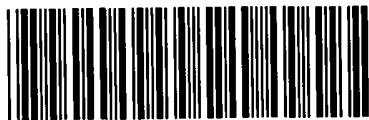


**GLENDOWER SCHOOL TRUST LIMITED**  
**GOVERNORS' REPORT AND ACCOUNTS**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

Registered Company No: 960831  
Registered Charity No: 312717

TUESDAY



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23/01/2018

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COMPANIES HOUSE

## **GLENDOWER SCHOOL TRUST LIMITED**

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**GLENDOWER SCHOOL TRUST LIMITED**

**LEGAL AND ADMINISTRATIVE INFORMATION**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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**Governors**

R K Harrison (Chair)  
J Kane (resigned 30 September 2016)  
S J S Martyrossian  
F Morton  
M Uva  
B Daffey  
P Vanni  
D Goodhew  
A Rawlinson  
S Kumbleben  
Z Pinkham  
J Richards (appointed 1 September 2016)  
G Apkarian (appointed 1 December 2016)  
Rev P Cowley (appointed 1 May 2017)

**Headmistress**

S Knollys

**Charity Number**

312717

**Company Number**

960831

**Principal address and registered office**

87 Queen's Gate  
London  
SW7 5JX

**Auditors**

haysmacintyre  
26 Red Lion Square  
London WC1R 4AG

**Bankers**

National Westminster Bank plc  
South Kensington Station (A) Branch  
PO Box 592  
18 Cromwell Place  
London SW7 2LB

## **GLENDOWER SCHOOL TRUST LIMITED**

### **GOVERNORS' REPORT**

---

The Governors present their report and accounts for the year ended 31 August 2017. The financial statements have been prepared in accordance with the Statement of Recommended Practice "Accounting and Reporting by Charities" 2015 (FRS 102) applicable law and the Trust's Memorandum and Articles of Association.

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

Glendower School Trust Limited was founded by Trust Deed in 1969 which was amended in 1977.

The charity is a company limited by guarantee. The Governors, who are also the directors for the purpose of company law and the charity's trustees, who served during the period and up to the date of the signing of this report were:

R K Harrison (Chair)*	
J Kane*	(resigned 30 September 2016)
S J S Martyrossian *	
F Morton	
M Uva*	
B Daffey	
P Vanni	
D Goodhew	
A Rawlinson	
S Kumbleben	
Z Pinkham	
J Richards	(appointed 1 September 2016)
G Apkarian*	(appointed 1 December 2016)
Rev P Cowley	(appointed 1 May 2017)

\*Members of the Finance Committee

None of the Governors has any beneficial interest in the company. All of the Governors are members of the company and guarantee to contribute £1 in the event of a winding up.

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

#### **Governing Document**

The Company is governed by its Memorandum and Articles of Association, last amended on 22 November 2005.

#### **Governing Body**

The Governors, who are also required under the Articles to serve as members of the company, are elected at a full Governors' meeting. They are chosen to represent a suitable cross section of expertise and at least one Governor is a parent of a pupil at the school.

#### **Governor Training**

New Governors are inducted into the workings of the school by the Head and Bursar and provided with an introductory pack of school information. Regular training workshops are organised and Governors are kept informed of other relevant training days run by outside organisations.

#### **Organisational Management**

The Governors meet as a Board at least three times a year to determine general policy. The Governors have set up five sub-committees which meet as needed but at least once a year: an Education sub-committee, chaired by Mr D Goodhew which considers and advises on all aspects of the school's curriculum; a Finance sub-committee, chaired by Mr M Uva, which normally meets two weeks before each Board meeting, to discuss matters arising and to review budgets and termly management accounts; a Risk Management sub-committee chaired by Mrs S Martyrossian which considers the risks to which the school is exposed and the measures in place to mitigate them; an ICT Development Committee chaired by Mr Z Pinkham which considers the development of the School's digital resources and a Health and Safety Committee chaired by Mrs S Martyrossian. The day-to-day running of the school is delegated to the Head, supported by other teaching members of the Leadership team and the Bursar. These staff members along with Governors are the key management personnel.

## **GLENDOWER SCHOOL TRUST LIMITED**

### **GOVERNORS' REPORT**

---

The Board reviews staff salaries annually at the Spring Board meeting and the Chair and Chair of the Finance sub-committee review the remuneration of the Senior Leadership Team which comprises the Head, Deputy Head, Head of Lower School and Bursar. During the year a review of the Head's salary was undertaken by a specialist external consultant whose recommendations were adopted.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)**

#### **Group Structure and Relationships**

The Headmistress is a member of IAPS and the School is also a member of the Girls' Schools Association. Both organisations are dedicated to promoting all round excellence in education and accredit only those schools that can demonstrate the highest standards of education.

