	<u>-</u>	<u>2,054</u>
		-	-	-	2,620	-	2,620
<b>Charitable activities:</b>							
School and grant making		<u>4,284,846</u>	<u>14,230</u>	<u>4,299,076</u>	<u>4,142,247</u>	<u>104,431</u>	<u>4,246,678</u>
<b>Total expenditure</b>	5	<u>4,284,846</u>	<u>14,230</u>	<u>4,299,076</u>	<u>4,144,867</u>	<u>104,431</u>	<u>4,249,298</u>
<b>Net income for the year</b>	15, 16	203,724	760,404	964,128	326,265	180,115	506,380
Transfers		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Net movement in funds</b>		203,724	760,404	964,128	326,265	180,115	506,380
<b>Reconciliation of funds</b>							
Funds balances brought forward		<u>5,389,541</u>	<u>1,328,470</u>	<u>6,718,011</u>	<u>5,063,276</u>	<u>1,148,355</u>	<u>6,211,631</u>
<b>Funds balances carried forward</b>		<u>5,593,265</u>	<u>2,088,874</u>	<u>7,682,139</u>	<u>5,389,541</u>	<u>1,328,470</u>	<u>6,718,011</u>

There were no discontinued or acquired activities during the current year.

**PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

BALANCE SHEET  
AS AT 31ST AUGUST 2017

	Note	£	2017 £	£	2016 £
<b>Fixed assets</b>					
Tangible assets	8		5,543,627		5,258,612
<b>Current assets</b>					
Debtors	9	1,052,502		996,313	
Investments	10	2,400,000		1,340,000	
Cash at bank and in hand	11	<u>1,290,467</u>		<u>1,736,288</u>	
		4,742,969		4,072,601	
<b>Creditors: amounts falling due within one year</b>	12	<u>2,317,690</u>		<u>2,204,962</u>	
<b>Net current assets</b>			<u>2,355,279</u>		<u>1,867,639</u>
<b>Total assets less current liabilities</b>			7,968,906		7,126,251
<b>Creditors: Amounts falling due after more than one year</b>	13		( 251,767)		( 281,240)
<b>Provisions for liabilities</b>	14		( 35,000)		( 127,000)
<b>Net assets</b>			<u>7,682,139</u>		<u>6,718,011</u>
<b>Funds</b>					
Unrestricted funds	15		5,593,265		5,389,541
Restricted funds	16		<u>2,088,874</u>		<u>1,328,470</u>
<b>Total funds</b>			<u>7,682,139</u>		<u>6,718,011</u>

The financial statements were approved on 22 November 2017 and signed by:



**N A Russell**

**Member of Council**

**Company Number: 00826017**

**PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST AUGUST 2017**

	2017	2016
	£	£
<b>Cash provided from operating activities (see below)</b>	1,149,901	890,894
<b>Cash flows from investing activities</b>		
Interest received	11,179	12,170
(Increase) in cash on deposit	(1,060,000)	(275,000)
Payments to acquire tangible fixed assets	(508,985)	(106,822)
<b>Cash used in investing activities</b>	(1,557,806)	(369,652)
<b>Cash flows from financing activities</b>		
Interest paid	-	( 2,620)
(Decrease)/ increase in Confirmations of Entry(37,916)	30,645	
Decrease in Fees in Advance	-	( 17,432)
Capital repayments of bank loan	-	(294,304)
<b>Cash used in financing activities</b>	( 37,916)	(283,711)
<b>Net cash inflow</b>	(445,821)	237,531
<b>Cash and cash equivalents brought forward</b>	<u>1,736,288</u>	<u>1,498,757</u>
<b>Cash and cash equivalents carried forward</b>	<u>1,290,467</u>	<u>1,736,288</u>

**Cash flows from operating activities**

	2017	2016
	£	£
Net income	964,128	506,380
Interest paid shown in financing activities	-	2,620
Interest received shown in investing activities	( 11,179)	(12,170)
Depreciation	223,970	215,921
Increase in debtors	( 56,189)	85,182
Increase in creditors	121,171	83,961
Decrease in provisions	( 92,000)	9,000
<b>Cash provided from operating activities</b>	<u>1,149,901</u>	<u>890,894</u>

## **PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

### **NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2017.**

---

#### **1 ACCOUNTING POLICIES**

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are as follows:

##### **Accounting convention**

The financial statements have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice (Charities SORP (FRS 102)) and Financial Reporting Standard 102 (FRS 102). The financial statements are drawn up on the historical cost basis of accounting. There are no material uncertainties about the charity's ability to continue in operation.

Papplewick Educational Trust Limited meets the definition of a public benefit entity under FRS 102. The accounts are presented in sterling rounded to the nearest pound.

