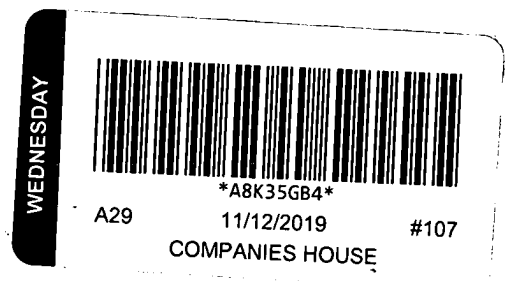


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GLENDOWER SCHOOL TRUST LIMITED
GOVERNORS' REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2019

Registered Company No: 960831
Registered Charity No: 312717



GLENDOWER SCHOOL TRUST LIMITED

CONTENTS	Page
Legal and administrative information	1
Governors' report	2 – 6
Independent auditors' report	7 - 8
Statement of financial activities	9
Balance sheet	10
Statement of cash flows	11
Notes to the accounts	12 - 21

GLENDOWER SCHOOL TRUST LIMITED

LEGAL AND ADMINISTRATIVE INFORMATION

FOR THE YEAR ENDED 31 AUGUST 2019

Governors

R K Harrison (Chair)
S J S Martyrossian
F Morton
B Daffey
P Vanni
D Goodhew (resigned on 19 September 2019)
M Uva (resigned on 30 September 2018)
A Rawlinson
S Kumbleben
Z Pinkham
J Richards
G Apkarian
Rev P Cowley
D Nangia (appointed on 10 December 2018)

Headmistress

N Kingsmill Moore (from 1 September 2019)
S Knollys (resigned on 31 August 2019)

Charity Number

312717

Company Number

960831

Principal address and registered office

87 Queen's Gate
London
SW7 5JX

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

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 2019. 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)*
S J S Martyrossian *
F Morton
B Daffey
P Vanni
D Goodhew (resigned on 19 September 2019)
M Uva (resigned on 30 September 2018)
A Rawlinson
S Kumbleben
Z Pinkham
J Richards
G Apkarian*
Rev P Cowley
D Nangia (appointed on 10 December 2018)

*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 P Vanni which considers and advises on all aspects of the school's curriculum; a Finance sub-committee, chaired by Mr G Apkarian, 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

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

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.

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 operates a bursary scheme (see below).

Fundraising

The school benefits from a thriving Parents' Association, whose close support, hard work and generosity is greatly appreciated and gladly acknowledged. The Parents' Association hold regular special events to raise funds for the school (including for the bursary scheme). The main events are a Spring Dinner Dance (held bi-annually) and an annual Christmas Fair. Separately, during the year parents gave £13,324 for the benefit of the school. In raising funds, neither the school nor the Parents' Association engage professional fundraising organisations. Donations are only sought and received from parents of past and current pupils. The school did not incur any costs in connection with donations which it received. The school follows the fundraising regulators code of practice in regard to any complaints on fundraising procedure. There were no complaints received in the year.

Principal 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 receives Fire Safety induction and regular 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 Lead who is supported by two other members of staff and two Safeguarding Governors who check the schools' recruitment procedures and files as well as records of cases brought to their attention. Every member of staff receives safeguarding training annually.
- The Governors monitor political events which may affect the future of independent schools. Potential risks include the removal of charitable status, which may have significant negative financial consequences

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 aims 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 2019

PURPOSE, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

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 the development of the school's infrastructure to provide teachers with the necessary facilities to provide an outstanding and up-to-date education for its pupils.

To continue to develop our teaching link programme and joint working with local state primary schools. In this connection two members of the school's leadership team are Governors respectively of state primary schools in south west London.

In early 2019 Mrs Knollys announced her resignation after eight years of outstanding service during which the school made significant progress. The Governors spent considerable time and effort in recruiting a new headmistress. Her successor is Mrs Kingsmill Moore who was selected, unanimously, from an excellent short list of candidates. In reaching their decision, the Governors were advised by a specialist firm of educational recruitment consultants.

