

COMPANY NUMBER: 4252305  
CHARITY NUMBER: 1088057

# **WARWICK INDEPENDENT SCHOOLS FOUNDATION**

**Directors' Report**

**&**

**Financial Statements**

**for the year ended**

**31 July 2009**

THURSDAY



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# WARWICK INDEPENDENT SCHOOLS FOUNDATION

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

### DIRECTORS, OFFICERS AND ADVISERS

(COMPANY NUMBER 4252305)

#### GOVERNORS, DIRECTORS AND CHARITY TRUSTEES

The Governors of Warwick Independent Schools Foundation ("the Company" and "the Foundation") are the directors and the charity trustees of the Company and have all served in office throughout the financial year except where indicated. They are shown below, together with past Governors who served for part of the year.

The bodies shown below may between them nominate twenty-one Governors and, subject to approval by the Board, these Governors serve on the Board for a term of three years. Up to a further nine Governors may be self-appointed and these Governors serve on the Board for a term of five years. Retiring Governors can be re-nominated or re-elected but may not serve more than a total term of fifteen years. The Lord-Lieutenant of Warwickshire and the Mayor of Warwick are ex-officio Governors.

#### Nominated by

Charity of Thomas Oken & Nicholas Eyffler  
The Charity of Sir Thomas White, Warwick  
The King Henry VIII Endowed Trust, Warwick  
The King Henry VIII Endowed Trust, Warwick  
Warwick United Charities  
Friends of Warwick School  
Friends of Warwick School  
King's High School Parents & Staff Association  
Warwick Prep School Parents' Association  
Warwick Prep School Parents' Association  
Staff of Warwick School  
Staff of Warwick School  
Staff of King's High School  
Staff of Warwick Preparatory School  
Old Warwickian Association  
Old Girls' Association, King's High School  
University of Birmingham  
University of Warwick  
University of Oxford  
University of Oxford  
Warwickshire County Council  
Warwickshire County Council  
Warwick District Council  
Warwick Town Council

#### Co-opted Governors

Mr A N Bell\*  
Mr R V Cadbury  
Mr A Firth\* (Vice Chairman)  
Mrs P A Goddard  
Mr T P Jackson (appointed 23/12/08)

#### Name

Mr D E Hanson  
Mr D B Stevens (Chairman)  
Mr R J Wyatt  
Mrs S M Rhodes  
Mrs A White  
Mr T P Jackson (retired 23/12/08)  
Mrs S-A Swan (appointed 23/12/08)  
Mrs E Moloney\*  
Mrs C L Hawking\* (retired 23/12/08)  
Miss K A Parr\* (appointed 23/03/09)  
Prof R H Trigg (retired 23/12/08)  
Mr J P Cavanagh (appointed 23/03/09)  
Mrs S E Lampitt  
Mr D J Highton  
Mr I Thorpe  
Mrs J A Edwards  
Mr R M Dancey  
Prof D Grammatopoulos\*  
Brig M J F Stephens (retired 23/12/08)  
Prof R H Trigg (appointed 23/12/08)  
Mr A J L Cockburn  
Mr CCL Davis  
Mrs C A I Sawdon  
Mrs M-A Grainger

Mrs J Marshall  
Mrs V M Phillips  
Mr K C K Scott (resigned 23/03/09)  
Prof M L Shattock

#### Honorary Governors

The Lord-Lieutenant of Warwick

Mayor of Warwick

\*Parent of a pupil at one of the Foundation's schools

# WARWICK INDEPENDENT SCHOOLS FOUNDATION

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

### DIRECTORS, OFFICERS AND ADVISERS

(COMPANY NUMBER 4252305)

#### OFFICERS

Headmaster	Warwick School	Mr E B Halse
	Deputy Headmaster	Mr W Phelan
Headmistress	King's High School for Girls	Mrs E Surber
	Joint Deputy Head	Mrs C Renton
	Joint Deputy Head	Mr S Bethel
Headmistress	Warwick Preparatory School	Mrs D M Robinson
	Head of Prep	Mrs S Fairhurst
	Head of pre-Prep	Mrs A McLaren

Foundation Secretary  
and Clerk to the Governors

Mr R D James

Bursars	Warwick School	Mr N G R Stock
	King's High School for Girls	Mr J Musselwhite
	Warwick Preparatory School	Mrs S M Budd

Addresses	Warwick School Myton Road WARWICK CV34 6PP Day and Boarding for boys 7 – 18	Warwick Preparatory School Bridge Field Banbury Road WARWICK CV34 6PL Day, boys 3 – 7, girls 3 – 11
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King's High School  
Landor House  
Smith Street  
WARWICK CV34 4HJ  
Day girls 11 – 18

#### Registered Office

Warwick Independent Schools Foundation  
3 Church Street  
WARWICK CV34 4AB

#### ADVISERS

Bankers	Lloyds TSB Bank Plc 12 Swan Street WARWICK CV34 4BJ	Investment Advisers	Brewin Dolphin Securities 12 – 22 Newhall Street Birmingham B3 3DB until 6 August 2009  From 6 August 2009 UBS 1 Curzon Street London, W1J 5UB
Solicitors	Veale Wasbrough Orchard Court Orchard Lane BRISTOL BS1 5DS	Quantity Surveyors	Starkey Button & Company The Mews Trinity Street LEAMINGTON SPA CV32 5YN
Auditors	Horwath Clark Whitehill LLP St Bride's House 10 Salisbury Square LONDON EC4Y 8EH	Insurance Brokers	HSBC Insurance Brokers Ltd Capital House 1-5 Perrymount Road Haywards Heath WEST SUSSEX RH16 3SY

