

REGISTERED COMPANY NUMBER: 01268950 (England and Wales)
REGISTERED CHARITY NUMBER: 273589

Report of the Trustees and
Financial Statements for the Year Ended 31 August 2013
for
Whitstone Head Educational Trust Limited

Metherell Gard Ltd
Chartered Accountants
Statutory Auditors
Burn View
Bude
Cornwall
EX23 8BX

SATURDAY



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09/08/2014
COMPANIES HOUSE

Whitstone Head Educational Trust Limited

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for the Year Ended 31 August 2013

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Whitstone Head Educational Trust Limited

Report of the Trustees
for the Year Ended 31 August 2013

The trustees who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2013. The trustees have adopted the provisions of the Statement of Recommended Practice (SORP) 'Accounting and Reporting by Charities' issued in March 2005.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
01268950 (England and Wales)

Registered Charity number
273589

Registered office
Whitstone Head School
Whitstone
Holsworthy
Devon
EX23 6TJ

Trustees
Mrs L M Ashworth
I Barriball
Mrs B A Lake
W Pearce
S A Smith
Mrs V Sowerby
Mrs L Wicks

Company Secretary
S Gent

Auditors
Metherell Gard Ltd
Chartered Accountants
Statutory Auditors
Burn View
Bude
Cornwall
EX23 8BX

Bankers
National Westminster Bank
11 The Square
Holsworthy
Devon
EX22 6DU

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is regulated by the Memorandum and Articles of Association and is constituted as a limited company, under the Companies Act 2006. The Board of Governors of Whitstone Head School is regulated by the Instrument and Articles of Government agreed and accepted on 20 February 2003.

The company is limited by guarantee having no share capital.

Recruitment and training of trustees

The elected trustees are appointed at a meeting of the board of trustees on the basis of nominations received from existing trustees.

Induction and training of new trustees

New trustees are inducted into the workings of the trust and the school, including policy and procedures, by the Bursar.

Organisational structure

The trust has the following sub committees:

Business and Finance

Chair:
Committee:

Mr Smith
Mrs Sowerby, Mr Pearce, Mrs Wicks and the Bursar
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Whitstone Head Educational Trust Limited

Report of the Trustees
for the Year Ended 31 August 2013

STRUCTURE, GOVERNANCE AND MANAGEMENT

Site and Premises	Chair:	Mr Barriball
	Committee:	Mr Smith and the Bursar
Health and Safety	Chair:	Mr Pearce
	Committee:	The Bursar and other staff representatives
Other roles of responsibility:		
Care trustee / governor		Mrs Ashworth
Education trustee / governor		Mrs Lake

The School Governors

As a condition of the granting of Non-Maintained Special School (NMSS) status, Whitstone Head Educational Trust Limited is required to have separate Articles and Instruments of Government for the governance of Whitstone Head School. The purpose of this requirement is to ensure that there is a distinct separation between the responsibilities, roles and duties of the trust and the Governing Body. The Articles and Instruments of Government require the School to be managed and conducted by a Governing Body of School Governors with responsibility for the formulation and monitoring of policy in the following areas:

- Curriculum
- Public Examinations
- Admissions and Provision for children with Statements of Special Educational Needs
- Health and Welfare of pupils
- Meals and Refreshments
- Term Dates and Holidays
- Discipline (as appropriate)
- Appeals
- Incidents and Punishments
- School Prospectus
- Annual Report

The Instrument of Government stipulates that the Governing Body of School Governors is made up of the following people:

- The Trustees of the Charity
- The Principal of the School
- The Deputy Head of the School
- The Head of Care
- One Teacher Governor
- One Non-teacher Governor
- One Parent Governor (elected or nominated)
- One Placing Authority Representative Governor (nominated by the 'host' local authority)

Risk management

The trustees have assessed the major risks to which the trust is exposed, in particular those related to the operations and finances of the trust and are satisfied that systems are in place to mitigate exposure to the major risk.