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. Four 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

The school had an average of 235 pupils during the year (2018: 235).

In Spring 2019 pupils achieved excellent results in the 11+ examinations, which included twenty-three 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 separate residential trips for years four, five and six 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 to which £1,000 was donated during the year.

GLENDOWER SCHOOL TRUST LIMITED

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

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: Save the Children (£291), World Wildlife Fund (£422) William Wilberforce Trust (£942), Water Aid (£698), Comic Relief (£101), and the Kensington and Chelsea Foundation (£3,106). Separately the Parents' Association supports the William Wilberforce Trust which provides facilities and resources to the homeless in Kensington.

During the year the school began a major development plan to further upgrade the school involving the incorporation of three residential flats that it owns into school use. The proposals, regarded as phase one of a continuing development plan, include improved linkage between different areas of the school, a much improved reception area and office on the ground floor (which will come into use in November 2019) and three new classrooms which were ready for the start of the Autumn term 2019. As part of its ongoing efforts to modernise and enhance its teaching, the school continues to invest heavily in its IT systems, including its infrastructure and devices.

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 income before other recognised gains of £158,685 (2018: £293,043).

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 £32,967 compared to £55,394 in 2018.

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 £7,448,726 (2018: £7,270,424). 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 £3.2 million and £4.2 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. The school is satisfied that it has sufficient reserves and cash resources to meet its foreseeable financial obligations. There are also restricted funds of £201,239 (2018: £254,091), which will be used to finance bursaries.

GLENDOWER SCHOOL TRUST LIMITED

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

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:

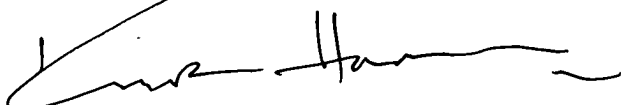
- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

AUDITORS

In accordance with section 485 of the Companies Act 2006, a resolution proposing Haysmacintyre LLP 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 28 November 2019



R K Harrison (Chair)
Governor

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 2019 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 2019 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.

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 Governors 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. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GLENDOWER 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 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 Governors' Report and from the requirement to prepare a strategic report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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.



Tracey Young (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

28 November 2019

GLENDOWER SCHOOL TRUST LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted £	Restricted £	Total 2019 £	Total 2018 £
INCOME FROM:					
Income from charitable activities:					
School fees	2	4,529,765	-	4,529,765	4,221,060
Other educational income	3	167,372	-	167,372	174,783
Investment income	4	32,967	-	32,967	55,394
Donations and legacies		-	13,324	13,324	179,424
Total Income		<u>4,730,104</u>	<u>13,324</u>	<u>4,743,428</u>	<u>4,630,661</u>
EXPENDITURE ON:					
Costs of Raising Funds					
Investment management fees		2,137	-	2,137	4,405
Investment property costs		-	-	-	3,421
Finance costs		311,674	-	311,674	332,263
Charitable Activities					
School Operating Costs:					
Teaching costs		2,570,747	-	2,570,747	2,338,475
Welfare costs		280,245	-	280,245	199,147
Premises costs		790,338	-	790,338	765,931
Support and governance costs		563,426	-	563,426	626,892
Grants and awards		-	66,176	66,176	67,084
Total Expenditure	5	<u>4,518,567</u>	<u>66,176</u>	<u>4,584,743</u>	<u>4,337,618</u>
Net income before other gains and losses and transfers		211,537	(52,852)	158,685	293,043
Change in fair value of interest rate swap		(33,235)	-	(33,235)	376,928
Net movement in funds		<u>178,302</u>	<u>(52,852)</u>	<u>125,450</u>	<u>669,971</u>
Fund balances at 1 September 2018		7,270,424	254,091	7,524,515	6,854,544
Fund balances at 31 August 2019		<u><u>£7,448,726</u></u>	<u><u>£201,239</u></u>	<u><u>£7,649,965</u></u>	<u><u>£7,524,515</u></u>

All amounts relate to continuing activities.

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

The prior year Statement of Financial Activities are included in note 20.

