



**ST HUGH'S SCHOOL (CARSWELL)
TRUST LIMITED
(A company limited by guarantee)**

**Reports and Financial Statements
for the year ended 31 August 2016**

**Registered in England and Wales
No: 913833**

**Registered Charity
No: 309640**

**Mazars LLP
Chartered Accountants & Statutory Auditors
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF**

SATURDAY



A66TQR20

A01

20/05/2017

#192

COMPANIES HOUSE

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED

Registered in England and Wales - No. 913833
Registered Charity - No. 309640

PRINCIPAL AND REGISTERED OFFICE

Carswell Manor
Carswell
Faringdon
Oxfordshire
SN7 8PT

GOVERNORS

Mr P Daffern - Chairman
Mr A Ashton
Mr P F Boggis
Mr P Chambers
Mr A Clark
Mrs A Coull
Mrs J Forrest
Mrs V Gill
Mr J M Guillum Scott
Mr E P L Sandbach- Vice Chairman
Mr A Trotman
Mr G J Varney

HEADMASTER

Mr A J P Nott

BURSAR & COMPANY SECRETARY

Mr A Hamilton

BANKERS

Lloyds Bank Plc,
Barnwood 1, Barnet Way, Gloucester, GL4 3RL

AUDITORS

Mazars LLP, The Pinnacle,
160 Midsummer Boulevard
Milton Keynes, MK9 1FF

SOLICITORS

Harrison Clark Rickerby's, Ellenborough House,
Wellington Street, Cheltenham, GL50 1YD

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED

INDEX

	Page
Report of the Board of Governors	1 –6
Independent Auditors' Report	7
Statement of Financial Activities	8
Balance Sheet	9
Statement of Cash Flows	10
Notes to the Financial Statements	11-23

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

REPORT OF THE BOARD OF GOVERNORS
For the year ended 31 August 2016

The Directors of St Hugh's School (Carswell) Trust Limited present their annual report, which incorporates the strategic report for the year ended 31 August 2016 under the Companies Act 2006 and the Charities Act 2011, together with the audited financial statements for the year and confirm that the latter comply with the requirements of the Companies Act 2006, the Company's Memorandum & Articles of Association and the Charities Statement of Recommended Practice - "Accounting and Reporting by Charities (issued in March 2015).

REFERENCE & ADMINISTRATIVE INFORMATION

St Hugh's School (Carswell) Trust Limited ("St Hugh's") is a charitable company founded in 1967, charity registration number 309640 and company registration number 913833, with the liability of its members limited to £10 each by guarantee. The Registered Office and principal address of the Company is Carswell Manor, Carswell, Faringdon, Oxfordshire, SN7 8PT.

Directors

The School continues to be organised and administered by a Board of Governors (who legally act as the Board of Directors of the Company and as Trustees of the Charity). The Directors of the Company who served during the year are:-

Mr P Daffern ^{1, 4}	Chairman
Mr A Ashton ¹	Chair of Finance and General Purposes Committee
Mr P F Boggis ²	
Mr P Chambers ²	
Mr A Clark	
Mrs A Coull ³	
Mrs J Forrest ^{2, 4}	
Mrs V Gill ^{1, 3}	
Mr J M Guillum Scott ⁴	
Mr E P L Sandbach ²	Vice Chairman
Mr A Trotman ^{1, 3}	Chairman of the Compliance Review Committee
Mr G J Varney ^{1, 2}	Chairman Buildings and Estates Committee

¹ Member of the Finance and General Purposes Committee.

² Member of the Buildings and Estates Committee.

³ Member of the Compliance Review Committee.

⁴ Member of the Nominations Committee.

Key Executives

The Headmaster: Mr A J P Nott

The Bursar: Mr A Hamilton

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Company was governed by its Memorandum and Articles of Association dated 23 August 1967, up until the adoption of new Articles of Association on 2 March 2013.

Governing Body

The Directors are elected at a full Directors' Meeting on the basis of recommendations received from other Directors, the Headmaster and the Bursar. A skills audit is undertaken each year to clarify what professional expertise is required when recruiting new members to the Board. Members of the Board serve for 3 years and may apply for re-election for 4 successive terms.

The Chairman and Vice-Chairman of the Board are elected each year at the Annual General Meeting. The article requires the number of members of the Board to be not less than eight and not more than fourteen. Governors are required to be re-appointed every three years. At the date of this report, there were 12 Directors.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

REPORT OF THE BOARD OF GOVERNORS

For the year ended 31 August 2016

Training

New Directors are introduced into the workings of the School, and of the Company as a registered charity, including Board policy and procedures, at an induction workshop specially organised for them by the Headmaster and Bursar, who also organise periodic strategic planning and trustee training workshops for all Directors. Directors also receive an induction pack containing important information.