As part of its commitment to providing Public Benefit, the school provides specialised teaching support in art for pupils who attend a local state school and who would not otherwise have the opportunity to have access to such specialist teaching. The school is committed to continuing this long-standing arrangement and also to providing transportation for 15 pupils each week during the term. Separately the school gives financial support for swimming at another local state school and plans to maintain this support in future years. Pupils and their parents also contribute significant sums to local, national and international charities. In addition the school operates a bursary scheme (see below).

The school benefits from a thriving Parents' Association, whose close support, hard work and generosity is greatly appreciated and gladly acknowledged. During the year the Parents' Association held special events to raise funds for the School's bursary scheme including a Christmas Fair. These were attended by many parents and raised substantial funds for the benefit of the school.

#### **Principle Risks and Uncertainties**

The Board, with particular assistance from the Risk Management sub-committee and the Head and Bursar, continue to keep the school's activities under review, particularly with regard to any major risks that may arise from time to time as well as the systems and procedures established to manage them. The principal risks and their effective mitigation are set out below:

- Health and safety and fire: the school has a Health and Safety Committee (chaired by a Governor) which meets termly to consider the effectiveness of practices and procedures. Unannounced fire practices take place each term. The school also employs Health and Safety and Fire Consultants to provide appropriate training and to monitor the school's policies and practices. The consultants produce regular written reports to the Health and Safety Committee. Every member of staff attends Fire Safety training.
- Poor financial management: the school produces an annual budget and termly management accounts which are carefully considered by the Finance Committee at their termly meetings. The Committee makes enquiries where items of income and expenditure are at variance with the annual budget and ensures that the school has adequate reserves to meet its needs
- Safeguarding children. The Deputy Head is the Designated Safeguarding Leader and is supported by a Safeguarding Governor who checks the schools' recruitment procedures and files as well as records of cases brought to her attention. Every member of staff receives safeguarding training annually.

### **PURPOSE, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES**

#### **Purpose**

The Purpose of the Trust is to own and operate Glendower Preparatory School as an independent preparatory and pre-preparatory day school for girls aged 4 to 11.

#### **Aims**

The school's aim is to do more than simply teach young children. Rather, the aim is to introduce them to the pleasure and excitement of learning, stimulating their curiosity, their imagination and competitive spirit and developing their critical thinking skills. Whilst aiming for the highest academic and sporting results, the school is equally concerned with fostering the kind of skills that help young girls grow into capable young women with a sense of self-worth and a developing awareness of the contribution they can make to society as a whole. The school aims to provide an educational environment where each pupil can develop to her potential, inculcating a desire to contribute to the wider community, thus preparing each child for the opportunities, responsibilities and experiences of later life.

## **GLENDOWER SCHOOL TRUST LIMITED**

### **GOVERNORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **PURPOSE, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES (continued)**

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

The Board's main objective continued to be to educate the school's pupils to the same high standard achieved in previous years, so that they will be able to gain a place at their chosen senior school and to benefit fully from their future education. The strategy for achieving this is to maintain a high teacher-to-pupil ratio and excellent teaching standards. In setting objectives and planning activities, Governors have given careful consideration to the Charity Commission's general guidance on Public Benefit. The Governors confirm that they have complied with the duty in Section 17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on Public Benefit, "Charities and Public Benefit".

Other key objectives are outlined below:

- To continue to develop the first class pastoral care for pupils.
- To support pupils in need through means tested bursaries.
- To continue to develop our teaching link programme and joint working with local state primary schools, providing support in art and swimming.

##### **Principal Activity**

Glendower School Trust's principal activity continues to be the operation of a Day School for 4 to 11 year-old girls.

##### **Bursaries**

The Trust operates an entrance bursary scheme to assist parents who would otherwise be unable to afford to pay the fees. Three children benefitted from bursary assistance during the year. The school continues to follow the ISBA's guidance on bursaries, assessing all pupils that apply for a bursary place within the school. The Governors view the bursary awards as important in helping to ensure that children from families who could not otherwise afford the fees can access the education offered at Glendower. In assessing means account is taken of investments, family income, savings and also family circumstances for example siblings and dependent relatives.

#### **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

##### **Operational performance of the school**

In Spring 2017 pupils achieved strong results in the 11+ examinations, which included ten academic awards. Places were offered at the very best day and boarding schools. It was also a successful year for sport, especially in netball and swimming. There were pleasing results in both music and music theatre exams again this academic year.