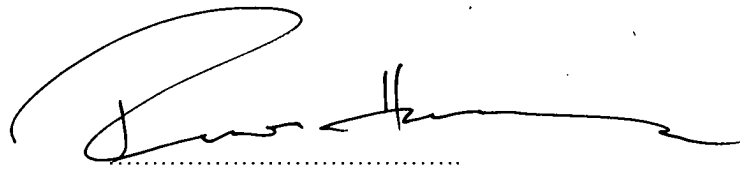
The notes on pages 12 to 21 form part of these financial statements.

BALANCE SHEET


AS AT 31 AUGUST 2019

	Notes	£	2019	£	£	2018	£
FIXED ASSETS							
Tangible assets	9			13,911,197		12,876,143	
				<u>13,911,197</u>		<u>12,876,143</u>	
CURRENT ASSETS							
Debtors	10	1,155,383			977,056		
Cash and cash equivalents	11	3,255,033			3,781,180		
		<u>4,410,416</u>			<u>4,758,236</u>		
CREDITORS: amounts falling due within one year	12	(2,660,002)			(2,154,109)		
NET CURRENT ASSETS				<u>1,750,414</u>		<u>2,604,127</u>	
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>15,661,611</u>		<u>15,580,270</u>	
CREDITORS: due after more than one year	13			(8,011,646)		(7,955,755)	
NET ASSETS				<u>7,649,965</u>		<u>7,624,515</u>	
FUNDS							
Unrestricted funds:	18			7,448,726		7,270,424	
Restricted funds	18			201,239		254,091	
	19			<u>£7,649,965</u>		<u>£7,524,515</u>	

The financial statements were approved and authorised for issue by the Board of Governors on 28 November 2019 and were signed below on its behalf by:



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



.....
G. Apkarian
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 2019

	2019	2018
	£	£
Cash flows from operating activities	1,283,707	1,044,385
Cash flows from investing activities		
Interest	32,967	55,394
Purchase of property, plant and equipment	(1,531,147)	(158,215)
Net cash (used in) investing activities	<u>(1,498,180)</u>	<u>(102,821)</u>
Cash flows from financing activities		
Finance costs	(311,674)	(332,263)
Net cash (used in) financing activities	<u>(311,674)</u>	<u>(332,263)</u>
Change in cash and cash equivalents in the reporting period	(526,147)	609,301
Cash and cash equivalents at the beginning of the reporting period	3,781,180	3,171,879
Cash and cash equivalents at the end of the reporting period	<u><u>£3,255,033</u></u>	<u><u>£3,781,180</u></u>

NOTES TO THE STATEMENT OF CASH FLOWS

	2019	2018
	£	£
Reconciliation of net movement in funds to net cash flow from operating activities		
Net movement in funds	125,451	669,971
Depreciation	496,093	445,934
Increase in debtors	(166,338)	(234,166)
Increase/(decrease) in creditors – including Swap liability	549,794	(144,223)
Interest	(32,967)	(55,394)
Finance costs	311,674	332,263
Net cash provided by operating activities	<u><u>£1,283,707</u></u>	<u><u>£1,044,385</u></u>
Analysis of cash and cash equivalents		
Cash at bank and in hand	3,255,033	3,781,180
	<u><u>£3,255,033</u></u>	<u><u>£3,781,180</u></u>

GLENDOWER SCHOOL TRUST LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

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 2015) - (Charities SORP FRS 102) as amended by Update Bulletin 2, 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.

A significant estimate is for the re-valuation obtained for the changes in fair value for the interest rate swap derivative. The value of the swap is estimated based on the bank's projection of forward libor rates and is therefore subject to the interest rate market

In the view of the trustees, no assumptions concerning changes in fair value of liabilities at the balance sheet date are likely to result in a material adjustment in the next financial year.

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 or valuation
Building improvements	10% on cost
Furniture and equipment	20% on cost
Computers	33% on cost

No depreciation is provided on land.

GLENDOWER SCHOOL TRUST LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

1. ACCOUNTING POLICIES (continued)

Hedging arrangements

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

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.