##### **Depreciation**

Depreciation is provided on all tangible fixed assets on a straight line basis, at rates calculated to write off the cost less estimated residual value of the asset over its expected useful life as follows:

Leasehold property	- over 50 years
Plant and machinery	- 5% straight line
Furniture and equipment	- 15% straight line
Computers	- 33 1/3% straight line
Motor vehicles	- 20% straight line

##### **Leasing**

Payments in respect of operating lease agreements (being agreements not giving rights approximating to ownership) have been charged to expenditure on a straight line basis.

##### **Fees receivable, extras chargeable and interest receivable**

These are all accounted for on a receivable basis.

##### **Donations**

Donations and gift aid donations are accounted for when received. Income tax recoverable is accounted for on a receivable basis.

##### **Advance fees scheme**

The school on occasion offers parents the opportunity to pay up to five years tuition fees in advance in accordance with a written contract. The amount received bears interest which is accrued to contracts. When the fees become due the accrued interest is offset against the fees payable.

##### **Raising funds**

This comprises all expenditure related to obtaining and maintaining funding of the charity, including school fees receivable.

**PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2017 (continued)**

**1 ACCOUNTING POLICIES (continued)**

**Charitable expenditure**

This comprises all expenditure directly related to the objects of the charity. Expenditure is accounted for on an accruals basis.

**Governance costs**

This comprises all the expenditure of running the charity, including strategic planning for future development, also external audit, any legal advice for the Governors, and all the costs of complying with constitutional and statutory requirements.

**Pension costs**

The company participates in a multi-employer defined benefit pension scheme, the Teachers' Superannuation Scheme, the assets of which are held separately from those of the company in a fund independently administered by the Teachers' Pensions Scheme. The company also contributes to money purchase personal pension plans held by individual employees. Contributions are charged to the statement of financial activities for the period in which they are payable to the scheme.

**Investments**

Current asset investments represent cash on deposit held for investment purposes rather than to meet short-term cash commitments as they fall due.

**Debtors**

Fee debtors and other debtors are included at the settlement amount due. Prepayments are valued at the amount prepaid.

**Cash at bank**

Cash at bank includes cash and short term highly liquid investments with a maturity of twelve months or less from the date of opening of the deposit.

**Creditors and provisions**

Creditors and provisions are recognised where the charity has a present obligation arising from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are recognised at their settlement amount.

**Financial instruments**

The charity only has financial assets and liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognized at transaction value and subsequently measured using amortised cost on the effective interest rate method.

<b>2 NET INCOME</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
This is stated after charging:		
Depreciation	223,970	215,921
Auditors' remuneration:		
Audit fees	6,120	6,260
Non-audit fees	1,166	1,480
Interest payable	<u>-</u>	<u>2,620</u>

**PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2017 (continued)**

<b>3</b>	<b>SCHOOL FEES</b>			<b>2017</b>	<b>2016</b>
				£	£
	<b>The School fee income comprised</b>				
	Gross fees			4,898,551	4,831,045
	Less: Total bursaries and scholarships			( 512,735)	( 493,394)
				4,385,816	4,337,651
	Income from music tuition			<u>24,546</u>	<u>30,204</u>
				<u>4,410,362</u>	<u>4,367,855</u>
<b>4</b>	<b>OTHER INCOME</b>			<b>2017</b>	<b>2016</b>
				£	£
	<b>Other educational and charitable</b>				
	Entrance and registration fees			6,544	7,323
	Courses and sub lettings			<u>950</u>	<u>801</u>
				<u>7,494</u>	<u>8,124</u>
<b>5</b>	<b>EXPENDITURE</b>				
		<b>Staff costs</b>	<b>Other costs</b>	<b>Dep'n</b>	<b>Total</b>
		£	£	£	£
	<b>Raising funds</b>				
	Finance costs	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
		<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Charitable activities</b>				
	Teaching costs	2,057,831	203,750	-	2,261,581
	Welfare	160,529	481,004	-	641,533
	Premises	196,317	400,932	-	597,249
	Support costs of schooling:				
	Salaries and pensions	282,327	-	-	282,327
	Depreciation	-	-	223,970	223,970
	Printing, postage and stationery	-	47,388	-	47,388
	Bad debts	-	11,657	-	11,657
	Professional fees	-	83,940	-	83,940
	Motor and travel	-	19,048	-	19,048
	Insurance	-	16,970	-	16,970
	Other support costs	-	83,219	-	83,219
	Governance costs	<u>9,844</u>	<u>6,120</u>	<u>-</u>	<u>15,964</u>
	Total support costs	<u>292,171</u>	<u>268,342</u>	<u>223,970</u>	<u>784,483</u>
	Development project expenditure	-	-	-	-
	Grants, awards and prizes (see below)	<u>-</u>	<u>14,230</u>	<u>-</u>	<u>14,230</u>
	Total charitable expenditure	<u>2,706,848</u>	<u>1,368,258</u>	<u>223,970</u>	<u>4,299,076</u>
		<u>2,706,848</u>	<u>1,368,258</u>	<u>223,970</u>	<u>4,299,076</u>