# **WARWICK INDEPENDENT SCHOOLS FOUNDATION**

**FOR THE YEAR ENDED 31 JULY 2009**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

The Directors of the Company present their annual report for the year ended 31 July 2009 together with the financial statements for the year, which have been prepared in accordance with company law and in compliance with the Charities SORP 2005

## **REFERENCE AND ADMINISTRATIVE INFORMATION**

The Company was incorporated on 29 August 2001 and is registered in England under company number 4252305. It is also a Charity, registered with the Charity Commission under charity number 1088057, and is the corporate trustee of the Warwick Schools Foundation Trust ("the Trust"). The Directors and Governors of Warwick Independent Schools Foundation are listed on page 1. Executive officers, principal addresses and professional advisers are listed on page 2.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### ***Governing Document***

In 1875, a scheme was approved by the Endowed Schools Commission for the amalgamation of certain educational charities in Warwick, under the name King's School Foundation. The Scheme provided for the re-establishment of the old King's School in new buildings, to be called the Grammar School (for boys), a Middle School (for day boys to the age of 15), and a school for girls. A number of local charities contributed the whole, or a portion of, their annual income. A Charity under the name Warwick Schools was registered with the Charity Commissioners for England and Wales (registration number 528775) and was regulated by Schemes signed on 23 December 1981, 26 November 1991, 13 June 1995, and 16 September 1998. On 29 August 2001, this Charity changed its name to Warwick Schools Foundation Trust. Under the Charity Commission Scheme made on 29 August 2001 all trust funds other than the Trust's permanent endowment of the schools' land were transferred to a new charity known as Warwick Schools, as property of the Company, and the Trust itself was made a subsidiary charity of the Company as its corporate trustee. On 11 March 2003 the Charity and the Company changed its name from Warwick Schools to Warwick Independent Schools Foundation. The Company is governed by its Memorandum and Articles of Association.

### ***Governing Bodies***

The Governors listed on page 1 are appointed as Governors of the Foundation and have overall responsibility for the operation of three schools, namely King's High School for Girls, Warwick Preparatory School and Warwick School. Subsidiary Management Committees of Governors have been established for each of the three schools. Generally Governors are asked to serve on one of these Committees, each of which meet three times a year. Each School Management Committee also nominates one of its members to sit on each of the other two Schools' Management Committees, thus some Governors sit on two Management Committees. As noted below all Governors will also sit on at least one other cross Foundation Committee.

### ***Organisational Management***

The Governors, who are also the Directors and the Charity trustees, are responsible for the overall management and control of the Company and meet three times a year. Management of the individual schools is delegated to the Heads supported by, in each school, the School Management Committee.

**The Policy and Strategy Committee** are responsible for all matters of policy and strategy and have plenary powers to act on behalf of the Foundation should the need arise.

**The Bursary and Investment Committee** reporting through the Policy and Strategy Committee ensures the safe and effective investment of the Charity's funds and review the bursary and scholarship arrangements including the assessment of means testing.

# WARWICK INDEPENDENT SCHOOLS FOUNDATION

FOR THE YEAR ENDED 31 JULY 2009

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

**The Audit Risk and Review Committee** is responsible to the Foundation Governors for overseeing the financial reporting process to ensure balance, transparency and integrity of published financial information, for reviewing the effectiveness of the Foundation's internal controls, risk management and compliance systems and for reviewing the effectiveness of the independent audit process

**The Education Committee** reports through the Policy and Strategy Committee and shall be responsible for reviewing the educational performance of the schools and making recommendations where appropriate, for considering educational initiatives and reviewing educational policies so as to ensure the best practice is shared across the schools, for considering new curriculum schemes as and when it arises, for bringing forward proposals for joint teaching timetable and for ensuring coordination of educational policies across the Foundation

**The Estates and Procurement Committee** reports through the Policy and Strategy Committee and is responsible for reviewing and advising on all proposals on building projects, on maintenance programs, on the estate management, on procurement, on transport, on cars and parking and on health and safety

**The Governance Committee** is responsible to the Foundation Governors for reviewing the composition of the Governing Body and in particular the School Management Committees, the Policy and Strategy Committee and the Bursary and Investment Committee to ensure that so far as possible each contains an appropriate mix of skills, for considering Governor performance and attendance records, reviewing the quality of reports to the Governors, minutes of meetings, opportunities for members to contribute and the effectiveness of the Governing Body, for evaluating the training and development of Governors, reviewing recruitment and induction procedures to the Governors, for initiating enquiries for the recruitment of new Governors, for encouraging and considering the nominations for principal office holders including Committee Chairman and for considering succession strategy, or carrying out exit interviews with retiring Governors

Membership of all the various Governor Committees as at 31 July 2009 is set out below

### School Management Committees

#### Warwick

Mr J P Cavanagh  
Mr R M Dancey (Chairman)  
Mr C C L Davis  
Mr A Firth (Vice Chairman)  
Mrs P A Goddard  
Mr D E Hanson  
Mr T P Jackson  
Mrs S M Rhodes  
Prof M L Shattock  
Mrs S-A Swan  
Mr I Thorpe  
Prof R H Trigg  
Mr R J Wyatt