Going concern

The financial statements have been drawn up using the going-concern basis as the Governors, after the review of relevant budgets and forecasts, have a reasonable expectation that the organisation will continue in operational existence for a minimum of twelve months from the date of the signing of the accounts.

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 2019

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.

2. SCHOOL FEES	2019 £	2018 £
Gross school fees	4,534,715	4,227,510
Less bursaries and allowances	(71,126)	(73,534)
	4,463,589	4,153,976
Add bursaries paid for by restricted funds	66,176	67,084
	<u>£4,529,765</u>	<u>£4,221,060</u>
3. OTHER EDUCATIONAL INCOME	2019 £	2018 £
Music lessons	3,100	5,356
Deposits retained	-	-
Registration fees	36,996	35,163
School Fees Protection and Personal Accident Policies	4,498	7,573
Swimming	23,179	29,560
Other	99,599	97,131
	<u>£167,372</u>	<u>£174,783</u>
4. INVESTMENT INCOME	2019 £	2018 £
Rental income	20,868	50,543
Interest receivable	12,099	4,851
	<u>£32,967</u>	<u>£55,394</u>

GLENDOWER SCHOOL TRUST LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

5. EXPENDITURE 2019	Staff costs £	Depreciation £	Other Costs £	Total 2019 £
Costs of Raising Funds:				
Investment management fees	-	-	2,137	2,137
Investment property costs	-	-	-	-
Finance costs	-	-	311,674	311,674
Charitable Activity:				
School Operating Costs:				
Teaching costs	2,096,668	-	474,079	2,570,747
Welfare costs	-	-	280,245	280,245
Premises costs	38,001	496,093	256,244	790,338
Support and governance costs	305,522	-	257,904	563,426
Grants and awards	-	-	66,176	66,176
	<u>£2,440,191</u>	<u>£496,093</u>	<u>£1,582,283</u>	<u>£4,584,743</u>

Governance costs includes fees to the auditors of £11,250 (2018: £10,825) for audit and £2,025 (2018: £2,195) for other services. Finance costs include interest payable on the loan to BNP Paribas – see note 13.

EXPENDITURE 2018 Comparative	Staff costs £	Depreciation £	Other Costs £	Total 2018 £
Costs of Raising Funds:				
Investment management fees	-	-	4,405	4,405
Investment property costs	-	-	3,421	3,421
Finance costs	-	-	332,263	332,263
Charitable Activity:				
School Operating Costs:				
Teaching costs	1,960,310	-	378,165	2,338,475
Welfare costs	-	-	199,147	199,147
Premises costs	35,737	445,934	284,260	765,931
Support and governance costs	293,643	-	333,249	626,892
Grants and awards	-	-	67,084	67,084
	<u>£2,289,690</u>	<u>£445,934</u>	<u>£1,601,994</u>	<u>£4,338,618</u>

6. GOVERNORS

During the year Governors were reimbursed expenses totalling £907 (2018: £569) but an amount of £6,750 (2018: £10,881) was spent on seminars that were attended by the Governors. 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 £3,000 (2018: £3,000).

7. STAFF COSTS	2019 £	2018 £
Wages and salaries	1,988,484	1,880,935
Social security costs	203,972	179,000
Other pension costs	247,735	229,755
	<u>£2,440,191</u>	<u>£2,289,690</u>

GLENDOWER SCHOOL TRUST LIMITED

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2019

7. STAFF COSTS (continued)

The average number of employees during the year was:

	Number	Number
Teachers	43	42
Domestic	1	1
Administration	6	6
	<u>50</u>	<u>49</u>

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

	Number	Number
£60,001 - £70,000	1	3
£70,001 - £80,000	2	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-
	<u>4</u>	<u>4</u>

During the year pension contributions on behalf of these members of staff amounted to £55,322 (2018: £51,599).