Every girl was involved in her annual year play; these plays being staged at intervals throughout the school year. An exciting programme of outings and educational visits were planned and executed, including residential trips in the Spring and Summer Terms. Young Enterprise Day was repeated in the Summer Term for year six pupils who were introduced to aspects of global trade. The aim was to encourage the girls to understand that just as friends, families and communities rely on each other, so do nations of the world. It opens the minds of pupils, who at a young age start to consider possibilities of careers in later life.

The Trust and pupils of the school continue to support local charities and state schools and to investigate other initiatives in support of the wider local community. Once again the biggest initiative was for The Tree House School Trust, a school for children with autism.

## **GLENDOWER SCHOOL TRUST LIMITED**

### **GOVERNORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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#### **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR (continued)**

##### **Operational performance of the school (continued)**

Every year each form, year group and House is encouraged to raise funds for their chosen charity. Amongst the donations made in the year were to: William Wilberforce Trust (£720), Red Nose Day (£390), WWF (£555), Shelter (£1,003), (£415) and the Kensington and Chelsea Foundation (£1,079). Separately the Parents' Association supports the William Wilberforce Trust which provides facilities and resources to the homeless in Kensington.

Improvements to school buildings continued to be made during the year. During summer 2017, three classrooms were refurbished and main corridors and staircases were redecorated. The school continued to upgrade its IT systems (including the purchase of 120 ipads).

The school continues to focus on the need to ensure that there is no parking, dropping off or collecting outside the school between 8am and 9am and again between 3:15pm and 4:15pm. The School Travel Plan has been approved by the local authority RBK&C and Transport for London, and the school has achieved a Bronze Award for Sustainable Travel. RBK&C have painted 'school keep clear' road marking outside the school to establish the area as an official School No Parking Zone. This has ensured that the area will be monitored by RBK&C parking attendants. RBK&C have installed green man crossings on all four corners of Queen's Gate and Stanhope Gardens, which are in use. Glendower's traffic management is used as an example of best practice by the Borough and another local school has been asked to observe how the no-parking zone is managed. The school continues to take part in the "Walk on Weekdays" scheme and other Borough led initiatives for road safety and traffic management.

#### **FINANCIAL REVIEW AND RESULTS FOR THE YEAR**

The accounts for the year show net incoming income before other recognised (losses)/gains of £174,921 (2016: £509,103).

##### **Investment Policy, Powers and Performance**

There are no restrictions on the School's absolute powers of investment. The School's policy continues to be to achieve long-term capital growth through risk-averse investments. During the year the school received investment income of £60,792 compared to £76,683 in 2016. The School has total funds of £6,854,544

Included within these financial statements is the fair value of an interest rate swap contract the school has in place. The fair value of the interest rate swap is provided by the bank counterpart. The value of the swap is estimated based on the bank's market projection of future libor rates and is therefore subject to market conditions.

##### **Reserves Policy**

The school currently has unrestricted funds of £6,712,793 (2016: £6,148,890). It has been the policy of the Trust that unrestricted free reserves which have not been designated for a specific use should be maintained at a level between nine and twelve month's expenditure (between approximately £2.3 million and £3.0 million). As part of its re-development plan, the school has invested heavily in fixed assets and so currently has no free reserves when taking into account the loan used to fund the capital works.

During the year the school received restricted donations of £36,704. These will be used to fund bursaries and are expected to be used over a three to five year period.

#### **FUTURE PLANS**

Above all, the school will continue to provide a first class education so that pupils leave as self-confident, well-mannered and competent girls ready for the next stage of their education and well equipped to realise their full potential. To achieve this the school will continue to recruit and retain excellent staff.

The Governors remain committed to continue to improve the educational facilities at the school as funds permit.

# **GLENDOWER SCHOOL TRUST LIMITED**

## **GOVERNORS' REPORT (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The Governors (who are also directors and trustees of Glendower School Trust Limited for the purposes of company law) are responsible for preparing the Governors' 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 Governors 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 Governors are required to:

- Select suitable accounting policies and then 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 in business

The Governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time of 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 and detection of fraud and other irregularities.

In so far as we are aware:

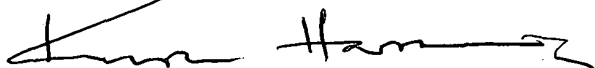
- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

### **AUDITORS**

In accordance with section 485 of the Companies Act 2006, a resolution proposing haysmacintyre to be reappointed as auditors of the company, will be put to the Annual General Meeting.

This report of the Board of Trustees has been prepared taking advantage of the small companies exemption of section 415A of the Companies Act 2006.

On behalf of the Board of Governors on 30 November 2017



R K Harrison (Chair)  
Governor



## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENDOWER SCHOOL TRUST LIMITED**

---

### **Independent auditor's report to the members of Glendower School Trust Limited**

#### **Opinion**

We have audited the financial statements of Glendower School Trust Limited for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2017 and of the charitable company's net movement in funds, including the 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.