Organisational Management

The Directors meet as a Board at least three times a year to determine the general policy of the Company and review its overall management and control, for which they are legally responsible. More detailed management activity is undertaken by the Finance and General Purposes Committee and the Buildings and Estates Committee which both meet termly. The Compliance Review Committee meets twice a year to provide direction on all compliance issues. The day-to-day running of the School is delegated to the Headmaster and the Bursar who are supported by other members of the Senior Leadership Team.

Group structure and relationships

St Hugh's is an active member of the Independent Association of Preparatory Schools (IAPS) for the promotion and maintenance of preparatory school standards generally and also takes part in peer group studies for the evaluation of quality and performance improvement methods. The School is also a member of Independent Schools' Bursars Association (ISBA) for the promotion of efficient and effective administration and ancillary services at independent schools and the Association of Governing Bodies of Independent Schools (AGBIS). The Headmaster is a member of the IAPS Finance Committee and is also a Boarding Coordinating Inspector for Independent Schools Inspectorate (ISI).

Despite the School's isolated situation, we co-operate with as many charities as we are able, in our on-going endeavours to widen access to the schooling we provide, to optimise the educational use of our cultural and sporting facilities and to awaken in our pupils an awareness of the wider social context of the education they receive at the School.

St Hugh's benefits from the generosity of a thriving network of parents under the name of FOSH (Friends of St Hugh's School) whose close support we greatly appreciate and gladly acknowledge.

Throughout the year the pupils of the School have raised funds for a number of charities as a result of awareness of issues in the outside world brought to their attention through the school curriculum.

AIM, OBJECTIVES, PRINCIPAL ACTIVITIES AND PUBLIC BENEFIT

The principal objectives of the Company, in accordance with its Articles of Association are to advance for the public benefit education in the United Kingdom, by maintaining, managing and developing a school offering a broad and balanced curriculum and to provide day and boarding education for boys and girls from the age of 3 to 13 years old. In the furtherance of these objectives the Directors, as the charity Trustees, have complied with the duty in Section 4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub sector guidance concerning the operation of the Public Benefit requirement under the Act.

Strategic Aim and Intended Effect

The Board's strategic aim to reach its annual objective for the public benefit is to provide a co-educational independent preparatory school with a clear sense of purpose: to operate a wide access admissions policy for assisting children from lower income and otherwise disadvantaged families in order to benefit from a secure educational foundation and to gain the confidence to be adaptable and independent as they prepare for life beyond the School. We aim to give them all the opportunity and encouragement to develop their own interests and talents, while learning to work and play together and to contribute positively to their community. There is no competitive selection; we both welcome and cater for pupils of a wide range of ability. Our aim is to foster confidence and a love of learning across this range; an outstanding Scholarship and Common Entrance record and the provision of integral learning support both bear testimony to our inclusive approach.

REPORT OF THE BOARD OF GOVERNORS

For the year ended 31 August 2016

Objectives for the Year

The Board's main objectives continue to be (i) to educate all the School's pupils to a high standard so that they will be fully able to benefit from their chosen senior school for the completion of their education in due course, (ii) to develop further our bursary and other funding sources in order to increase the number of children entering the School from lower income families and (iii) to continue to develop collaborative working with other charities and educational bodies. Our strategy for achieving this is to recruit the best teaching and teaching support staff available, to identify each individual child's needs and to tailor our teaching methods as appropriate in each case, and to build up our bursary funds as well as our referrals network of external funding sources for those in need of assistance with school fees. This is supported by a strong, effective pastoral care system. Furthermore we will continue to forge close working relationships with local maintained schools in order that we can share our educational and other facilities.

The School has an agreed, comprehensive development plan, published for parents, in which is outlined the strategic objectives, which include maintaining high standards of teaching and learning, the development of boarding, staff professional development, developing our facilities (particularly the development of a new Swimming Pool, improving dining/catering facilities, the improvement in ICT provision, enhancements in communication and the maintenance of a high quality, broad education).

Principal Activity

St Hugh's principal activity continues to be the provision of a co-educational boarding and day school for children aged 3 to 13 years.

Volunteers

Funds held by Friends of St Hugh's School (FOSH) are fully incorporated into the School's accounts as a separate restricted fund. All fundraising events have been carried out within the School's accounting and risk management procedures. Funds raised by FOSH are used to help fund the special projects and developments of the School. FOSH retains the right to elect a committee which also consists of the Headmaster and the Bursar. FOSH is committed to donating funds each year to charities chosen by the management committee.

STRATEGIC REPORT

Achievements and performance

Operational performance of the School

The number of pupils attending the School remained steady throughout the year averaging 324 full time pupils and around 16 part-time nursery pupils per term. All children at age 13+ (Year 8) passed appropriate entrance examinations to the senior schools of their parents' first choice. Of that number, 12 awards and scholarships were won by these pupils: a record for the School.

Means-tested bursaries were in place for 14 children. Three new awards have been offered for pupils joining in September 2016 allowing financially disadvantaged families to benefit. Of the awards granted during the reporting period, three were valued at 100% of the day fees with a further 10 being at 50% or greater. These bursaries are assessed on a needs basis as determined by the Governors and amounted to £158,732 in the financial year reported. A further £29,959 in discounts was given to Armed Forces families. As a fee paying School we continue to provide benefit to the general public by reducing the burden on state maintained schools in both terms of pupil numbers and funding.