#### King's High School

Mr R V Cadbury  
Mr A J L Cockburn  
Mrs J A Edwards  
Prof D Grammatopoulos  
Mr D E Hanson  
Mrs S E Lampitt (Vice Chairman)  
Mrs J Marshall (Chairman)  
Mrs E Moloney  
Mrs C A Sawdon  
Prof R H Trigg

#### Warwick Preparatory School

Mr A N Bell  
Mr R V Cadbury  
Mrs M-A Grainger  
Mr D J Highton  
Mrs S E Lampitt  
Miss K A Parr  
Mrs V M Phillips (Chairman)  
Mr I Thorpe  
Mrs A White  
Mr R J Wyatt

# WARWICK INDEPENDENT SCHOOLS FOUNDATION

FOR THE YEAR ENDED 31 JULY 2009

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

### Foundation Committees

#### Policy and Strategy Committee

Mr R M Dancey  
Mr A Firth (Vice Chairman)  
Mrs J Marshall  
Miss K A Parr  
Mrs V M Phillips  
Mr D B Stevens (Chairman)  
Mr I Thorpe  
Prof R H Trigg

#### Bursary and Investment Committee

Mr R V J Cadbury  
Mrs J A Edwards  
Mr A Firth (Chairman)  
Prof M L Shattock

#### Estates and Procurement

Mr A J L Cockburn  
Mr D E Hanson  
Mrs E A Moloney  
Mr I Thorpe (Chairman)  
Mr R J Wyatt

#### Audit Risk and Review Committee

Mr A N Bell  
Mr C C L Davis  
Mr T P Jackson (Chairman)  
Mr E W Rogers (Non Governor)  
Mrs C A Sawdon  
Mrs A White

#### Education

Mr R M Dancey  
Mrs P A Goddard  
Prof D Grammatopoulos  
Mr D J Highton  
Mrs S E Lampitt  
Mrs J Marshall  
Mrs V M Phillips  
Prof M L Shattock  
Mrs S-A Swan  
Prof R H Trigg (Chairman)

### Governance

Mr R M Dancey  
Mr A C Firth  
Mrs J Marshall  
Mrs V M Phillips  
Mr D B Stevens (Chairman)

The day-to-day running of the Schools is delegated to the Heads of each School and their respective Senior Management Teams. The Heads attend the Management Committee meetings for their own school and all Foundation Committee meetings other than Audit Risk and Review, Bursary and Investment and Governance.

### Group Structure and Relationships

The Company has a wholly owned subsidiary, Warwick Schools Enterprises Limited, which carries out a number of trading activities to generate funds for the schools. A small surplus is retained in the subsidiary each year so as to build up working capital but thereafter any surplus remaining is gift aided back to the Company.

The Company is connected with Warwick Scholarship Trust, a registered charity, whose objects are to further the education of children, by awarding scholarships, bursaries and other financial assistance to persons under the age of 19 who attend any of the Foundation's schools and are in need of financial assistance.

The Schools actively cooperate with many local schools and charities to widen public access to the schooling that they can provide, to optimise the use of their cultural and sporting facilities and to awaken in the pupils, in the public interest, an awareness of the social context of the all-round education they receive at the Schools.

# **WARWICK INDEPENDENT SCHOOLS FOUNDATION**

**FOR THE YEAR ENDED 31 JULY 2009**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

### ***Governor Recruitment, Induction and Training***

Nominated Governors are selected by their respective Nominating Bodies (see page 1) but must then be approved by the Governing Body. Co-opted Governors are selected from a waiting list of suitable candidates having regard to the particular skills required on the Governing Body at the time of appointment. All Governors attend an induction programme with the Foundation Secretary on appointment and have a guided tour of the Schools. They are allocated a mentor from the existing Governing Body. All Governors are encouraged to attend external training courses on a regular basis. In addition, internal courses are run as required to address matters of current interest.

### ***Risk Management***

The Board of Governors is responsible for the management of the risks faced by the Company. Risks are identified, assessed and controls established throughout the year. A formal review of the Company's risk management processes is undertaken by the Audit risk and Review Committee on an annual basis.

The key controls used by the Company include

- formal agendas for all Committee and Board activity,
- detailed terms of reference for each Committee,
- 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 as required by law for the protection of the vulnerable

The major risks are considered to be a) a reduction in demand for places, b) damage to reputation from media coverage and c) difficulty in recruiting appropriate staff. Through the risk management processes established for the Schools, the Governors are satisfied that the major risks identified have been adequately managed. However, it is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

## **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

### ***Charitable Objects***

The Objects of the Charity are set out in the Memorandum of Association and are "to advance education by carrying on in or near Warwick day and boarding schools for boys and girls". Within these Objects, the Charity and the Trust have various permanent endowments and unendowed trust funds held for special purposes in connection with the development of the Schools' facilities and for scholarships, bursaries, prizes, and other educational purposes.

### ***Public Benefit Aims and Intended Impact***

Within these Objects the Foundation's public benefit aim is to provide a first class independent education, both through strong academic tuition, and through developing wider sporting, artistic and social skills in all its pupils. This is intended to provide an environment where each pupil can develop and fulfil his or her potential, thus to help build self-confidence and inculcate a desire to contribute to the wider community. In the furtherance of these aims the Foundation Governors, as the charity trustees, have complied with the duty in Section 4 of the Charities Act 2006 to have due regard to the Charity Commission published general and relevant subsector guidance concerning the operation of the Public Benefit requirement under that Act.