The board of trustees is responsible for the management of risks faced by the school. Detailed considerations of risk are delegated to the various sub committees, who are assisted by the senior management teams. Risks are identified, assessed and controls established throughout the year. A formal review of the trust's risk management processes is undertaken on an annual basis.

The key controls used by the trust include:

- Formal agendas for all committee and board activity;
- Detailed terms of reference for all committees;
- Comprehensive strategic planning, budgeting and management accounting;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear authorisation and approval levels, and
- Vetting procedures required by law for the protection of the vulnerable.

Whitstone Head Educational Trust Limited

Report of the Trustees **for the Year Ended 31 August 2013**

STRUCTURE, GOVERNANCE AND MANAGEMENT

Through the risk management processes established for the school, the trustees are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

OBJECTIVES AND ACTIVITIES

In setting the trust's objectives and planning its activities the trustees have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and fee-charging.

The School

Whitstone Head Educational Trust Limited has established Whitstone Head School as a small, co-educational, Non-Maintained Special School for children with behavioural, emotional and social needs. The underlying principles of the school are that:

- Life at Whitstone Head should be emotionally comfortable, comforting, and rewarding for everyone who is part of or visits the school.
- Life at the school should also be free from all forms of bullying, abuse or harassment.
- All members of the community should feel free to live full emotional lives. They should feel supported in developing their vision of themselves and the unique qualities they have to offer.
- The school should provide all pupils and staff with opportunity to take authority over areas of personal and communal life for which they are responsible.
- The school should be well managed. The role of management should be to provide a supportive and sensitive service, so that the needs and aspirations of the whole school community can be appropriately met.

As a result, pupils and staff live very much as a community with values that are openly based on tolerance, understanding, care for others and mutual respect. Staff practice is based on providing children with stable relationships, clear and appropriate boundaries, and sympathetic and patient guidance. The work is demanding but infinitely rewarding in that it encourages and promotes the children's personal development and social adjustment.

Statutory Basis of Approval

The school has Approval from Secretary of State for Education, under Section 342 of the Education Act 1996, to provide:

- Education and accommodation for 37 pupils who are 'emotionally fragile and vulnerable and who may have associated behaviour difficulties and complex social, educational, medical and psychological needs'.
- Education and accommodation for pupils aged from 10 to 16 years in accordance with conditions laid down under The Education (Non-Maintained Special Schools) (England) Regulations 1999, since revoked and replaced by The Education (Non-Maintained Special Schools) (England) Regulations 2011.

School Roll

The school has continued to promote itself to local authorities, using current Ofsted and pre-qualification inspection reports to evidence the quality of provision and services it delivers and value for money. As a result of the adoption of the commissioning model of placement the School and trust have sought to forge links with those responsible for the commissioning of pupil places by meetings, visits and networking at provider events within the south west especially, but also nationally.

The school is currently a pre-qualified provider for the following consortia of local authorities;

- The Peninsula Purchasing Group
- Children's Cross Regional Arrangements Group
- West Midlands Children's Commissioning Partnership
- West London Alliance

The school is also registered with Essex procurement.

Personalised Provision for Children and Young People

Whitstone Head School's provision for children and young people is based on residential and day placements for children and young people between 10 and 16 years of age. The provision is personalised to maximise children's access to educational and developmental attainment.

The school's residential facilities have places for a maximum of 32 pupils. Children and young people who attend as day-pupils receive the same range of services as boarding pupils apart from access to residential care. All children and young people receive individually planned and structured needs-based provision, combining as appropriate:

- Personalised teaching and learning

Report of the Trustees
for the Year Ended 31 August 2013

OBJECTIVES AND ACTIVITIES

- Personalised learning support
- Personalised behaviour and education support
- Personalised health and social care
- Personalised health, mental health and well-being support
- Mediated learning and development
- Outreach and in-reach services
- A strong emphasis on the use of reflective, culturally competent and evidence-based practise
- A strong emphasis on 'team around the child' and 'family-oriented' approaches

Services for Children and Young People - Our Aims

We aim to provide high-quality multi-disciplinary services for children and young people with emotional, social, and behavioural needs, wherever possible, working in partnership with parents and/or carers. The arrangements we offer for children and young people are based on:

- Relationship and values based learning
- Strong commitment to partnership work
- Personal ownership
- Emphasis on personal strengths
- Nurturing, supportive, therapeutic living environments
- High quality care, guidance and support and skilful behaviour management drawing on a wide range of suitable techniques
- Strong academic focus in a positive teaching and learning environment
- Sophisticated therapeutic approaches to help children and young people and their families/carers
- Effective and affordable education and care
- Outstanding provision for children's care, health, mental health, safeguarding, enjoyment and achievement, emotional, psychological and emotional well-being, and spiritual, moral, social and cultural development
- Outstanding educational, vocational and post-16 destination outcomes (top 5% schools nationally)
- Exceptional partnerships with professional agencies
(Ofsted December 2008, March 2010; DFE Key Stage 4 Achievement & Attainment Tables 2009)

Partnership is offered to all parents/carers at the point of initial contact, reinforced as part of admission arrangements and formalised during the first weeks of the trial placement and assessment. Whitstone Head School acknowledges that the admission of a child or a young person can be challenging and difficult for the parents/carers as well. The school's services are flexible and needs led and, therefore, offer support calls (by phone), home visits and appointments that are sensitive to the requests and circumstances of parents/carers.

We work in close collaboration with other child agencies to ensure the provision of the most effective service in the best interests of the child or a young person. We aim to provide services that respect the gender, race, sexual orientation and individual preferences and needs of children and young people who are referred to us. Our partnerships with children, young people and their families are based on recognition of and respect for their aspirations, cultural values and understanding of their own needs. We ensure that these aspects are fully reflected in the way that decisions and arrangements are agreed, from initial visits, through to planning reviewing placements, through to supporting transitions for school leavers.

ACHIEVEMENT AND PERFORMANCE

Introduction

Last year we set ourselves the aim of continuing to develop the relationship between the school, parents/carers and their children, by seeking to provide partnership approaches that help children to flourish developmentally and educationally. Alongside this, we sought to provide targeted services to meet children's daily mental health needs and specialist services for those in severe difficulty. These are the core elements of the school's delivery of the Trust's objective.

In order to achieve this we have reorganised the school and its services to enable us to provide greater placement stability for children with the most chronic and acute mental health needs, as our quality assurance tells us this is a priority area.

In addition we have sought to implement the findings of the Ofsted Inspection of June 2012, and to ensure the school meets the new National Minimum Standards for Residential Special Schools that come into effect from September 2013.

The Achievement of Pupils at the School

School assessments' evidence that, nearly all pupils of all abilities and in all age groups make good progress, and that this progress is reflected by good examination outcomes at Key Stage 4. The progress made by pupils with learning difficulties and disabilities is outstanding and this is evidenced by the outcomes of pupil monitoring and tracking measures, which show gains in National Curriculum Levels that significantly exceed their previous pace, progression and attainment rates prior to placement at Whitstone Head School.

Quality of teaching

Pupils are provided with a broad and balanced curriculum in which National Curriculum and other statutory requirements are met. Pupils are well served by measures to ensure that the curriculum is planned and delivered to meet individual abilities, aspirations and needs.

As a result of the quality of teaching, the evidence from pupil records, examinations shows that pupils at all levels of ability are making good progress and attain well - particularly when compared to expectations and predictions made prior to starting Whitstone Head School. These outcomes reflect sensitive, but rigorous, assessment to identify appropriate learning goals, attainment targets and support measures.

Behaviour and safety of pupils

All adults at the school consider themselves to have responsibility for the protection, care, guidance, support and welfare of pupils. Staff understand that pupils' achievement is greatly affected by their overall well-being and work strenuously to support pupils' daily lives and help pupils' take successful responsibility for their own behaviour and welfare.

At a daily level, positive outcomes are measured by rapid and adaptive re-engagement in learning and/or the learning environment. In the longer term, positive outcomes are measured by attainments that enable leavers to achieve their aspirations.