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. 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 Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

#### **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.

#### **Responsibilities of trustees for the financial statements**

As explained more fully in the Governors' responsibilities statement set out on page 6 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 charitable company'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 charitable 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: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENOWER SCHOOL TRUST LIMITED**

---

### **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 charitable company'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 Governors' are responsible for the other information. The other information comprises the information included in the Governors' Report. 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 the audit:

- the information given in the Governors' Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report (which incorporates the directors' report) has been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the directors' 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 by the charitable company; or
- the charitable company 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; or
- the Governors' were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemptions in preparing the trustees' report and from the requirement to prepare a strategic report.



Tracey Young (Senior Statutory Auditor)  
For and on behalf of haysmacintyre, Statutory Auditors  
30 November 2017

26 Red Lion Square  
London  
WC1R 4AG

**GLENDOWER SCHOOL TRUST LIMITED**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 AUGUST 2017**

	Notes	Unrestricted £	Restricted £	Total 2017 £	Unrestricted Total 2016 £
<b>INCOME FROM:</b>					
<b>Income from charitable activities:</b>					
School fees	2	4,121,538	-	4,121,538	3,968,147
Other educational income	3	167,128	-	167,128	139,009
Investment income	4	60,792	-	60,792	76,683
Donations and legacies		-	36,704	36,704	148,685
<b>Total Income</b>		<b>4,349,458</b>	<b>36,704</b>	<b>4,386,162</b>	<b>4,332,524</b>
<b>EXPENDITURE ON:</b>					
<b>Costs of Raising Funds</b>					
Investment management fees		1,984	-	1,984	1,977
Investment property costs		10,037	-	10,037	11,147
Finance costs		349,135	-	349,135	354,487
<b>Charitable Activities</b>					
<b>School Operating Costs:</b>					
Teaching costs		2,310,097	-	2,310,097	2,244,244
Welfare costs		204,326	-	204,326	196,305
Premises costs		773,823	-	773,823	547,245
Support and governance costs		561,839	-	561,839	468,016
<b>Total Expenditure</b>	5	<b>4,211,241</b>	<b>-</b>	<b>4,211,241</b>	<b>3,823,421</b>
<b>Net income before other gains and losses and transfers</b>		<b>138,217</b>	<b>36,704</b>	<b>174,921</b>	<b>509,103</b>
Unrealised gains on investment properties		-	-	-	-
Change in fair value of interest rate swap		393,679	-	393,679	(388,928)
Transfers between funds		32,007	(32,007)	-	-
<b>Net movement in funds</b>		<b>563,903</b>	<b>4,697</b>	<b>568,600</b>	<b>120,175</b>
Fund balances at 1 September 2016		6,148,890	137,054	6,285,944	6,165,769
<b>Fund balances at 31 August 2017</b>		<b>£6,712,793</b>	<b>£141,751</b>	<b>£6,854,544</b>	<b>£6,285,944</b>

All amounts relate to continuing activities.

All recognised gains and losses are included in the income and expenditure account.

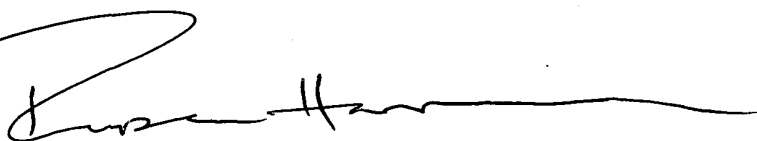
The notes on pages 12 to 21 form part of these financial statements.

**BALANCE SHEET**

**AS AT 31 AUGUST 2017**

	Notes	2017 £	2016 £
<b>FIXED ASSETS</b>			
Tangible assets	9	10,779,846	10,861,728
Investments	10	2,384,016	2,384,016
		<u>13,163,862</u>	<u>13,245,744</u>
<b>CURRENT ASSETS</b>			
Debtors	11	742,890	824,151
Cash and cash equivalents	12	3,171,879	2,965,553
		<u>3,914,769</u>	<u>3,789,704</u>
<b>CREDITORS:</b> amounts falling due within one year	13	(1,882,122)	(1,945,103)
<b>NET CURRENT ASSETS</b>		<u>2,032,647</u>	<u>1,844,601</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>15,196,509</u>	<u>15,090,345</u>
<b>CREDITORS:</b> due after more than one year	14	(8,341,965)	(8,804,401)
<b>NET ASSETS</b>		<u><u>£6,854,544</u></u>	<u><u>£6,285,944</u></u>
<b>FUNDS</b>			
Unrestricted funds:		6,712,793	6,148,890
Restricted funds		141,751	137,054
		<u><u>£6,854,544</u></u>	<u><u>£6,285,944</u></u>

The financial statements were approved and authorised for issue by the Board of Governors on 30 November 2017 and were signed below on its behalf by:



.....  
R K Harrison (Chair)  
Governor



.....  
Michael Uva  
Governor

The notes on pages 12 to 21 form part of these financial statements.