As part of our charitable objectives we provide sports coaching and art teaching to pupils of Buckland Primary School and, during the holidays and half terms, sports courses operate at the School which are available to local children. The School retains close ties with local Scouts and Girl Guides and make the grounds available for their events.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

REPORT OF THE BOARD OF GOVERNORS
For the year ended 31 August 2016

Fundraising performance

Fundraising events were held during the year 2016 and donations raised £13,752 (2015:£12,313) towards our restricted funds.

Infrastructure

The Board has committed funds to the development of the School infrastructure in line with the strategic direction set for the School. During the reporting year the following have been completed:

- Pavilion car park
- New ICT suite
- Adventure playground
- Catering and dining improvements.
- Fire alarms upgrade
- Bandstand – Converted into Carswell Cabin
- Power supply upgrade
- Children and staff toilet refurbishments.

Financial review

Unrestricted funds resulted in a surplus before transfers amounting to £198,391 (2015:£189,228) and restricted funds returned a surplus before transfers of £1,902 (2015: deficit of £8,223) giving a total surplus for the year of £200,298, (2015:£ 181,005) representing 3.92% of net fees income (2015: 3.65%).

The market value of the School properties is in excess of book value and this is to be reviewed by the Chairman of the Buildings and Estates Committee biannually.

Reserves Policy

The School does not hold any free reserves. All operating surpluses are invested in fixed assets and Teaching resources in order to ensure the continued development and viability of the School.

Long-term strategic plans are carefully reviewed to ensure that they can be properly funded within the available funding and all expenditure is carefully monitored to ensure that budgets laid down by the Board are not exceeded. In the unlikely event of needing to call upon reserves the level and variety of fixed assets held are such that appropriate assets could be realised or used as security to raise sufficient resources to meet requirements.

The Board's policy is to continue to generate surpluses in order to equip the School with up-to-date facilities needed to maintain and improve upon the high standard of educational services currently provided.

Investment Policy

The School will endeavour to invest its cash surplus funds wisely and with a low-risk philosophy to ensure funds not immediately required attract an interest return.

Pay policy for senior staff

The senior management team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the charity on a day to day basis. The pay of the senior staff is reviewed annually and regularly benchmarked against pay levels in comparable independent schools.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

REPORT OF THE BOARD OF GOVERNORS

For the year ended 31 August 2016

Future plans

The School Development Plan enshrines the strategic objectives of the School. This plan is dynamic and evolves from full consultation with staff, parents, pupils and Governors and covers all aspects of the School's future development. It is reviewed and evaluated on a regular basis and made available to parents. The key objectives at present are to maintain pupil numbers and academic standards and to increase the operating surplus to at least 10% of net fee income in order to finance the on-going capital expenditure needed to upgrade the School's facilities and provide sufficient funds to satisfy the School's commitment to the 2011 Charities Act Public Benefit guidance.

Principal risks and uncertainties

The School has a risk management plan which is maintained by the Bursar and considered by the Governors annually. Where appropriate mitigating action is taken to reduce the likelihood and/or the potential impact of any risks identified.

Clearly the most significant risk to the School's future would be falling pupil numbers and trends are reported to Governors by the Headmaster at each Board Meeting. In addition, the risk management plan identifies, as a priority, all possible events that might precipitate a decline in numbers. Every year, the Senior Leadership Team (SLT) conducts a scenario planning exercise to ensure that the school is capable of surviving in the event of a reduction in pupil numbers.

The Board with particular assistance from the Headmaster, Bursar and the SLT, continue to keep the School's activities under review, particularly with regard to any major operational risks that may arise from time to time as well as the systems and procedures established to manage them. The major risks identified by this process have been mitigated to an acceptable level by internal control systems and other factors as appropriate; insurance cover is reviewed annually to ensure risks are appropriately covered. The Bursar chairs regular meetings of the Health & Safety Committee.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Report of the Board of Governors, which incorporates the Strategic Report and Directors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Directors 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 Company and of the surplus or deficit of the Company for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

AUDITORS

Mazars LLP has shown its willingness to be re-appointed as auditor to the Company at the next Annual General Meeting.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

REPORT OF THE BOARD OF GOVERNORS
For the year ended 31 August 2016

STATEMENT OF DISCLOSURE TO AUDITORS

- (a) as far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware, and
- (b) they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

This report has been prepared in accordance with the special provisions of s414(3) of the Companies Act 2006 relating to small companies.