# WARWICK INDEPENDENT SCHOOLS FOUNDATION

FOR THE YEAR ENDED 31 JULY 2009

## DIRECTORS' REPORT AND FINANCIAL STATEMENTS

### *Objectives for the Year*

This year the focus has been on maintaining the high level of academic performance and extra curricular achievements at each School, continuing to build mutually supportive links with local state schools and promoting the availability of Bursaries for pupils in need of financial assistance through means tested awards. The economic downturn has resulted in an increased focus on maximising returns on investments to secure income to support Bursaries. The Foundation has also built the new Creative Arts Centre at King's High School.

### *Strategies to Achieve the Year's Objectives and Support Long Term Goals*

The Schools continue to benchmark academic performance against external public examinations and independent value-added criteria. All three Schools expanded their links with the local Independent State School Partnership programme. The Schools advertised in the local media and used visits to local schools to promote the availability of financial assistance with fees.

Foundation Governors have agreed the following two key objectives. To increase

- the percentage of total WISF fees paid for by Bursaries. This currently stands at 5.9% across the Foundation. Our objective for the next three years is to achieve 6.2%, with a medium term target of 7%, and a long term target of 10%.
- the absolute numbers of pupils receiving means tested Bursary assistance and the number of pupils in each school receiving assistance. The total number currently stands at 162 pupils across the Foundation and we aim to see this number steadily increase in line with the percentages above.

### *Principal Activities of the Year*

The Company principally provides education in Warwick to boys and girls from ages 3 to 18 in its three Schools, King's High School for Girls, Warwick School and Warwick Preparatory School. It rents out its facilities to members of the local community through its trading subsidiary, Warwick Schools Enterprises Limited. Also, as noted above, it has been engaged in the construction of new building facilities.

This year Warwick School had 863 (2008: 848) boys in the Senior School of whom 52 (2008: 49) were boarders and 246 (2008: 232) boys in the Junior School. King's High School for Girls had 611 (2008: 608) girls and Warwick Preparatory School had 388 (2008: 397) children in the main school and 48 (2008: 48) children in the Nursery School. All the Schools continue to be popular choices amongst local parents and demand for places remains strong. Governors are therefore confident that the Schools can operate at close to maximum capacity for the foreseeable future.

### *Grant-Making Policy*

This year the value of scholarships, Foundation Awards, and Bursaries totalled £1,509,000 (up from £1,303,000 in the year to 31 July 2008). Of this, the amount unrestricted funds totalled £975,000, with a further £534,000 from restricted funds. The Foundation Governors' policy is to further increase these awards based on financial need and £1,035,000 of the total was awarded on this basis. 317 pupils benefited from these grants and awards with the result that one in five pupils at the senior Schools receives some form of financial assistance.

The Foundation Award Scheme, which was introduced in 1999, is a means tested scheme and enables Governors to widen access to as broad a group of pupils as possible. The Bursary Policy has been under review throughout the year. In particular the Financial Assessment Table has been changed to increase support to parents on lower incomes with no contribution on net incomes below £25,000. The Schools also operate scholarship schemes awarded on academic merit, the maximum value of a scholarship is restricted to 25% of fees. Currently there are 47 pupils attending the Schools who pay no tuition fees at all.



# **WARWICK INDEPENDENT SCHOOLS FOUNDATION**

**FOR THE YEAR ENDED 31 JULY 2009**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

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

#### *Operational Performance of the Schools*

##### **Warwick School**

Academic standards have continued to be at a high level with 83% of exam results being either an A or a B at A level 75.5% achieving A\* or A at GCSE 51 boys gained three or more A grades 10 boys achieved five A grades, and impressively 5 boys achieved six A grades at A level, with 1 boy getting a superb seven A grades at A Level On an individual level, one boy received one of the top ten grades in the country in Physics 12 boys won places at Oxford and Cambridge Universities At GCSE 32.5% of the boys gained five or more A\* grades at GCSE 3 boys gained ten A\*, 5 boys gained eleven A\* and 2 boys were among the top ten marks in the Country in Drama

The Governors have continued to provide significant means-tested financial support to 195 boys who have benefited from Scholarships, Bursaries and Foundation Awards

All major targets in the School's Development Plan were met, with the new Thornton Building completed

There has been continued success in sport with a huge contingent representing the County in rugby, cricket, hockey and other sports The first XV reached the Semi Finals of The Daily Mail Cup losing to the eventual winners Last year's First XV captain was an England School Boy trialist and we have had two boys selected for the England Barbarians team for Water Polo The Junior swimmers achieved a world record time in swimming The Channel Overseas trips have taken place to Australia and New Zealand and The Falkland Islands including many others to Asia, India and European countries In addition, other school teams in robotics scored international success A Year 12 boy won both the Independent Schools' and British Schools' Individual Judo Championship and was selected for the Elite Squad being prepared for the Olympics 2012 Canticum, the new choir for parents, boys and Friends of the School was successful and this was replicated with a Gold Award for The Little Big Band "Les Miserables", in collaboration with King's High School, saw six 'sold out' performances Student directors produced their own version of "Hamlet" for the Shakespeare Youth Festival and the Drama department has been chosen to host the prestigious National Independent Schools' Drama Association Conference in 2010 3 more students also performed with the RSC The house system at school has now expanded to provide all boys with the opportunity to compete in a wide range of House events