**GLENDOWER SCHOOL TRUST LIMITED**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities</b>	820,652	928,868
<b>Cash flows from investing activities</b>		
Dividends and interests	60,792	76,683
Purchase of property, plant and equipment	(325,983)	(381,512)
<b>Net cash provided by/(used in) investing activities</b>	<u>(265,191)</u>	<u>(304,829)</u>
<b>Cash flows from financing activities</b>		
Finance costs	(349,135)	(354,487)
<b>Net cash provided by/(used in) financing activities</b>	<u>(349,135)</u>	<u>(354,487)</u>
Change in cash and cash equivalents in the reporting period	206,326	269,552
Cash and cash equivalents at the beginning of the reporting period	<u>2,965,553</u>	<u>2,696,001</u>
<b>Cash and cash equivalents at the end of the reporting period</b>	<u><u>3,171,879</u></u>	<u><u>2,965,553</u></u>

**NOTES TO THE STATEMENT OF CASH FLOWS**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
<b>Reconciliation of net movement in funds to net cash flow from operating activities</b>		
Net movement in funds	568,600	120,175
Depreciation	407,865	300,400
Decrease in debtors	81,261	118,880
(Decrease)/Increase in creditors – including Swap liability	(525,417)	111,609
Dividends and interests	(60,792)	(76,683)
Finance costs	349,135	354,487
(Gains)/losses on investments		-
<b>Net cash provided by/(used in) operating activities</b>	<u>820,652</u>	<u>928,868</u>
<b>Analysis of cash and cash equivalents</b>		
Cash at bank and in hand	<u>3,171,879</u>	<u>2,965,553</u>
	<u><u>3,171,879</u></u>	<u><u>2,965,553</u></u>

# GLENDOWER SCHOOL TRUST LIMITED

## NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2017

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### 1. ACCOUNTING POLICIES

#### **Basis of accounting**

The accounts have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2016) - (Charities SORP FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The charity meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note.

#### **Critical accounting judgements and estimates**

In preparing these accounts, management has made judgements, estimates and assumptions that affect the application of the charity's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the accounts. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

#### **Income**

Fees receivable and charges for services are accounted for in the year in which the services are provided. Fees receivable are stated after deducting allowances.

Investment income is accounted for in the period in which the school is entitled to the income.

Rental income is accounted for in the period which the school is entitled to the income.

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the school is considered probable.

The income is attributable to the principal activities of the charity, and is earned entirely within the UK.

#### **Expenditure**

Expenditure is accounted for on an accruals basis and is summarised under functional headings in the Statement of Financial Activities, with the irrecoverable element of value added tax included with the item of expense to which it relates.

Governance costs are those incurred in connection with the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements.

#### **Tangible fixed assets and depreciation**

Tangible fixed assets other than freehold land and buildings are stated at cost less depreciation.

Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Freehold buildings	2% on cost
Building improvements	10% on cost
Furniture and equipment	20% on cost
Computers	33% on cost

No depreciation is provided on land.

#### **Investments**

Investment properties are shown in the accounts at market value. Movements in market value are shown as unrealised gains and losses in the Statement of Financial Activities.

# **GLENDOWER SCHOOL TRUST LIMITED**

## **NOTES TO THE ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2017**

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### **1. ACCOUNTING POLICIES (continued)**

Changes in the fair values of derivatives designated as cash flow hedges, and which are effective, are recognised directly in other recognised gains and losses in the Statement of Financial Activities statement – in line with the hedge accounting treatment above.

#### **Valuation of interest rate swaps**

Included within these financial statements are the fair value of an interest rate swap contract. The fair value of this interest rate swap is provided by the counterparty. However, the value of the swap is estimated based on the bank's projection of future libor rates and is therefore subject to the interest rate market.

#### **Hedging arrangements**

The Company applies hedge accounting for transactions entered into to manage the cash flow exposures of borrowings.

#### **Going concern**

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

#### **Debtors**

Trade and other debtors are recognised at the settlement amount due after any discounts offered. Prepayments are valued at the amount prepaid net of any discounts due.

#### **Creditors and Provisions**

Creditors and provisions are recognised where the School has a present obligation resulting 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 normally recognised at their settlement amount after allowing for any discounts due.

#### **Financial Instruments**

In addition to the interest rate swap; the school has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

#### **Leasing**

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

#### **Accumulated funds**

The General fund represents funds available for use at the discretion of the Governors in furtherance of the objects of the charity and which have not been designated for other purposes.