Approved by the Board of Directors at its meeting on 3 December 2016 and signed on its behalf by:

Paul Daffern
Chairman

A handwritten signature in black ink, appearing to read 'Paul Daffern', with a vertical line extending downwards from the end of the signature.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED

We have audited the financial statements of St Hugh's School (Carswell) Trust Limited for the year ended 31 August 2016 which comprise the Statement of Financial Activities (incorporating the Income and Expenditure Account), the Balance Sheet, the Cash Flow Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the Directors (who are also the Trustees of the charity) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors. This report is made solely to the charity's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charity'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 charity and the charity's members as a body for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site www.frc.org.uk/auditscopeukprivate.

Opinion

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 August 2016 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.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Board of Governors, which incorporates the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where 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 Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit;
- the Directors were not entitled to prepare the financial statements and the Trustees' report in accordance with the small companies' regime



Stephen Brown (Senior Statutory Auditor)
for and on behalf of Mazars LLP, Chartered Accountants & Statutory auditors

The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date 4 May 2017

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

STATEMENT OF FINANCIAL ACTIVITIES
(incorporating an Income and Expenditure account)
For the year ended 31 August 2016

	Note	Unrestricted Funds £	Restricted Funds £	Total 2016 £	Total 2015 £
INCOME					
<i>Donations and legacies</i>					
Donations and gifts	2	-	1,367	1,367	2,030
<i>Other trading activities</i>					
Fundraising and trading	2	26,617	13,758	40,375	38,529
<i>Income from investments</i>					
Bank interest		4,594	-	4,594	1,127
Income from charitable activities:					
School fee income	3	5,104,683	-	5,104,683	4,862,379
Additional activities	3	55,682	-	55,682	53,124
TOTAL INCOMING RESOURCES		5,191,576	15,125	5,206,701	4,957,189
RESOURCES EXPENDED					
Expenditure on raising funds					
Fundraising and trading:	4	(15,593)	(13,223)	(28,816)	(32,669)
Expenditure on charitable activities:					
School operating costs	4, 5 & 6	(4,977,592)	-	(4,977,592)	(4,743,515)
TOTAL RESOURCES EXPENDED		(4,993,185)	(13,223)	(5,006,408)	(4,776,184)
NET MOVEMENT IN FUNDS		198,391	1,902	200,293	181,005
Transfers between funds		29,742	(29,742)	-	-
Balances brought forward at 1 September		3,248,845	43,730	3,292,575	3,111,570
BALANCES CARRIED FORWARD					
At 31 August	13 & 14	3,476,978	15,890	3,492,868	3,292,575

The above results relate wholly to continuing activities.

The notes on pages 11 to 23 form part of these financial statements.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

BALANCE SHEET

As at 31 August 2016

	Notes	2016 £	2015 £
FIXED ASSETS			
School land, buildings and equipment	8	4,903,238	4,543,707
CURRENT ASSETS			
Stock	9	3,022	1,367
Debtors	10	57,724	62,118
Cash at bank and in hand		233,345	335,914
		294,091	399,399
CREDITORS - AMOUNTS FALLING DUE WITHIN ONE YEAR			
	11	(994,585)	(853,370)
NET CURRENT LIABILITIES		(700,494)	(453,971)
TOTAL ASSETS LESS CURRENT LIABILITIES		4,202,744	4,089,736
CREDITORS - AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR			
	12	(709,876)	(797,161)
NET ASSETS		3,492,868	3,292,575
FUNDS			
Unrestricted	13	3,476,978	3,248,845
Restricted	14	15,890	43,730
	15	3,492,868	3,292,575

The financial statements have been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

Approved and authorised for issue by the Board on 3 December 2016 and signed on its behalf by:


Paul Daffern
Chairman

The notes on pages 11 to 23 form part of these financial statements.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

STATEMENT OF CASH FLOWS

As at 31 August 2016

	2016	2015
	£	£
CASH FLOWS FROM OPERATING ACTIVITIES		
Net incoming / (outgoing) resources	200,293	181,005
Adjustments for:		
Depreciation	333,960	324,906
(Gains) / Loss on sale of fixed assets	1,341	(13,122)
Investment income	(4,594)	(1,127)
Interest paid	24,204	26,858
(Increase) in stock	(1,655)	1,754
(Increase) in debtors	4,394	(36,671)
(Decrease) / Increase in creditors	146,340	(33,166)
	<hr/> 503,990	<hr/> 269,432
Cash generated from operations		
Interest paid	(24,204)	(26,858)
	<hr/>	<hr/>
NET CASH (OUTFLOW) FROM OPERATING ACTIVITIES	479,786	242,574
Purchase of fixed assets	(694,823)	(406,500)
Investment income	4,594	1,127
	<hr/>	<hr/>
CASH FLOWS GENERATED FROM INVESTING ACTIVITIES	(690,238)	(405,373)
Capital repayments in the year	(92,410)	(91,415)
	<hr/>	<hr/>
	(92,410)	(91,415)
	<hr/>	<hr/>
NET INCREASE/ (DECREASE) IN CASH	(102,569)	(73,209)
CASH AND CASH EQUIVALENTS AT 1 SEPTEMBER	335,914	409,123
	<hr/>	<hr/>
CASH AND CASH EQUIVALENTS AT 31 AUGUST	<u>233,345</u>	<u>335,914</u>

The notes on pages 11 to 23 form part of these financial statements.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

1. Accounting policies

(a) General information

St Hugh's School (Carswell) Trust Limited is a company limited by guarantee, incorporated in England and Wales. The address of its registered office and principal place of business is disclosed in the company information.