Key management remuneration

	2019 £	2018 £
Aggregate remuneration and benefits for the key management personnel	<u>£443,000</u>	<u>£421,233</u>

8. TAXATION

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

9. TANGIBLE FIXED ASSETS

	Land and Buildings £	Building improvements £	Asset Under construction £	Furniture/ Equipment £	Total £
Cost or valuation					
At 1 September 2018	13,123,533	1,726,234	138,056	452,548	15,440,371
Additions	-	-	1,531,147	-	1,531,147
Transfer	-	-	-	-	-
At 31 August 2019	<u>£13,123,533</u>	<u>£1,726,234</u>	<u>£1,669,203</u>	<u>£452,548</u>	<u>£16,971,518</u>
Depreciation					
At 1 September 2018	1,647,772	652,242	-	264,214	2,564,228
Charge for the year	210,177	172,624	-	113,292	496,093
At 31 August 2019	<u>£1,857,949</u>	<u>£824,866</u>	<u>-</u>	<u>£377,506</u>	<u>£3,060,321</u>
Net Book Value					
At 31 August 2019	<u>£11,265,584</u>	<u>£901,368</u>	<u>£1,669,203</u>	<u>£75,042</u>	<u>£13,911,197</u>
At 31 August 2018	<u>£11,475,761</u>	<u>£1,073,992</u>	<u>£138,056</u>	<u>£188,334</u>	<u>£12,876,143</u>

GLENDOWER SCHOOL TRUST LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

9. TANGIBLE FIXED ASSETS (Continued)

Comparable historical cost for land and buildings included at valuation:

	2019 £	2018 £
Cost	4,423,238	4,423,238
Accumulated depreciation	(595,070)	(506,605)
At 31 August 2019	<u>£3,828,168</u>	<u>£3,916,633</u>

All other tangible fixed assets are stated at historical cost.

10. DEBTORS

	2019 £	2018 £
Fees debtors	1,123,747	944,997
Prepayments and accrued income	31,636	32,059
	<u>£1,155,383</u>	<u>£977,056</u>

11. CASH AND CASH EQUIVALENTS

This represents the bank current account plus a fixed deposit with Virgin Money of £85,534 (2018: £85,108).

12. CREDITORS: amounts falling due within one year

	2019 £	2018 £
Loan notes to parents	-	164,988
Other taxes and social security costs	-	60,093
Fees charged in advance	1,683,283	1,537,495
Fee deposits	91,815	65,225
Rent charged in advance	-	1,480
Other creditors and accruals	884,904	324,828
	<u>£2,660,002</u>	<u>£2,154,109</u>

13. CREDITORS: amounts falling due after more than one year

	2019 £	2018 £
Loan notes to parents	49,988	50,000
Fee deposits	654,898	632,230
Bank loan	6,200,000	6,200,000
Interest Rate Swap liability	1,106,760	1,073,525
	<u>£8,011,646</u>	<u>£7,955,755</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 2018. 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 2019 one parents had unsecured loan notes totalling £49,988 (2018: £214,988). Loan notes with a value of £165,000 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 2019

14. 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.

15. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2019 the company had total commitments under non-cancellable operating leases as follows:

	Computer Equipment 2019 £	2018 £
Expiry date:		
Within one year	£7,306	£16,642
Within two to five years	£13,394	£37,939

16. CAPITAL COMMITMENTS

At 31 August 2019 the company had capital expenditure contracted for of £982,805 but not provided for in the financial statements (2018: £nil)

17. 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 £210,279 (2018: £197,689) and at the year-end £nil (2018 - £26,167) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). 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 by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

GLENDOWER SCHOOL TRUST LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

17. PENSIONS (Continued)

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

For non-teaching staff the school contributes to individual personal pension plans. The school made contributions of £37,456 (2018: £32,064) during the year. Contributions of £8,849 (2018: £8,750) were outstanding at the year end.