#### **Restricted funds**

The Restricted fund represents funds which are to be used in accordance with specific restrictions imposed by the donor.

**GLENDOWER SCHOOL TRUST LIMITED****NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2017****1. ACCOUNTING POLICIES (continued)****Pensions**

The teaching staff are members of the Department for Education superannuation scheme run by Teachers' Pensions.

This scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The charity also contributes to defined contribution personal pension schemes for non-teaching staff. Contributions are charged to the Statement of Financial Activities in the period in which the salaries they relate to are paid.

<b>2. SCHOOL FEES</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Gross school fees	4,160,594	4,055,089
Less bursaries and allowances	(39,056)	(86,942)
	<u>£4,121,538</u>	<u>£3,968,147</u>
 <b>3. OTHER EDUCATIONAL INCOME</b>	 <b>2017</b>	 <b>2016</b>
	<b>£</b>	<b>£</b>
Music lessons	5,392	3,553
Deposits retained	15,510	2,750
Registration fees	36,175	27,441
School Fees Protection and Personal Accident Policies	13,927	18,205
Swimming	31,810	28,459
Other	64,314	58,601
	<u>£167,128</u>	<u>£139,009</u>
 <b>4. INVESTMENT INCOME</b>	 <b>2017</b>	 <b>2016</b>
	<b>£</b>	<b>£</b>
Income from investment properties	58,070	69,712
Interest receivable	2,722	6,971
	<u>£60,792</u>	<u>£76,683</u>



# **GLENDOWER SCHOOL TRUST LIMITED**

## **NOTES TO THE ACCOUNTS**

### **FOR THE YEAR ENDED 31 AUGUST 2017**

#### **5. EXPENDITURE**

	Staff costs £	Depreciation £	Other Costs £	Total 2017 £	Total 2016 £
<b>Costs of Raising Funds:</b>					
Investment management fees	-	-	1,984	1,984	1,977
Investment property costs	-	-	10,037	10,037	11,147
Finance costs	-	-	349,135	349,135	354,487
<b>Charitable Activity:</b>					
<b>School Operating Costs:</b>					
Teaching costs	1,931,035	-	379,062	2,310,097	2,244,244
Welfare costs	-	-	204,326	204,326	196,305
Premises costs	35,928	407,865	330,030	773,823	547,245
Support and governance costs	265,719	-	296,120	561,839	468,016
	<u>£2,232,682</u>	<u>£407,865</u>	<u>£1,570,694</u>	<u>£4,211,241</u>	<u>£3,823,421</u>

Governance costs includes fees to the auditors of £10,680 (2016: £10,350) for audit and £1,860 (2016: £2,760) for other services. Finance costs include interest payable on the loan to BNP Paribas – see note 14.

#### **6. GOVERNORS**

During the year Governors were reimbursed expenses totalling £1,089 (2016: £nil) but an amount of £5,631 (2016: £8,938) was spent on seminars that were attended by the Governors. No Governors (2016: one) had a child at the school and paid full fees. None of the Governors (or any persons connected with them) received any remuneration or benefits from the charity during the year. The cost of Governors' indemnity insurance in the year amounted to £3000 (2016: £2,949)

#### **7. STAFF COSTS**

	2017 £	2016 £
Wages and salaries	1,802,191	1,744,666
Social security costs	187,871	166,714
Other pension costs	222,620	215,984
Termination payments	20,000	-
	<u>£2,232,682</u>	<u>£2,127,364</u>

The average number of employees during the year was:

	Number	Number
Teachers	42	43
Domestic	1	1
Administration	7	7
	<u>50</u>	<u>51</u>

The number of employees whose annual emoluments were £60,000 or more were:

	Number	Number
£60,001 - £70,000	2	2
£70,001 - £80,000	1	1
£80,001 - £90,000	-	-
£100,001 - £110,000	1	-
£110,001 - £120,000	-	1
	<u></u>	<u></u>

During the year pension contributions on behalf of these members of staff amounted to £51,184 (2016: £49,629)

**GLENDOWER SCHOOL TRUST LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**7. STAFF COSTS (continued)**

**Key management remuneration**

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Aggregate remuneration and benefits for the key management personnel	<u>£406,329</u>	<u>£409,071</u>

**8. TAXATION**

The School has no liability for taxation due to its charitable status.