Warwick School pupils and staff raised in excess of £25,000 for charity events such as £2,975 was raised at the Sleep Out in aid of CORD Operation Christmas Child and the Charity Walk which saw £3,545 raised Led by the Head of Science, Sixth Formers, from local schools in the area, both state and private, continue to work alongside university post graduates from Warwick University on pioneering research projects such as cancer treatments and anti-asthma drugs Over 100 students now benefit from this scheme The Bridge Project provided local state school students with the opportunity to work alongside and see professional actors The Lower and Upper Fourth's were treated to their own matinee performance of "The Tempest" and "Macbeth" by the Bridge House Theatre Company An activities programme, organised and staffed by Warwick School, saw local primary state school pupils come to take part in sporting activities during the summer term and this has been led by our Sixth Formers who have qualified as Community Sports Leaders as part of their afternoon activities The Environmentalists have also been helping a primary school turn some land into a haven for their

# **WARWICK INDEPENDENT SCHOOLS FOUNDATION**

**FOR THE YEAR ENDED 31 JULY 2009**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

pupils Sprint Finish Revision Classes, free to any local state school child at GCSE, AS or A level, continued to be both popular and successful. Indeed, the Independent State School Partnership received praise in the Smithers and Robinson publication as an exemplar of good practice. A large number and variety of local charities, organisations and institutions used the School's facilities in addition to extremely successful holiday activity camps run by the School.

### **King's High School**

Academic standards have remained at the very high level of previous years with 86.6% of passes at A level being at grades A & B and 80% of passes at GCSE being at A\* or A and a record 90% of passes at AS being at A or B.

The Governors have continued to provide significant financial support to 90 girls. There was a significant increase in applications for Bursaries from pupils living in the local area following a successful marketing campaign.

In 2008-9 the School embarked on a 5 year Plan covering all areas of school life. In the first year excellent progress was made with this Plan.

The School continued to sustain and expand the range of quality extra-curricular opportunities, experiences, study support groups, trips and visits on offer. There were record enrolments for the Duke of Edinburgh Award Scheme (87 Bronze, 35 silver, 30 Gold).

A major building development project was carried out throughout the year to create a new Creative Arts Centre to provide much enhanced high quality facilities for Music, Art and Drama, including a Performance Studio. This project was completed in August.

Collaboration with Warwick School continued to strengthen in curricular and extra-curricular areas, and with Warwick School and our local state schools in our ISSP (Independent State School Partnership).

Quality music, dance and drama performances were again given by pupils of all ages throughout the year, both at King's High and in collaboration with Warwick School. The Foundation Windband won Gold in the National Finals. Joint Swimming teams completed a Channel Swim. King's sports teams enjoyed another exceptional season, particular highlights being the Under 16 team reaching the quarter finals of the National Hockey Cup, the junior girls track and field athletics team finishing 4th in the Midlands track and field championships and the Inter girls team finishing 6<sup>th</sup>, the Under 13 and Under 15 hockey teams were both County Champions last season.

The school raised a total of £4,300 for charities, local, national and international, during the year. Already strong connections with local charities and organisations were increased through the giving of money and other gifts, regular visits and support. The School continued its letting of its Sports Centre and made others of its facilities available for community use.

The school continued to strengthen its relations with its former pupils and held its second "Decade Day" for former staff and pupils, which was attended by over 100 ladies who were here in the 1980s.

# **WARWICK INDEPENDENT SCHOOLS FOUNDATION**

**FOR THE YEAR ENDED 31 JULY 2009**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

### **Warwick Preparatory School**

The School continues to be a popular choice among local parents and demand for places, especially in the Early Years, remains high. Progress and attainment continue to meet and often exceed expectations. The results of the entrance examinations taken by boys (7+) and girls (11+) for a variety of schools were excellent, with 23 out of 23 boys offered places at Warwick Junior School and 39 out of the 41 girls who entered for King's High being successful. Scholarships were gained at a number of senior schools (one Maths and one English).

The PE department continues to extend the number of fixtures and the number of teams involved so meeting the aim of 'Sport for All'. There is also liaison with Warwick Junior School to combine fixture lists, when possible, and to enter joint teams for swimming galas.

Once again, the Art department joins in community life through links with St Mary's Church and enters work in local competitions, such as Warwick Arts Festival Schools' Art Competition.

The School supports a variety of international, national and local charities through fund raising activities. In particular, there are close links with Myton Hamlet Hospice and the Leamington Christian Mission. Other than monetary donations, the girls have given musical performances at the Day Unit of Myton Hamlet Hospice and the children have provided harvest produce and toiletries at Christmas for the Leamington Christian Mission. As part of the Churches Together in Warwick Community Arts Project, our Art Department provided two crib or activity scene displays in the windows of shops/businesses in Warwick – these were displayed from 1 December 2008 to 5 January 2009. The Parents' Association also is actively involved in fundraising – from the Macmillan Coffee Morning to a Pantomime from which generous donations were given to a variety of charities.

The School has continued to take the lead of the Warwick Independent State School Partnership and strongly supports the new subject initiatives.

### **Investment Performance against Objectives**

The Company's investment performance is measured against the APCIMS Balanced Index. As at 31 July 2008 the Foundation had a total of £4,500,000 invested for the long term with an investment objective of achieving a balance of income and capital growth. In the year to 31 July 2009 the total return generated by the Foundation's portfolio was -1.98% compared with -4.60% for the benchmark index. The return from the FTSE All Share Index over the same period was -9.65%.