Children's lesson attendance improves throughout their placement at the school and a wide range of supportive interventions are consistently used by the majority of pupils at the school to good effect. By the end of their placement the extra support given enables the majority of pupils to make very good value-added progress in school achieving ELQs/GCSEs in a broad range of subject areas.

Spiritual and Cultural Development

Whitstone Head School is committed to ensuring that children are helped to develop a sense of respect for the social and physical environment in which they and others live through making thoughtful and respectful choices. The school supports children's development of awareness and understanding of their place in society and the contributions they can make by encouraging them, in accordance with their wishes to maintain contact with their parents, families and with others who are important to them, contribute fully to all aspects of school life, participate in social, educational, vocational and recreational activities within the wider community, participate in events that involve local, regional, national or international community perspectives and make a positive contribution to the wider community.

The school has developed a tutorial system that provides protected relaxed time and offers children, who are hesitant in a group, the opportunity to be able to talk with a member of staff in more depth about their views, their feelings, any difficulties they are experiencing, and their aspirations, emerging values and beliefs.

Boarding

Pupils board in residential facilities based on their gender and their ages and phases of development. Designated care staff teams in each boarding area offer a range of daily activities and routines to promote personal and social skills and age-appropriate independence. Pupils are encouraged to take part in making decisions, especially about matters that affect them personally. As a result, much of the counselling, guidance and intervention provided by care staff is focused on:

Report of the Trustees
for the Year Ended 31 August 2013

ACHIEVEMENT AND PERFORMANCE

- Increasing children's feelings of self-worth.
- Developing children's positive ideas about themselves and their capabilities.
- Helping children become confident in their ability to relate to others and the demands of the outside world.

Maintaining Quality

In order to achieve these outcomes the school employs a 24 hour curriculum that covers all aspects of a pupil's time, and is based around the requirements of the National Minimum Standards for Residential Special Schools and the individual needs of the pupils. The school also routinely examines its own performance in respect to its own expectations and external expectations and information.

Assessment

We have been looking very hard at assessment across the school and taking measures to ensure that it is curriculum based, across the 24-hour curriculum, and reports on what the child achieves - not the activities they engage in. As such, the focus is now on accurately identifying:

- pupil's starting points when they first join the school, as their earlier attainments may have dipped
- the distance travelled from starting points within set periods of time (i.e., over a half-term/six weeks)
- what this tells us about learning goal expectations in terms of expected levels of attainment and rates/pace of progression

Tracking

Over a relatively short period we should be able to use 'distance travelled' data to estimate a pupil's rate of learning at different stages in the learning process. We can use this information to set short term learning goals and longer term expectations (learning objectives). We can then track a pupil's progress against these. Children can use this information to set their own targets and take responsibility for their learning and attainment.

How the Trust Fulfilled its Community Role in 2012-2013

The Trust undertook a broad spectrum of actions to fulfil its community role in 2012-2013. The actions were taken at a range of levels and resulted in positive outcomes that reflected well on the Trust and its partnerships.

Whitstone Head Educational Trust Limited in its formal role as a 'registered stakeholder' contributes to the development of National Institute for Health and Care Excellence (NICE) guidance at all stages - from initial (scope) consultations to agree exactly what a particular guideline should cover, through to ensuring that the proposed final guideline fully meets its agreed purpose before it is published.

The trust is also a member of NICE's External Reference Group (ERG). The trust contributes fully to the ERG's role, which is the shaping and development of tools that will help organisations to implement NICE guidelines (including implementation support through education tools and practical tools designed to help front-line professionals).

At Whitstone Head School, the task of helping to train and develop the next generation of Educational Psychologists and Teachers is already well under way. The school is proud to be the largest provider of initial special school placements in the South West Peninsula for the University of Exeter's Trainee Educational Psychologists and 'one-day' tasters for Initial Teacher Education Trainees.

The outcomes reported by the respective University Departments are that the visits proved to be a great success with excellent feedback from both Trainees and their Tutors. Whitstone Head School was reported as 'outstanding', in terms of;

- the ways in which staff work with children through caring and respectful partnerships with them
- staff having a clear understanding of children's strengths, aspirations and difficulties and how to meet the needs that arise from these

FINANCIAL REVIEW

To achieve the objective set out in this report, the trustees recognise the necessity of sound financial planning.