Grants, awards and prizes were awarded in the following amounts:

	£
Individuals	14,230
Institutions	<u>-</u>
	<u>14,230</u>

**PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2017 (continued)**

**6 STAFF COSTS**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Salaries and wages	2,206,741	2,109,947
Social security costs	228,850	202,528
Employers contribution to defined contribution pension schemes	26,641	32,711
Employers contribution to multi-employer defined benefit scheme	<u>244,616</u>	<u>235,285</u>
	<u><b>2,706,848</b></u>	<u><b>2,580,471</b></u>

The average number of employees during the year was made up as follows:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
Teaching staff	34	34
General, office and domestic	<u>32</u>	<u>32</u>
	<u><b>66</b></u>	<u><b>66</b></u>

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	<b>2017</b>	<b>2016</b>
	<b>No.</b>	<b>No.</b>
£60,000 - £70,000	2	1
£70,000 - £80,000	-	-
£80,000 - £90,000	-	1
£90,000 - £100,000	1	-
£100,000 - £110,000	1	1

Of the above employees, three are currently accruing benefits under a defined benefit pension scheme and one under a money purchase pension scheme.

No remuneration was paid to any member of the Council of Management during the year.

The employee benefits of the key management personnel were £237,701 (2016: £240,791).

3 (2016: 3) governors claimed for travelling expenses during the year totalling £764 (2016: £549).

**7 TAXATION**

The company is registered with the Charity Commissioners as an educational charity (registered number 309087) and is exempt from taxation in accordance with Part 10 of the Income Tax Act 2007.

**PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2017 (continued)**

**8 TANGIBLE FIXED ASSETS**

	Computers £	Furniture and equipment £	Motor vehicles £	Long leasehold property £	Asset in the course of construction - Development Project	Plant and machinery £	Total £
<b>Cost</b>							
At 1st September 2016	318,812	410,838	100,274	6,720,015	-	175,947	7,725,886
Additions	58,752	26,310	-	-	423,923	-	508,985
At 31st August 2017	<u>377,564</u>	<u>437,148</u>	<u>100,274</u>	<u>6,720,015</u>	<u>423,923</u>	<u>175,947</u>	<u>8,234,871</u>
<b>Depreciation</b>							
At 1st September 2016	290,954	229,938	86,216	1,739,695	-	120,471	2,467,274
Provided for the year	42,042	51,071	11,751	109,860	-	9,246	223,970
At 31st August 2017	<u>332,996</u>	<u>281,009</u>	<u>97,967</u>	<u>1,849,555</u>	<u>-</u>	<u>129,717</u>	<u>2,691,244</u>
<b>Net book value</b>							
At 31st August 2016	<u>27,858</u>	<u>180,900</u>	<u>14,058</u>	<u>4,980,320</u>	<u>-</u>	<u>55,476</u>	<u>5,258,612</u>
At 31st August 2017	<u>44,568</u>	<u>156,139</u>	<u>2,307</u>	<u>4,870,460</u>	<u>423,923</u>	<u>46,230</u>	<u>5,543,627</u>

The school extended the leasehold from the Crown on its premises back up to a period of 99 years with effect from 9 December 2011. The cost of the extension was £1,800,000.

**9 DEBTORS**

	2017 £	2016 £
Fees and extras receivable	946,041	947,502
Prepayments	41,607	42,336
Other debtors	64,854	6,475
	<u>1,052,502</u>	<u>996,313</u>

**10 INVESTMENTS**

	2017 £	2016 £
General school funds on deposit	1,250,000	-
Papplewick Development Fund cash on deposit	1,150,000	1,340,000
	<u>2,400,000</u>	<u>1,340,000</u>



**PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2017 (continued)**

11	CASH AT BANK AND IN HAND	2017 £	2016 £		
	General school funds	702,123	1,725,590		
	Papplewick Development Fund	<u>588,344</u>	<u>10,698</u>		
		<u>1,290,467</u>	<u>1,736,288</u>		
12	CREDITORS: Amounts falling due within one year	2017 £	2016 £		
	Fees billed in advance	1,521,176	1,441,718		
	Trade creditors	332,393	280,695		
	Other creditors	339,813	345,414		
	Taxation and social security	52,628	55,522		
	Accruals	<u>71,680</u>	<u>81,613</u>		
		<u>2,317,690</u>	<u>2,204,962</u>		
13	CREDITORS: Amounts falling due after more than one year	2017 £	2016 £		
	Confirmations of entry	<u>251,767</u>	<u>281,240</u>		
14	PROVISIONS FOR LIABILITIES AND CHARGES				
		Legal Fees £	Papplewick Development Fund £	Building & Grounds Repairs £	Total £
	At 1st September 2016	15,000	57,000	55,000	127,000
	Provisions and transfers during year	-	-	-	-
	Provisions expended	<u>-</u>	<u>57,000</u>	<u>35,000</u>	<u>92,000</u>
	At 31st August 2017	<u>15,000</u>	<u>-</u>	<u>20,000</u>	<u>35,000</u>