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

The Foundation had net income of £1,329,000 for the year, which was broadly in line with the targeted percentage of fee income required to implement the Schools' Development plans. Tuition fees were increased by between 4% and 5% largely matching the increase in underlying costs.

The Foundation is helped considerably each year through the receipt of charitable income from The King Henry VIII Endowed Trust, Warwick and The Charity of Sir Thomas White, Warwick. This income is allocated to Borough Bursary Funds and enables the Foundation to offer generous Awards to pupils from lower income families.

The trading subsidiary continues to hire out Foundation facilities throughout the year and has contributed £49,000 to the operating surplus.

# **WARWICK INDEPENDENT SCHOOLS FOUNDATION**

**FOR THE YEAR ENDED 31 JULY 2009**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

### ***Reserves***

The Foundation's unrestricted funds (before pensions deficit) stood at £40.7 million at the end of the year of which £34.4 million represented funds deployed as part of the Schools' premises and £9.3 million as Bursary Funds. Free reserves were in deficit by £3,100,000 as a result of the school's current building programme.

Following the implementation of FRS17 the Foundation's share of the Local Government Pension Fund deficit has had to be shown in the Balance Sheet. At 31 July 2009 this deficit stood at £2,680,000. The Governors do not consider that this has any impact on the day to day running of the Schools.

### ***Investment Policy and Objectives***

Under the Charity's Memorandum and Articles of Association the Trustees have wide powers to invest in such securities or property as they may think fit subject to the appropriate legal considerations. In practice the Board of Governors has appointed a Bursary and Investment Committee to make such decisions on its behalf. The Bursary and Investment Committee in turn appoint an investment manager to oversee funds under investment. The Foundation's investment advisors for the last three years, including the year 2008/09, were Brewin Dolphin. In June 2009 the Committee invited tenders from three respected Wealth Managers including Brewin Dolphin the incumbents. After careful consideration UBS Wealth Management were appointed on 6 August 2009.

The Board's investment policy is to invest funds over the long-term to generate a balance of capital growth and income, which in turn assumes that expenditure out of these funds will be below the total returns generated. Funds are allocated to fixed interest stocks, UK equities, unit and investment trusts and cash to give a balanced exposure through a medium risk portfolio.

### ***Employment Policy***

The Foundation encourages the employment of disabled persons whenever practical. In compliance with current legislation the company endeavours to ensure that the disabled employees benefit from training and career development in common with other employees.

The Foundation is committed to equal opportunities.

# **WARWICK INDEPENDENT SCHOOLS FOUNDATION**

**FOR THE YEAR ENDED 31 JULY 2009**

## **DIRECTORS' REPORT AND FINANCIAL STATEMENTS**

### **FUTURE PLANS**

#### **Warwick School**

- Extend opportunities for more boys from disadvantaged backgrounds to attend the School by an expansion of the Bursary Programme,
- Develop further opportunities to foster and develop relationships and understanding with other maintained sector schools, gender and year groups to be developed
- Maintain numbers at 1,100,
- Develop an ICT Strategy to further increase the use of ICT by departments and especially to enhance the Virtual Learning Environment,
- Continue to broaden pupils' international outlook in life by creating further international links,
- Review traffic congestion, parking and deliveries,
- Continue to improve the infrastructure at the School redeveloping the Guy Nelson Hall, additional changing room facilities, dining hall and reception areas
- To actively support the successful implementation of the "Shared Services"

#### **King's High School**

Further development of

- to increase our roll to our maximum target of 625 for September 2010,
- to ensure King's contributes appropriately to the successful implementation of the Foundation's "Shared Services" and savings programme,
- to maximize the benefits of the newly opened Creative Arts Centre and to plan for the Dining Room Project,
- to strengthen our relationship with our Governors and with our Prep School,
- to make further significant progress with the Learning and Teaching initiatives in the School Development Plan

#### **Warwick Preparatory School**

- to increase the School roll and consider the balance between boys and girls,
- to actively market the school and proactively manage the web site,
- to develop the relationship with King's High School using their facilities and ensuring a free flow of pupils between the two Schools,
- to actively support the Shared Services and savings programme and ensure the School achieves the full benefits of the new arrangements,
- to improve knowledge of parent expectations of the School,
- through effective differentiation, to ensure that each pupil can access the curriculum at the appropriate level,
- to continue to develop the use of ICT across the curriculum

### **AUDITORS**

In line with section good governance a tender for auditors will be placed in the spring of 2010

# WARWICK INDEPENDENT SCHOOLS FOUNDATION

FOR THE YEAR ENDED 31 JULY 2009

## STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Charity and the group and of the surplus or deficit of the group for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and apply them consistently,
- make judgements and accounting 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, and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business

The directors are responsible for ensuring that adequate accounting records are maintained that are sufficient to show and explain the charity's and the group's transactions and disclose with reasonable accuracy at any time the financial position of the charity and the group and enable them to ensure that the financial statements comply with Companies Act 2006. They are also responsible for safeguarding the assets of the charity and the group and ensuring their proper application in accordance with charity law, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities

So far as each of the Directors is aware at the time this report is approved

- there is no relevant audit information of which the Company's auditors are unaware,
- the directors have taken all steps 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

Approved by the Board of Directors of Warwick Independent Schools Foundation on 11 December 2009 and signed on its behalf by



(DIRECTOR) M R D J STEVENS

(DIRECTOR)

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
WARWICK INDEPENDENT SCHOOLS FOUNDATION**

We have audited the group and parent company financial statements of Warwick Independent Schools Foundation for the year ended 31 July 2009, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the related notes set out on pages 16 to 34. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 19 to 21.