The average number of pupils in the year ended 31st August 2013 was 2.2 lower than in the previous year, leading to a reduction in fee income of £140,000. During the year, a re-structuring of the grant system for special schools resulted in the school receiving additional grant income, but this was offset by reductions in fees charged to Local Authorities as grants paid to them were reduced by like amounts. The principal funding continues to come from Local Authorities to cover fees for pupils. The trustees continue to deploy all incoming resources towards the education and care of its pupils and, where possible, the fabric of the school.

Whitstone Head Educational Trust Limited

Report of the Trustees **for the Year Ended 31 August 2013**

FINANCIAL REVIEW

Expenditure of the charity, in total, decreased by £15,000, chiefly in staff costs. A deficit of £69,679 was incurred in the year.

The trust's assets are held to enable the charity to meet its objectives. The tangible fixed assets consist mainly of the school's property, including the accommodation blocks for pupils and staff. The assets also include vehicles to assist with the movement of pupils, and equipment to support the charitable purposes and administration of the school.

No valuation has been undertaken of the freehold land and buildings and no such valuation is planned due to the costs involved. The carrying value of freehold land and buildings, in the financial statements, is expected to be reasonably consistent with their market value.

Reserves

The reserves of the trust are £716,425 at the year end and they consist mainly of tangible fixed assets employed by the trust. The trustees believe that for financial stability, ideally net current assets should be in the region of one term's expenditure ie approximately £475,000. At the balance date, these reserves show a deficit of £47,848.

Current Activity

Since the balance sheet date, the trust has sustained further losses due to low pupil numbers. In addition to the difficult economic climate, pupil numbers have been adversely affected by several pupils leaving late in 2012/13 academic year for reasons beyond the school's control and due to a hiatus with boarding referrals following an unsatisfactory Ofsted inspection of the boarding provision in September 2013. A re-inspection in April 2014 confirmed that all matters raised have been swiftly and successfully addressed and boarding referrals have now re-commenced. Notwithstanding these issues, 9 new pupils joined in 2013/14, the highest since 2009.

A reorganisation in July 2014 will enable the school to deliver its services at reduced cost on a forward going basis.

Aided by more marketing activity, the trustees expect pupil numbers to have been restored to break-even by early 2015 and for the school to trade profitably thereafter so that reserves can start to be re-built.

Investment powers

Under the memorandum and articles of association, the trust has the power to make any investment which the trustees see fit.

Trustees' remuneration, benefits and expenses

There were no trustees' remuneration, benefits or expenses paid for the year ended 31 August 2013 nor for the year ended 31 August 2012.

PLANS FOR FUTURE PERIODS

In 2013-2014 we will continue to focus on the relationship between the school, parents and their children, by seeking to provide partnership approaches that help children to flourish developmentally and educationally.

Following on from work done on assessment and tracking this year from September 2013, the purpose of Individual Education Plans will be to ensure that additional measures required to support the child as a learner are known and adhered to across the curriculum. Individual Education Plan arrangements will be planned in partnership with parents/carers.

From September 2013, the purpose of pupils' Pastoral & Behaviour Support Plans will be to ensure that each pupil's PSED and well-being needs are met across the 24-hour curriculum (boarders) and across the school day (day pupils). Pastoral arrangements will be planned in partnership with Residential Care Staff (boarders) and parents/carers (day pupils).

With these arrangements in place, parents/carers and pupils should also be able to see a pupil's progress in achieving their learning/PSED goals and how their self-identified targets have contributed to attainment.

Alongside this, we will seek to provide targeted services to meet children's daily mental health needs and specialist services for those in severe difficulty. To do this we will use Evidence-Based Practice. Evidence-based practice (EBP) refers to "the integration of best available research with professional expertise in the context of client characteristics, culture, and preferences".

It is also proposed that the school will move towards delivering trauma-informed care. Nearly all children placed at the school (if not every child) have experienced some degree of 'child traumatic stress'. In many cases, this condition has not been addressed and, in some cases, not recognised.