The principal activity of the charity is to advance the public benefit education by maintaining, managing and developing a school

The financial statements are presented in Sterling and this is the functional currency of the Charity.

(b) Basis of accounting

The financial statements have been prepared under the historical cost convention, and in accordance with applicable accounting standards. In preparing the financial statements the charity follows best practice as set out in the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (SORP 15), the Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS102) and the Charities and Companies Acts.

These accounts are prepared on a going concern basis. The Governors are confident that the charity has sufficient unrestricted funds for the foreseeable future.

(c) Income

Fee income represents fees receivable in respect of tuition and accommodation of pupils in the period. Fees received for education to be provided in the future are treated as deferred income. Donations are brought into income in the year during which they are received.

Registration fees and fees for additional activities are recognised as income in the year in which they are receivable.

(d) Expenditure on buildings

All expenditure incurred on buildings is written off in the year in which it arises except where additional teaching or accommodation space is achieved, in which case it is capitalised.

(e) Fixed Assets and Depreciation

Fixed assets are included in the financial statements at cost, less accumulated depreciation. Individual assets costing more than £3,000 are capitalised. Depreciation of tangible fixed assets is provided on a straight line basis, calculated at annual rates estimated to write off each asset over the term of its useful life.

In general buildings are depreciated over 25 years. However, 2 new classrooms constructed in July and August 2009 only have planning authority from the local council for 10 years and are depreciated over 10 years. The lodge garage is also being depreciated over 10 years. No depreciation is charged where the Governors consider that because these buildings are maintained to a high standard they have very long useful lives and high residual value. Any depreciation charged would be immaterial both in the current year and on a cumulative basis. The Governors will undertake an impairment review of the non-specialised buildings every three years to ensure that their carrying value in the accounts is not more than their realisable value.

Assets in the Course of Construction (ACOC) are held at their actual cost as at the financial year-end as fixed assets and are not depreciated until they are complete and handed to the School for use.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

1. Accounting policies (continued)

The annual depreciation rates are:

Freehold property and improvements	0%, 4% and 10%
Sports equipment	10%
School equipment	10% - 20%
Fixtures and equipment	10% - 33.3%
Assets under course of construction	0%

(f) Operating leases

Rentals payable under operating leases are charged on a straight line basis over the term of the lease.

(g) Stock

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

(h) Taxation

The company is registered as a charity and is entitled for the current year to the exemptions provided by Section 505 Income and Corporation Taxes Act 1988.

(i) Value Added Tax

The company is exempt from registration for value added tax purposes. All items of expenses in the income and expenditure account therefore include, where appropriate, the related amount of value added tax.

(j) Pension costs

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the Charity. In accordance with FRS17 the scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator.

The school also contributes to personal pension schemes for non teaching staff and these contributions are accrued in the period to which they relate.

(k) Allocation of costs to direct charitable and other expenditure

All expenditure is included on an accruals basis and is recognised when there is a legal or constructive obligation to do so.

Expenditure is summarised under functional headings either on a direct cost basis or, for overhead costs, apportioned according to management estimates of staff time spent.

Charitable activities include costs directly related to the running of the School.

Support costs represent the staffing and associated costs of finance, personnel and general administration in supporting the School and *Governance costs* which include the cost of governance arrangements which relate to the general running of the charity as opposed to the direct management functions inherent in generating funds or service delivery of the charitable activities.

Trading costs relate to the costs of goods sold.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

1. Accounting policies (continued)

(l) Grants Payable

Grants payable are charged as expenses in the year during which they are paid.

(m) Funds

Unrestricted funds are funds that can be used in accordance with the charitable objects at the discretion of the Governors.

Designated funds are funds set aside by the Governors out of unrestricted funds for specific purposes.

Restricted funds are funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. Further explanation of the nature and purpose of each fund is included in the notes to the accounts.

(n) Financing

On 14 August 2012, a bank loan of £1,000,000 was drawn down to finance the new building development. The associated bank charges have been offset against the balance over the period of maturity.

(o) Transition to FRS102

The transition date for FRS102 was 1 April 2014. No restatement of items has been required in making the transition to FRS102.

(p) Financial instruments

The charity only has financial asset and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction values and subsequently measured at their settlement value.

(q) Judgments in applying accounting policies and key sources of estimation uncertainty

In applying the company's accounting policies, the directors are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The directors' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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 affects both current and future periods.

The key estimates and assumptions made in these accounts are the allocation of central support costs which are allocated on a basis using an estimated time and effort percentage, provisions for bad debts and depreciation charged on fixed assets.