This report is made solely to the charitable company's members, as a body, in accordance with Section 495 to 496 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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 company and the company's members as a body, for our audit work, for this report, or for the opinion we have formed.

**Respective Responsibilities of the Directors and Auditors**

The responsibilities of the directors, who are also the charity trustees for the purposes of charity law, for preparing the Directors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of Directors' Responsibilities on page 13.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 2006 and whether the Directors' Report is consistent with the financial statements. We also report to you if, in our opinion, the charitable company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding trustees' remuneration and other transactions is not disclosed.

We read the other information contained in the Directors' Report and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information beyond that referred to in this paragraph.

**Basis of Opinion**

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the charitable company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF  
WARWICK INDEPENDENT SCHOOLS FOUNDATION**

**Unqualified Opinion**

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of affairs of the charitable parent company and of the group as at 31 July 2009 and of the group's incoming resources and application of resources, including the group's income and expenditure, for the year then ended,
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accountants Practice,
- the financial statements have been properly prepared in accordance with the Companies Act 2006, and
- the information given in the Directors' report is consistent with the financial statements



**Tim Baines BSc FCA**  
**Senior Statutory Auditor**  
**for and on behalf of**  
**HORWATH CLARK WHITEHILL LLP**  
Chartered Accountants and Statutory Auditors  
Dated 11 December 2009

St Brides House  
10 Salisbury Square  
London EC4Y 8EH



# WARWICK INDEPENDENT SCHOOLS FOUNDATION

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating Income & Expenditure Account)

FOR THE YEAR ENDED 31 JULY 2009

	Notes	Unrestricted Funds		Restricted Funds	Endowed Funds	Total Funds 2009	Total Funds 2008
		Schools	Other				
		£'000	£'000	£'000	£'000	£'000	£'000
<b>INCOMING RESOURCES</b>							
Income from Charitable activities							
School fees	2	19,046	-	-	-	19,046	18,087
Other income	3	1,638	-	-	-	1,638	1,572
Incoming Resources from Generated Funds							
Other activities to generate funds	3	79	50	-	-	129	109
Fundraising income		-	-	120	-	120	183
Trading turnover WSEL	4	473	-	-	-	473	466
Investment income	5	-	320	19	-	339	412
Bank & other interest	6	70	-	-	-	70	163
Donations		-	25	659	10	694	762
Total Incoming resources		<u>21,306</u>	<u>395</u>	<u>798</u>	<u>10</u>	<u>22,509</u>	<u>21,754</u>
<b>RESOURCES EXPENDED</b>							
Costs of generating funds							
Cost of Development Office		97	-	-	-	97	91
Cost of trading activities WSEL	4	424	-	-	-	424	407
Other activities		5	21	-	-	26	22
Charitable Activities							
Schools and grantmaking		20,342	-	95	27	20,464	19,558
Governance costs		98	17	-	-	115	143
Total Expended	8	<u>20,966</u>	<u>38</u>	<u>95</u>	<u>27</u>	<u>21,126</u>	<u>20,221</u>
Net incoming/(outgoing) resources before transfers		340	357	703	-17	1,383	1,533
Transfers between funds	14	<u>-340</u>	<u>1,029</u>	<u>-692</u>	<u>3</u>	<u>-</u>	<u>-</u>
Realised investment (losses)/gains							
			1,386	11	-14	1,383	1,533
			<u>-54</u>	<u>-</u>	<u>-</u>	<u>-54</u>	<u>-99</u>
<b>NET INCOME FOR THE YEAR</b>							
Unrealised investment gains			1,332	11	-14	1,329	1,434
Pension Scheme Actuarial Gain/(Loss)	20		<u>-404</u>	<u>-</u>	<u>-101</u>	<u>-505</u>	<u>-931</u>
			-50			-50	-1,203
<b>NET MOVEMENT IN FUNDS</b>							
Balance brought forward at 1 August 2008			878	11	-115	774	-700
			37,193	127	3,119	40,439	41,139
<b>FUND BALANCES at 31 July 2009</b>							
			<u>38,071</u>	<u>138</u>	<u>3,004</u>	<u>41,213</u>	<u>40,439</u>