<b>9. TANGIBLE FIXED ASSETS</b>	<b>Land and buildings £</b>	<b>Building improvements £</b>	<b>Flat development</b>	<b>Furniture/ Equipment £</b>	<b>Total £</b>
<b>Cost or valuation</b>					
At 1 September 2016	10,739,517	1,609,075	-	889,596	13,238,188
Additions	-	104,938	80,868	140,177	395,983
Disposals	-	-	-	(666,031)	(666,031)
At 31 August 2017	<u>10,739,517</u>	<u>1,714,013</u>	<u>80,868</u>	<u>363,742</u>	<u>12,898,140</u>
<b>Depreciation</b>					
At 1 September 2016	1,329,772	315,115	-	731,573	2,376,460
Charge for the year	159,000	164,504	-	84,361	407,865
Eliminated on disposals	-	-	-	(666,031)	(666,031)
At 31 August 2017	<u>1,488,772</u>	<u>479,619</u>	<u>-</u>	<u>149,903</u>	<u>2,118,294</u>
<b>Net Book Value</b>					
At 31 August 2017	<u>£9,250,745</u>	<u>£1,234,394</u>	<u>£80,868</u>	<u>£213,839</u>	<u>£10,779,846</u>
At 31 August 2016	<u>£9,409,745</u>	<u>£1,293,960</u>	<u>£-</u>	<u>£158,023</u>	<u>£10,861,728</u>

Comparable historical cost for land and buildings included at valuation:

	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Cost	2,039,222	2,039,222
Accumulated depreciation	(465,821)	(425,037)
At 31 August 2017	<u>£1,573,401</u>	<u>£1,614,185</u>

All other tangible fixed asset are stated at historical cost.

**10. FIXED ASSET INVESTMENTS**

	<b>2017</b>
	<b>£</b>
At 1 September 2016	2,384,016
At 31 August 2017	<u>£2,384,016</u>

**GLENDOWER SCHOOL TRUST LIMITED****NOTES TO THE ACCOUNTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2017****10. FIXED ASSET INVESTMENTS (continued)**

The property, comprising three flats at 86 Queen's Gate, was valued at £3,603,705 in November 2014 by Somers Real Estate Ltd, 34 South Molton Street, London, W1K 6TG which has been undertaken in accordance with the Royal Institution of Chartered Surveyors (RICS) guidelines. One of the flats was converted for educational use during 2016 and so has been transferred to tangible fixed assets at its individual valuation per the report of £1,219,689. The Board is satisfied the remaining properties remain at an appropriate value.

<b>11. DEBTORS</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Fees debtors	727,694	813,787
Prepayments and accrued income	15,196	10,364
	<u>£742,890</u>	<u>£824,151</u>

**12. CASH AND CASH EQUIVALENTS**

This represents the bank current account plus a fixed deposit with Virgin Money of £84,647 (2016: £84,225).

<b>13. CREDITORS: amounts falling due within one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Loan notes to parents	119,988	35,000
Other taxes and social security costs	3,425	49,253
Fees charged in advance	1,403,758	1,370,168
Fee deposits	70,199	71,015
Rent charged in advance	11,918	7,597
Other creditors and accruals	272,834	412,070
	<u>£1,882,122</u>	<u>£1,945,103</u>

<b>14. CREDITORS: amounts falling due after more than one year</b>	<b>2017</b>	<b>2016</b>
	<b>£</b>	<b>£</b>
Loan notes to parents	115,000	199,988
Fee deposits	576,512	560,281
Bank loan	6,200,000	6,200,000
Interest Rate Swap liability	1,450,453	1,844,132
	<u>£8,341,965</u>	<u>£8,804,401</u>

The bank loan is secured by a legal charge on the School's freehold properties at 86 and 87 Queen's Gate. It is interest only until April 2032. The loan interest is floating rate but is effectively fixed at 5.2% until 2027 through the associated interest rate swap; the swap amortises from 2017. The value of the swap has been included at the balance sheet date, in line with FRS 102 and the accounting policies set out in note 1.

Loan Notes: At 31 August 2017 six parents had unsecured loan notes totalling £234,988 (2016: £234,988). Loan notes with a value of £nil were redeemed during the year. A discount of 1% for the total of the loan note is credited to the pupils invoice each term. The loan notes are repayable to the parents six months after the youngest child leaves the school.

# GLENDOWER SCHOOL TRUST LIMITED

## NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2017

### 15. SHARE CAPITAL

The company is limited by guarantee and does not have a share capital. In the event of the company being wound up and unable to meet its debts, the maximum liability of each member is £1.

### 16. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2017 the company had total commitments under non-cancellable operating leases as follows:

	Computer Equipment	
	2017	2016
	£	£
Expiry date:		
Within one year	£32,688	£79,219
Within two to five years	£38,195	£18,567

### 17. CAPITAL COMMITMENTS

At 31 August 2017 the company had no capital expenditure contracted for but not provided for in the financial statements (2016: nil)

### 18. PENSIONS

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £192,987 (2016: £187,981) and at the year-end £nil. (2016 - £24,897) was accrued in respect of contributions to this scheme.