(r) Cash and Cash equivalents

Cash and cash equivalents are cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

2. Incoming resources – Voluntary income, fundraising and trading

	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
Donations	-	13,758	13,758	12,313
Income from fundraising events	-	1,367	1,367	2,030
Surcharge for late fees	2,361	-	2,361	1,061
Lettings and rents receivable	8,672	-	8,672	13,445
Trading income	15,584	-	15,584	11,710
	26,617	15,125	41,742	40,559

3. Incoming resources from charitable activities

The income and surplus is attributable to the principal activity of running a preparatory school. The income all arose within the United Kingdom.

	Unrestricted Funds £	Restricted Funds £	2016 £	2015 £
School fees (gross)	5,428,051	-	5,428,051	5,175,782
Less: Bursaries and allowances	(323,368)	-	(323,368)	(313,403)
Total Net fees	5,104,683	-	5,104,683	4,862,379
Additional activities	55,682	-	55,682	53,124
	5,160,365	-	5,160,365	4,915,503

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2016

4. Analysis of total resources expended

	2016	2015
	£	£
Costs of generating funds:		
Trading costs	15,593	10,103
Restricted expenditure	13,223	22,566
Total cost of generating funds	28,816	32,669
Charitable Activities:		
School operating costs:		
Teaching	2,867,886	2,667,785
Welfare	613,077	591,473
Premises	907,242	886,285
Support costs (see notes 1(j) & 5)	589,387	597,972
	4,977,592	4,743,515
 Total resources expended	 5,006,408	 4,776,184

Included in the Premises costs above is the depreciation charge of £333,960 and the loss on disposal of £1,341.

5. Support costs

	2016	2015
	£	£
Salaries	276,544	278,720
Office and other administrative costs	232,361	231,630
Finance costs	34,004	36,599
Bad debts (recovered)	(1,100)	(323)
Governance costs (see note 6)	47,578	51,346
	589,387	597,972

Finance costs include bank interest paid of £24,204 (2015: £26,858) and £2,017 (2015: £2,017) of bank loan charges released.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

6. Governance costs

	2016	2015
	£	£
Apportioned salary	17,840	20,621
Audit and accountancy fees	6,702	7,050
Non audit fees	4,980	4,980
Governors training and expenses	2,659	3,960
Legal and consultancy fees	10,523	7,586
Statutory inspection costs	4,874	7,149
	47,578	51,346

7. Staff costs

	2016	2015
	£	£
Wages and salaries	2,496,382	2,403,334
Social security costs	215,976	190,813
Other pension costs	358,641	303,817
	3,070,999	2,897,964

The average number of persons employed by the company during the year:

	2016	2015
	Number	Number
Teaching	73	72
Non Teaching	19	17
	92	89

Included above is £57,600 in respect of compensation payments agreed in the year to 31 August 2015.

No Trustee received remuneration during the year (2015 - None).

Two Trustees (2015: two Trustees) incurred accommodation, travel and entertaining costs amounting to £2,592 (2015: £3,434).

Trustees' indemnity insurance is £435 (2015: £435).

In addition to staff employed directly by the School, 10 catering staff and 10 cleaning staff are employed under two sub-contracts. (2015: 10 catering and 10 cleaning staff under 2 sub contracts respectively). The costs of the catering and cleaning contracts for the year were respectively £181,590 and £76,656 (2015: £181,488 and £71,359).

The following number of employees received remuneration greater than £60,000:

	2016	2015
	Number	Number
£60,000 to £70,000	2	1
£110,000 to £120,000	-	1
£120,000 to £130,000	1	-

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

7. Staff costs (continued)

The number of higher paid staff to which benefits were accruing under defined benefit pension schemes is 1 (2015: 1). The contributions paid to this were £23,945. The number of higher paid staff to which benefits were accruing under the defined contribution scheme is 1 (2015: 1).

The school considers its key management personnel to comprise the Senior Leadership Team; the Headmaster, Bursar Deputy Head, Head of Middle School and Head of Pre-Prep. The total cost of this team including employer pension contributions was £433,724 (2015: £409,938).

8. Tangible fixed assets

Cost	Freehold Property £ & Improvements £	Sports equipment £	School Equipment £	Fixtures and Equipment £	Assets in the Course of Construction £	Total £
At 1 September 2015	6,581,408	35,531	685,714	190,239	88,660	7,581,552
Additions	9,362	3,418	10,794	-	671,258	694,832
Transfers	178,412	4,920	108,090	29,413	(320,835)	-
Disposals	(17,656)	(18,869)	(3,762)	-	-	(40,287)
At 31 August 2016	6,751,526	25,000	800,836	219,652	439,083	8,236,097
Accumulated Depreciation						
At 1 September 2015	2,526,466	26,017	351,663	133,699	-	3,037,845
Disposals	(16,315)	(18,869)	(3,762)	-	-	(38,946)
Charge for the year	248,502	2,137	70,194	13,127	-	333,960
At 31 August 2016	2,758,653	9,285	418,095	146,826	-	3,332,859
Net Book Value						
At 31 August 2016	3,992,873	15,715	382,741	72,826	439,083	4,903,238
At 31 August 2015	4,054,942	9,514	334,051	56,540	88,660	4,543,707

The bank holds a legal charge over the freehold property in respect of the overdraft and loan facility.