18. FUNDS	1 September 2018 £	Income £	Expenditure £	Gains/(losses) and transfers £	31 August 2019 £
Restricted funds					
Bursary funds	254,091	13,324	(66,176)	-	201,239
Total restricted funds	<u>£254,091</u>	<u>13,324</u>	<u>£(66,176)</u>	<u>£-</u>	<u>201,239</u>
Unrestricted funds					
General funds	7,270,424	4,730,104	(4,518,567)	(33,235)	7,448,726
Total unrestricted funds	<u>£7,270,424</u>	<u>£4,743,428</u>	<u>£(4,518,567)</u>	<u>£(33,235)</u>	<u>£7,448,726</u>
Total funds	<u>£7,524,515</u>	<u>£4,743,428</u>	<u>£(4,584,743)</u>	<u>£(33,235)</u>	<u>£7,649,965</u>

Bursary funds comprise donations received by the school for use in the provision of bursaries to children who meet the current requirements.

PRIOR YEAR MOVEMENT IN FUNDS

	1 September 2017 £	Income £	Expenditure £	Gains/(losses) and transfers £	31 August 2018 £
Restricted funds					
Bursary funds	141,751	179,424	(67,084)	-	254,091
Total restricted funds	<u>£141,751</u>	<u>£179,424</u>	<u>£(67,084)</u>	<u>£-</u>	<u>£254,091</u>
Unrestricted funds					
General funds	6,712,793	4,451,237	(4,270,524)	376,928	7,270,424
Total unrestricted funds	<u>£6,712,793</u>	<u>£4,451,237</u>	<u>£(4,271,524)</u>	<u>£376,928</u>	<u>£7,270,424</u>
Total funds	<u>£6,854,544</u>	<u>£4,630,661</u>	<u>£(4,337,618)</u>	<u>£376,928</u>	<u>£7,524,515</u>

GLENDOWER SCHOOL TRUST LIMITED**NOTES TO THE ACCOUNTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2019**

19. NET ASSETS BETWEEN FUNDS	Restricted Funds £	General Funds £	Total Funds £
Tangible fixed assets	-	13,911,197	13,911,197
Net current assets	201,239	1,549,175	1,750,414
Long term creditors	-	(8,011,646)	(8,011,646)
Net assets at the end of the year	£201,239	£7,448,726	£7,649,965
NET ASSETS BETWEEN FUNDS 2018	Restricted Funds £	General Funds £	Total Funds £
Tangible fixed assets	-	12,876,147	12,876,143
Net current assets	254,091	2,350,032	2,604,127
Long term creditors	-	(7,955,755)	(7,955,755)
Net assets at the end of the year	£254,091	£7,270,424	£7,524,515

20. RELATED PARTY TRANSACTIONS

G Apkarian is a governor of the school and has a daughter at the school. There were fees outstanding of £6,887 at 31 August 2019 which related to the Autumn 2019 term fees.

There were no other related party transactions in the year.

GLENDOWER SCHOOL TRUST LIMITED

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

21 PRIOR YEAR STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted £	Restricted £	Total 2018 £
INCOME FROM:				
Income from charitable activities:				
School fees	2	4,221,060	-	4,221,060
Other educational income	3	174,783	-	174,783
Investment income	4	55,394	-	55,394
Donations and legacies		-	179,424	179,424
Total Income		<u>4,451,237</u>	<u>179,424</u>	<u>4,630,661</u>
EXPENDITURE ON:				
Costs of Raising Funds				
Investment management fees		4,405	-	4,405
Investment property costs		3,421	-	3,421
Finance costs		332,263	-	332,263
Charitable Activities				
School Operating Costs:				
Teaching costs		2,338,475	-	2,338,475
Welfare costs		199,147	-	199,147
Premises costs		765,931	-	765,931
Support and governance costs		626,892	-	626,892
Grants and awards		-	67,084	67,084
Total Expenditure	5	<u>4,270,534</u>	<u>67,084</u>	<u>4,337,618</u>
Net income before other gains and losses and transfers		180,703	112,340	293,043
Change in fair value of interest rate swap		376,928	-	376,928
Net movement in funds		<u>557,631</u>	<u>112,340</u>	<u>669,971</u>
Fund balances at 1 September 2017		6,712,793	141,751	6,854,544
Fund balances at 31 August 2018		<u>£7,270,424</u>	<u>£254,091</u>	<u>£7,524,515</u>