The provision for the Papplewick Development Fund covered the costs of launching the Fund to the wider school community, for which expenditure was incurred during the first half of 2017. The provision for Legal Fees covers costs that may be incurred in the future in respect of existing legal matters. The provision for Building and Grounds Repairs covers the estimated cost of necessary work which the school feels it likely will be required in the future, but which has not yet been completed.

**PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)**

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2017 (continued)

**15 UNRESTRICTED FUNDS**

	Other General Funds £	General £	Total £
Income	51,283	4,437,287	4,488,570
Expenditure	(45,059)	(4,239,787)	(4,284,846)
<b>Net income</b>	6,224	197,500	203,724
Transfers	-	-	-
Balance brought forward	102,993	5,286,548	5,389,541
<b>Balance carried forward</b>	<u>109,217</u>	<u>5,484,048</u>	<u>5,593,265</u>

Other General Funds comprise funds set aside by the Governors to fund specific projects in different areas of the school.

**16 RESTRICTED FUNDS**

	Papplewick Development Fund £	Daphne Watson Fund £	Prize and Tour Funds £	Total £
Income	752,874	-	21,760	774,634
Expenditure	-	-	(14,230)	(14,230)
<b>Net income</b>	752,874	-	7,530	760,404
Transfers	-	-	-	-
Balance brought forward	1,307,617	8,148	12,705	1,328,470
<b>Balance carried forward</b>	<u>2,060,491</u>	<u>8,148</u>	<u>20,235</u>	<u>2,088,874</u>

The Papplewick Development Fund has been established in order to facilitate the raising of funds for future improvements to the school's premises and for bursary awards.

The Daphne Watson Fund has been created by a donation with the purpose of assisting pupils with the cost of their music tuition whilst at the school.

Prize and Tour Funds are accumulated in order to provide annual prizes for achievement in specified areas of the school and to contribute to the cost of sporting and cultural tours.

## PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2017 (continued)

---

#### 17 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Tangible fixed assets £	Investment £	Cash and Bank £	Other assets and liabilities £	Total £
Unrestricted funds	5,543,627	1,250,000	702,123	(1,902,485)	5,593,265
Restricted funds	-	1,150,000	588,344	350,530	2,088,874
	<u>5,543,627</u>	<u>2,400,000</u>	<u>1,290,467</u>	<u>(1,551,955)</u>	<u>7,682,139</u>

#### 18 CONSTITUTION OF THE COMPANY

The company is incorporated in England & Wales and is limited by guarantee with its registered office at Papplewick School, Windsor Road, Ascot, Berkshire SL5 7LH. Each member is under covenant to contribute a sum not exceeding £1 in certain circumstances as set out in clause 6 of the Memorandum of Association.

The number of members is 6 (2016: 8).

#### 19 COMMITMENTS UNDER OPERATING LEASES

The total future minimum payments under non-cancellable operating leases are as follows:

	2017 £	2016 £
Within one year	20,952	20,952
Between two and five years	<u>-</u>	<u>20,952</u>

Operating lease payments recognised as an expense this year were £20,952 (2016: £20,952).

#### 20 RELATED PARTY TRANSACTIONS

The Governor, T G F Lord, is also a director of the Berkshire Riding Centre Limited and £5,664 was paid to this company by the school for riding lessons for boys during the year (2016: £5,817).

During the year the school made travel bookings totalling £1,259 with Greenstar Travel, a company in which S G Burrows has a 45% shareholding.

## PAPPLEWICK EDUCATIONAL TRUST LIMITED (BY GUARANTEE)

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2017 (continued)

---

#### 21 PENSION COMMITMENTS

##### Introduction

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the School. The School accounts for this scheme as if it were a defined contribution scheme.

The pension charge for the year includes contributions payable to the TPS of £244,616 (2016: £235,285).

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

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016 and completed in 2018, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

The School also participated in five defined contribution pension schemes for six members of staff (2016: five members). The assets of the scheme are held separately from those of the School in independently administered funds. The School contributes 8.0% - 16.48% of pensionable salary.

The pension cost relating to these schemes for the year was £26,641 (2016: £32,711).