An impairment review was conducted by Mr P Chambers (Fellow of RCIS), who is also a Governor, in April 2015 which confirmed that the realisable value of the non specialised assets exceeds the declared carrying value. The previous valuation was carried out in August 2013.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2016

8. Tangible fixed assets (continued)

Some individual items which form part of a larger project and for which their individual historic value is below the threshold have been capitalised as part of the overall project to which they relate.

The new build in the year is classified as Assets in the Course of Construction. No depreciation has therefore been charged to these assets.

9. Stock

	2016	2015
	£	£
Food items only	3,022	1,367

10. Debtors - amounts due within one year

	2016	2015
	£	£
Trade debtors	1,349	16,168
Other debtors	3,375	-
Prepayments	53,000	45,950
	57,724	62,118

11. Creditors – amounts falling due within one year

	2016	2015
	£	£
Bank loans	95,763	89,398
Final term deposits	500	9,000
Trade creditors	263,321	161,388
Social security costs	62,169	50,628
Other creditors	56,604	42,489
Accruals	40,982	22,627
Deferred income	475,246	477,840
	994,585	853,370

The bank loan and overdraft is secured by a legal charge over Carswell House and Carswell Manor.

Analysis of Accruals and Deferred Income

	2016	2015
	£	£
Deferred income balance at 1 September	477,840	464,850
Fees received	475,246	477,840
Fees released to surplus	(477,840)	(464,850)
Deferred income balance at 31 August	475,246	477,840

The deferred income relates to fees paid for and in advance of the Autumn Term 2016.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

12. Creditors – amounts falling due after one year

	2016 £	2015 £
Bank loan	532,856	631,631
Final term deposits	177,020	165,530
	<u>709,876</u>	<u>797,161</u>

Analysis of debt maturity 2016:	Bank loans and overdrafts £	Final term deposits £	Total £
Amounts payable:			
In one year or less or on demand	95,763	500	96,263
In more than one year but not more than two years	99,287	20,510	119,797
In more than two years but not more than five years	319,784	72,000	391,784
In five years or more	113,785	84,510	198,295
	<u>628,619</u>	<u>177,520</u>	<u>806,139</u>

Analysis of debt maturity 2015:	Bank loans and overdrafts £	Final term deposits £	Total £
Amounts payable:			
In one year or less or on demand	89,398	9,000	98,398
In more than one year but not more than two years	92,248	22,500	114,748
In more than two years but not more than five years	297,864	63,020	360,884
In five years or more	241,519	80,010	321,529
	<u>721,029</u>	<u>174,530</u>	<u>895,559</u>

The amounts stated above for 2016 for the bank loan are stated net of the management fee. The unexpired management fee at 31 August 2016 amounts to £12,103 (2015: £14,120) and is being amortised over the period of the loan which is 10 years. The bank loan drawn down in the year is being repaid over a 10 year period at a fixed interest rate of 3.473%.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

13. Unrestricted Funds

	At 1 September 2015 £	Surplus/ (Deficit) £	Transfer from restricted funds £	At 31 August 2016 £
General fund	3,248,846	198,391	29,742	3,476,978
	3,248,846	198,391	29,742	3,476,978

14. Restricted funds – movements in the year

	At 1 September 2015 £	Income £	Expended £	Transfer to unrestricted fund £	Net movement £	At 31 August 2016 £
Cannon Classics Prize	234	-	(13)		(13)	221
Centenary appeal fund	8,110	-	-	(8,110)	(8,110)	-
Centenary donation fund	20,766	1,366	(500)	(21,632)	(20,766)	-
Friends of St Hugh's	2,443	13,753	(12,673)	-	1,080	3,523
Helm Poetry Fund	374	-	(16)	-	(16)	358
Professor McFarlane Prize Fund	245	-	(21)	-	(21)	224
Paul Snow Memorial Prize	11,508	6	-	-	6	11,514
Music society	50	-	-	-	-	50
	43,730	15,125	(13,223)	(29,742)	(27,840)	15,890

The transfers have been made to release funds from the Centenary funds which the School is now permitted to use for unrestricted purposes.

The **Cannon Classics Prize** was set up by Derek Cannon, a former Headmaster, to provide an annual prize to a student studying classics.

The **Centenary Funds** were launched to celebrate the School's centenary in 2006. Funds raised will be used, at the Governors discretion, to fund enhancement to our facilities and to set up a Bursary Fund to provide means tested bursaries. The funds have been transferred into unrestricted funds.

Friends of St Hugh's raises funds for the school to provide items that would not usually be covered by day to day budgets. The fund awards £1,000 per annum for a nominated local charity to provide funds for parents and children in need.