Whitstone Head Educational Trust Limited

Report of the Trustees
for the Year Ended 31 August 2013

STATEMENT OF TRUSTEES RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charitable company and to 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 the trustees are aware:

- there is no relevant audit information of which the charitable company's auditors are unaware; and
- the trustees have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

AUDITORS

The auditors, Metherell Gard Ltd, will be proposed for re-appointment at the forthcoming Annual General Meeting.

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

ON BEHALF OF THE BOARD:


.....
S A Smith - Trustee

Date: 8. August 2014

Report of the Independent Auditors to the Members of
Whitstone Head Educational Trust Limited

We have audited the financial statements of Whitstone Head Educational Trust Limited for the year ended 31 August 2013 on pages eleven to seventeen. The financial reporting framework that has been applied in their preparation is applicable law and the Financial Reporting Standard for Smaller Entities (effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

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

Respective responsibilities of trustees and auditors

As explained more fully in the Statement of Trustees Responsibilities set out on page eight, the trustees (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.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Report of the Trustees to identify material inconsistencies with the audited financial statements. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

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 2013 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Emphasis of Matter

We draw attention to Note 1 to the financial statements which describes the going concern status of the company. Our opinion is not qualified in respect of this matter.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements.

Report of the Independent Auditors to the Members of
Whitstone Head Educational Trust Limited

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the Report of the Trustees.



David Cox (Senior Statutory Auditor)
for and on behalf of Metherell Gard Ltd
Chartered Accountants
Statutory Auditors
Burn View
Bude
Cornwall
EX23 8BX

8 August 2014

Whitstone Head Educational Trust Limited

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
for the Year Ended 31 August 2013

		2013	2012
		Unrestricted	Total
		fund	funds
		£	£
INCOMING RESOURCES	Notes		
Incoming resources from generated funds			
Investment income	2	182	313
Incoming resources from charitable activities	3		
Fee income		1,192,288	1,413,074
Grant income		162,325	93,758
Other services		2,420	536
Total incoming resources		1,357,215	1,507,681
 RESOURCES EXPENDED			
Charitable activities	4		
School expenditure		1,413,123	1,428,172
Governance costs	5	13,771	13,342
Total resources expended		1,426,894	1,441,514
 NET INCOME/(EXPENDITURE) FOR THE YEAR		(69,679)	66,167
 RECONCILIATION OF FUNDS			
Total funds brought forward		786,104	719,937
 TOTAL FUNDS CARRIED FORWARD		716,425	786,104

The notes form part of these financial statements

Whitstone Head Educational Trust Limited (Registered number: 01268950)

Balance Sheet
At 31 August 2013

		2013 Unrestricted fund £	2012 Total funds £
FIXED ASSETS	Notes		
Tangible assets	9	789,273	816,851
CURRENT ASSETS			
Debtors	10	54,912	40,259
Cash at bank and in hand		139,026	358,920
		<u>193,938</u>	<u>399,179</u>
CREDITORS			
Amounts falling due within one year	11	(241,786)	(379,926)
NET CURRENT ASSETS/(LIABILITIES)		<u>(47,848)</u>	<u>19,253</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		741,425	836,104
CREDITORS			
Amounts falling due after more than one year	12	(25,000)	(50,000)
NET ASSETS		<u>716,425</u>	<u>786,104</u>
FUNDS	14		
Unrestricted funds		716,425	786,104
TOTAL FUNDS		<u>716,425</u>	<u>786,104</u>

These financial statements have been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small charitable companies and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements were approved and authorised for issue by the Board of Trustees on 7 August 2014 and were signed on its behalf by:



S A Smith -Trustee

Notes to the Financial Statements
for the Year Ended 31 August 2013

1. ACCOUNTING POLICIES

Accounting convention

The financial statements have been prepared under the historical cost convention and are in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), (FRSSE) and the Statement of Recommended Practice; Accounting and Reporting by Charities (revised 2005), (SORP) and the Companies Act 2006.