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's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2016. 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 2017, 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.

For non-teaching staff the school contributes to individual personal pension plans. The school made contributions of £29,633 (2016: £28,002) during the year. Contributions of £4,439 (2016: £4,012) were outstanding at the year-end.

**GLENDOWER SCHOOL TRUST LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

<b>19. MOVEMENT IN FUNDS</b>	<b>1 September 2016 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains/(losses) and transfers £</b>	<b>31 August 2017 £</b>
<b>Restricted funds</b>					
Bursary funds	137,054	36,704	-	(32,007)	141,751
<b>Total restricted funds</b>	<u>£137,054</u>	<u>£36,704</u>	<u>-</u>	<u>£(32,007)</u>	<u>£141,751</u>
<b>Unrestricted funds</b>					
General funds	6,148,890	4,349,458	(4,211,241)	425,686	6,712,793
<b>Total unrestricted funds</b>	<u>£6,148,890</u>	<u>£4,349,458</u>	<u>£(4,211,241)</u>	<u>£425,686</u>	<u>£6,712,793</u>
<b>Total funds</b>	<u><u>£6,285,944</u></u>	<u><u>£4,386,162</u></u>	<u><u>£(4,211,241)</u></u>	<u><u>£393,679</u></u>	<u><u>£6,854,544</u></u>

Bursary funds comprise donations received by the school for use in the provision of bursaries to children who meet the current requirements. The transfer represents total bursaries awarded in the year to be allocated against the fund.

<b>20. NET ASSETS BETWEEN FUNDS</b>	<b>Restricted Funds £</b>	<b>General Funds £</b>	<b>Total Funds £</b>
Tangible fixed assets	-	10,779,846	10,779,846
Investments	-	2,384,016	2,384,016
Net current assets	141,751	1,890,896	2,032,647
Long term creditors	-	(8,341,965)	(8,341,965)
<b>Net assets at the end of the year</b>	<u><u>£141,751</u></u>	<u><u>£6,712,793</u></u>	<u><u>£6,854,544</u></u>

**GLENDOWER SCHOOL TRUST LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**21. Prior Year Statement of Financial Activities**

	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>Total 2016 £</b>
<b>INCOME FROM:</b>			
<b>Income from charitable activities:</b>			
School fees	3,968,147	-	3,968,147
Other educational income	139,009	-	139,009
<b>Investment income</b>	76,683	-	76,683
<b>Donations and legacies</b>	11,631	137,054	148,685
<b>Total Income</b>	<u>4,195,470</u>	<u>137,054</u>	<u>4,332,524</u>
<b>EXPENDITURE ON:</b>			
<b>Costs of Raising Funds</b>			
Investment management fees	1,977	-	1,977
Investment property costs	11,147	-	11,147
Fundraising costs	-	-	-
Finance costs	354,487	-	354,487
<b>Charitable Activities</b>			
<b>School Operating Costs:</b>			
Teaching costs	2,244,244	-	2,244,244
Welfare costs	196,305	-	196,305
Premises costs	547,245	-	547,245
Support and governance costs	468,016	-	468,016
<b>Total Expenditure</b>	<u>3,823,421</u>	<u>-</u>	<u>3,823,421</u>
<b>Net income before other gains and losses</b>	372,049	137,054	509,103
Unrealised gains on investment properties	-	-	-
Change in fair value of interest rate swap	(388,928)	-	(388,928)
<b>Net movement in funds</b>	<u>(16,879)</u>	<u>137,054</u>	<u>120,175</u>
Fund balances at 1 September 2015	6,165,769	-	6,165,769
<b>Fund balances at 31 August 2016</b>	<u>£6,148,890</u>	<u>£137,054</u>	<u>£6,285,944</u>

**GLENDOWER SCHOOL TRUST LIMITED**

**NOTES TO THE ACCOUNTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2017**

**22. PRIOR YEAR MOVEMENT IN FUNDS**

	<b>1 September 2015 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Gains/(losses) and transfers £</b>	<b>31 August 2016 £</b>
<b>Restricted funds</b>					
Bursary funds	-	137,054	-	-	137,054
<b>Total restricted funds</b>	-	£137,054	-	-	£137,054
<b>Unrestricted funds</b>					
General funds	6,165,769	4,195,470	(3,823,421)	(388,928)	6,148,890
<b>Total unrestricted funds</b>	£6,165,769	£4,195,470	£(3,823,421)	£(388,928)	£6,148,890
<b>Total funds</b>	<b>£6,165,769</b>	<b>£4,332,524</b>	<b>£(3,823,421)</b>	<b>£(388,928)</b>	<b>£6,285,944</b>