The **Helm** poetry prize was provided by a parent to fund an annual poetry prize.

Professor McFarlane, a former Governor, set up a fund to provide an annual prize to a student studying French.

The **Paul Snow Fund** is in memory of a former pupil. It exists to provide grants to other former pupils to help to fund worthwhile projects undertaken by them following secondary education.

A **Music Society** was established in 2010 to promote the learning of music in the School.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

15. Analysis of net assets between funds

	Tangible fixed assets £	Current assets/ (liabilities) £	Long term liabilities £	Total 2016 £
Restricted funds	-	15,890	-	15,890
Unrestricted Funds	4,903,238	(716,384)	(709,876)	3,476,978
	<u>4,903,238</u>	<u>(700,494)</u>	<u>(709,876)</u>	<u>3,492,868</u>

16. Pension costs

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. As required by FRS17 "Retirement Benefits", the School accounts for this scheme as if it were a defined contribution scheme.

The total pension charge for the year includes contributions payable to the TPS and the Standard Life Group Pension Plan was £486,538 (2015: £416,103). At the year-end £77,043 (2015: £84,191) was accrued in respect of contributions to this scheme.

On 4 July 2012 the Chief Secretary to the Treasury confirmed that the Government would be taking forward legislation based on the reformed scheme design for the Teachers' Pension Scheme to be introduced in 2016 as set out in the Teachers' Pension Scheme - Proposed Final Agreement ("the TPS Agreement"). The TPS Agreement sets out the main parameters for both the provision of future pension benefits and the structuring of the future contributions to the TPS including the basis for increasing average employee contribution rates up to 2016.

On 31 January 2013, the Department for Education published the outcome of the consultation on further contributions increases that will apply to members of the TPS in financial year 2013-14 as well as the removal of provisions governing scheme valuations and cap and share arrangements. A revised eight tier salary and employee contribution rate structure has been introduced from 1 April 2013 with employee rates varying between 6.4% and 11.2%. Employer contributions will continue for this period at the current rate 14.1%.

On 25 April 2013 the Public Service Pensions Act 2013 was enacted and provides the arrangements for managing the future TPS costs, including a requirement for scheme regulations which must set an employer cost cap which will be required to be in accordance with Treasury directions.

In light of the new arrangements for setting contribution rates the Government has concluded that there is now no need to carry out the currently suspended TPS actuarial review or the cap and share processes.

17. Related party transactions

One of the Directors is the owner of The Oxford Wine Company. Purchases in the year totalled £5,611 (2015: £5,928). At the year end the school was owed £nil by The Oxford Wine Company (2015: owed £ nil by The Oxford Wine Company). All transactions were on an arm's length basis.

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 August 2016

18. Financial commitments

At the end of the year the following annual commitments existed in respect of non-cancellable other operating leases.

	Other		Land and Buildings	
	2016	2015	2016	2015
	£	£	£	£
Leases:				
In one year or less	11,307	6,875	-	-
In more than one year but not more than two years	11,307	6,875	-	-
In more than two years but not more than five years	13,654	15,112	-	-
More than five years	19,200	22,400	35,200	38,400
	<u>55,468</u>	<u>51,262</u>	<u>35,200</u>	<u>38,400</u>

At the end of the year the following annual commitments existed in respect of non-cancellable maintenance and hire agreements.

	2016	2015
	£	£
Agreements expiring:		
In one year or less	39,519	34,178
In more than one year but not more than two years	37,899	34,178
In more than two years but not more than five years	16,764	33,746
	<u>94,182</u>	<u>102,102</u>

ST HUGH'S SCHOOL (CARSWELL) TRUST LIMITED
(Registered Company 913833. Registered Charity 309640)

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 August 2016

19. Comparative Statement of Financial Activities

	Unrestricted Funds £	Restricted Funds £	Total 2015 £
INCOMING RESOURCES			
Incoming resources from generated funds:			
<i>Voluntary income:</i>			
Donations and gifts	-	2,030	2,030
<i>Activities for generating funds:</i>			
Fundraising and trading	26,216	12,313	38,529
<i>Investment income:</i>			
Bank interest	1,127	-	1,127
Incoming resources from charitable activities:			
School fee income	4,862,379	-	4,862,379
Additional activities	53,124	-	53,124
TOTAL INCOMING RESOURCES	4,942,846	14,343	4,957,189
RESOURCES EXPENDED			
Costs of generating funds:			
Fundraising and trading:	(10,103)	(22,566)	(32,669)
Charitable activities:			
School operating costs	(4,743,515)	-	(4,743,515)
TOTAL RESOURCES EXPENDED	(4,753,618)	(22,566)	(4,776,184)
NET MOVEMENT IN FUNDS	189,228	(8,223)	181,005
Transfers between funds	5,500	(5,500)	-
Balances brought forward at 1 September 2014	3,054,117	57,453	3,111,570
BALANCES CARRIED FORWARD			
At 31 August 2015	3,248,845	43,730	3,292,575