Incoming resources

Revenue is recognised as the right to consideration is obtained through the performance of contractual obligation. Incoming resources received in advance have been deferred and included within other creditors.

General fee income - This is the amount derived from the provision of services under the trust's main activity. This income is receivable on a school term basis from Local Education Authorities. Income is recognised in the SOFA in the term specified by the authority responsible for the pupil placement.

Investment income - Income from interest bearing accounts is accounted for on a receivable basis.

Grants - Recurrent grants of a revenue nature are recognised in the academic year (also financial year) to which they relate. These revenue grants are utilised against specified expenditure set out by the Department of Education.

The terms of non-recurrent grants in support of the acquisition of fixed assets are considered before the grant is split between the different types of incoming resources.

Resources expended

Resources expended are included in the SOFA on an accruals basis. Certain expenditure is directly attributable to specific activities and has been included in these cost categories. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a basis consistent with the use of resources. The irrecoverable amount of VAT is included with the item of expense to which it relates.

All support costs have been attributed to charitable activity. As the charity only undertakes one activity, further apportionment is not necessary. The trustees acknowledge that a proportion of support costs relate to the governance of the charity, however the amounts are not considered material.

Governance costs comprise the expenditure involved in running the trust, including strategic planning for its future development, external audit, any legal advice for the trustees, and all costs of complying with constitutional and statutory requirements, such as the cost of board and committee meetings. Governance costs include 5% of the administration and management staff costs.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life or, if held under a finance lease, over the lease term, whichever is shorter.

Freehold property	- 2% on cost (excluding Land)
Plant and machinery	- 10% to 25% on cost

Taxation

The charity is exempt from corporation tax on its charitable activities.

Funds

The trust's entire fund is deemed unrestricted, as defined by the SORP and this fund can be used in accordance with the charitable objects at the discretion of the trustees.

Pension costs and other post-retirement benefits

The trust contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme attributable to the trust. The scheme is accounted for as a defined contribution scheme. The trust also contributes to separately administered defined contribution pension schemes for non-teaching staff. Contributions to all schemes are charged to the SOFA as they become payable in accordance with the rules of the scheme.

Contributions paid in the year amounted to £66,629 (2012: £69,735). At the end of the year £9,704 (2012: £8,446) was owed to the schemes.

Whitstone Head Educational Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2013**

1. ACCOUNTING POLICIES - continued

Going concern

In the period since the balance sheet date, the school has attracted the highest number of pupils (9) in a year since 2009 which reflects the high regard placing authorities have for the quality of the school's services. Nonetheless, the average school population for this period has been below the break-even level and a further loss incurred. Action to reduce operating costs has been taken and marketing activities are being stepped up. Banking support is in place with the repayment terms of the £50,000 loan having been re-negotiated and through the provision of overdraft facilities, renewable in October 2014.

The continued activity of the trust is dependant upon the bank support being renewed in October 2014 and the school pupil population increasing in line with the minimum levels required. In the opinion of the trustees both of these factors are expected to be achieved and profitability is expected to be restored in early 2015, and they therefore believe it is appropriate to prepare the financial statements on the going concern basis.

2. INVESTMENT INCOME

	2013	2012
	£	£
Deposit account interest	<u>182</u>	<u>313</u>

3. INCOMING RESOURCES FROM CHARITABLE ACTIVITIES

	Activity	2013	2012
		£	£
General fee income	Fee income	1,192,288	1,413,074
Grant income	Grant income	162,325	93,758
Income from services and other income	Other services	2,420	536
		<u>1,357,033</u>	<u>1,507,368</u>

4. CHARITABLE ACTIVITIES COSTS

	Staff Costs	Other Costs	Depreciation	Total	2012
	£	£	£	£	£
Teaching and care staffing	978,051	10,346	-	988,397	1,009,831
Pupil and educational	126,456	91,180	-	217,636	206,044
School support costs	-	94,483	27,239	121,722	126,888
School management and administration	80,293	5,075	-	85,368	85,409
	<u>1,184,800</u>	<u>201,084</u>	<u>27,239</u>	<u>1,413,123</u>	<u>1,428,172</u>

Whitstone Head Educational Trust Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2013

5. GOVERNANCE COSTS

	2013	2012
	£	£
Staff costs	4,226	4,192
Auditors' fees	9,545	9,150
	<u>13,771</u>	<u>13,342</u>

Auditors' remuneration

The auditors remuneration includes fees for non-audit services. The non-audit services include assistance with the preparation of the statutory accounts, however it is not possible to identify the costs for these services separately.

Other costs for non-audit services amounted to £286 (2012: £275).

6. NET INCOMING/(OUTGOING) RESOURCES

Net resources are stated after charging/(crediting):

	2013	2012
	£	£
Depreciation - owned assets	26,031	30,796
Deficit on disposal of fixed asset	1,208	-
	<u>27,239</u>	<u>30,796</u>

NET INCOME/(EXPENDITURE) FOR COMPANIES ACT PURPOSES

Net income/ (expenditure) for the year totalled (£69,679), 2012: £66,167.

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2013 nor for the year ended 31 August 2012.

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2013 nor for the year ended 31 August 2012.

8. STAFF COSTS

	2013	2012
	£	£
Wages and salaries	988,843	1,043,727
Social security costs	73,101	77,320
Other pension costs	66,629	69,735
Other staffing costs	60,453	22,107
	<u>1,189,026</u>	<u>1,212,889</u>
Average number of staff including trustees	<u>54</u>	<u>60</u>

There were no higher paid staff.

Whitstone Head Educational Trust Limited

**Notes to the Financial Statements - continued
for the Year Ended 31 August 2013**

9. TANGIBLE FIXED ASSETS

	Freehold property £	Plant and machinery £	Motor vehicles £	Totals £
COST				
At 1 September 2012	1,131,246	210,805	34,237	1,376,288
Disposals	-	-	(25,442)	(25,442)
At 31 August 2013	1,131,246	210,805	8,795	1,350,846
DEPRECIATION				
At 1 September 2012	329,689	199,305	30,443	559,437
Charge for year	22,115	3,167	749	26,031
Eliminated on disposal	-	-	(23,895)	(23,895)
At 31 August 2013	351,804	202,472	7,297	561,573
NET BOOK VALUE				
At 31 August 2013	779,442	8,333	1,498	789,273
At 31 August 2012	801,557	11,500	3,794	816,851

Included in cost or valuation of land and buildings is freehold land of £25,500 (2012 - £25,500)

10. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Other debtors	54,912	40,259

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2013 £	2012 £
Bank loans and overdrafts	25,000	25,000
Deferred income	147,981	287,053
Taxation and social security	20,162	21,952
Other creditors	48,643	45,921
	241,786	379,926

All of the deferred income carried forward at the end of the year was received during the year ended 31st August 2013.

12. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2013 £	2012 £
Bank loans	25,000	50,000

13. SECURED DEBTS

The following secured debts are included within creditors:

	2013 £	2012 £
Bank loans	50,000	75,000

Whitstone Head Educational Trust Limited

Notes to the Financial Statements - continued
for the Year Ended 31 August 2013

14. MOVEMENT IN FUNDS

	At 1.9.12	Net movement in funds	At 31.8.13
	£	£	£
Unrestricted funds			
General fund	786,104	(69,679)	716,425
TOTAL FUNDS	<u>786,104</u>	<u>(69,679)</u>	<u>716,425</u>

Net movement in funds, included in the above are as follows:

	Incoming resources	Resources expended	Movement in funds
	£	£	£
Unrestricted funds			
General fund	1,357,215	(1,426,894)	(69,679)
TOTAL FUNDS	<u>1,357,215</u>	<u>(1,426,894)</u>	<u>(69,679)</u>

15. ULTIMATE CONTROLLING PARTY

The ultimate control of the charity lies with the trustees.

16. INDEMNITY INSURANCE

The trust has taken insurance cover for professional indemnity/governors' liability within the insurance premium paid. No additional cost has been shown by the insurers for this cover.