All activities relate to continuing operations

The notes on pages 19 to 34 form part of these accounts

# WARWICK INDEPENDENT SCHOOLS FOUNDATION

## CHARITY AND CONSOLIDATED BALANCE SHEET

AT 31 JULY 2009

		Group		Charity	
	Notes	2009 £'000	2008 £'000	2009 £'000	2008 £'000
<b>FIXED ASSETS</b>					
Tangible assets for operational use	9	37,494	34,761	37,465	34,730
Investments	10	9,197	9,612	9,197	9,612
		<u>46,691</u>	<u>44,373</u>	<u>46,662</u>	<u>44,342</u>
<b>CURRENT ASSETS</b>					
Stock	11	51	51	-	-
Debtors	12	843	1,031	898	1,105
Cash		5,094	2,965	5,042	2,882
		<u>5,988</u>	<u>4,047</u>	<u>5,940</u>	<u>3,987</u>
CREDITORS due within one year	13	<u>-3,286</u>	<u>-3,075</u>	<u>-3,243</u>	<u>-3,021</u>
<b>NET CURRENT ASSETS</b>		<u>2,702</u>	<u>972</u>	<u>2,697</u>	<u>966</u>
<b>TOTAL NET ASSETS before pension deficit</b>		<b>49,393</b>	<b>45,345</b>	<b>49,359</b>	<b>45,308</b>
CREDITORS due after one year	13	-5,500	-2,561	-5,485	-2,542
Pension Scheme funding deficit	20	<u>-2,680</u>	<u>-2,345</u>	<u>-2,680</u>	<u>-2,345</u>
<b>TOTAL NET ASSETS</b>	14	<u><b>41,213</b></u>	<u><b>40,439</b></u>	<u><b>41,194</b></u>	<u><b>40,421</b></u>
<b>ENDOWED FUNDS</b>	14a	3,004	3,119	3,004	3,119
<b>RESTRICTED FUNDS</b>	14b	138	127	138	127
<b>UNRESTRICTED FUNDS</b>					
Designated & general funds	14c	40,751	39,538	40,732	39,520
Pension Reserve (Deficit)	20	<u>-2,680</u>	<u>-2,345</u>	<u>-2,680</u>	<u>-2,345</u>
Net Unrestricted Funds		<u>38,071</u>	<u>37,193</u>	<u>38,052</u>	<u>37,175</u>
<b>TOTAL FUNDS</b>		<u><b>41,213</b></u>	<u><b>40,439</b></u>	<u><b>41,194</b></u>	<u><b>40,421</b></u>

Approved by the Board on 11/11/09  
and signed on its behalf by



DIRECTOR MR D B STEVENS

DIRECTOR

The notes on pages 19 to 34 form part of these accounts

# WARWICK INDEPENDENT SCHOOLS FOUNDATION

## CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2009

	Notes	£'000	2009 £'000	2008 £'000
NET CASH INFLOW FROM OPERATIONS	21		2,693	2,638
RETURNS ON INVESTMENT AND SERVICING OF FINANCE				
Investment income & bank interest		409		594
Other interest paid		<u>-109</u>		<u>-</u>
			300	594
CAPITAL EXPENDITURE AND FINANCIAL INVESTMENT				
Payment for tangible fixed assets		-18		-269
Decrease/(Increase) in buildings in progress		-3,545		-3,417
Payment for equities		-1,113		-784
Payment for investment property		-160		-174
(Increase)/Decrease in bank deposits		105		-585
Proceeds from sale of equities		1,024		461
Proceeds from sale of COIF		-		149
Proceeds from sale of COIF Property Fund		<u>-</u>		<u>255</u>
			<u>-3,707</u>	<u>-4,364</u>
NET CASH (OUTFLOW) BEFORE FINANCING	22		<u>-714</u>	<u>-1,132</u>
FINANCING				
Increase in secured loan			2,843	1,505
NET CASH INFLOW/(OUTFLOW) FOR THE YEAR			<u>2,129</u>	<u>373</u>
RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET FUNDS				
Increase in net cash in the year			2,129	373
Cash inflow from increase in debt			-2,843	-1,505
Movement in net debt in the year	22		<u>-714</u>	<u>-1,132</u>
Net funds at 1 August 2008			1,460	2,592
NET FUNDS AT 31 JULY 2009			<u>746</u>	<u>1,460</u>

### Note

*Charity Law requires separate administration of the cashflow of endowed and other restricted funds of the Charity. This constraint has not adversely affected group cashflows as stated above.*

The notes on pages 19 to 34 form part of these accounts

# WARWICK INDEPENDENT SCHOOLS FOUNDATION

## NOTES TO THE ACCOUNTS

### FOR THE YEAR ENDED 31 JULY 2009

#### 1. STATEMENT OF ACCOUNTING POLICIES

##### (a) Basis of Accounting

The financial statements have been prepared under the historical cost convention with the exception of investments which are included at market value. The financial statements have been prepared in accordance with the Companies Act 2006 and applicable accounting standards and the Statement of Recommended Practice on Accounting and Reporting by Charities the Charities SORP 2005.

The accounts present the consolidated statement of financial activities (SOFA) and the charity consolidated balance sheets comprising the consolidation of the Charity and the Company and its wholly owned subsidiary Warwick Schools Enterprises Limited. The results of the subsidiary are consolidated on a line by line basis.

The Charity became the corporate trustee of the Trust on 29 August 2001 and the accounts, therefore, include the Trust as a subsidiary charity for the accounting period commencing 1 September 2001.

Under the Charity Commission Scheme of 29 August 2001 all trust funds other than the Trust's permanent endowment of the school's land were transferred to the new charity known as Warwick Independent Schools Foundation, as property of the Company, and the Trust itself was made a subsidiary charity of the Company as its corporate trustee.

The Charity also owns the whole of the share capital of Campus Library Services Limited, which was dormant throughout the financial period. In the opinion of the Governors this company is not material in the context of the overall accounts and have therefore not been included.

No separate SOFA has been presented for the Charity alone as permitted by section 408 of the Companies Act 2006 and paragraph 304 of the SORP.

##### (b) Basis of Consolidation

The financial statements consolidate the accounts of Warwick Independent Schools Foundation and its subsidiary Warwick School Enterprises Limited.

Consolidated financial statements have been prepared in 2009 for the first time to reflect the growing activities of WSEL. Prior year consolidated figures have also been shown.

##### (c) Fees and Similar Income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable include contributions received from Restricted Funds for Bursaries and Awards. Trading income is exclusive of Value Added Tax and trade discounts.

##### (d) Charitable Income and Donations

Charitable income and donations received for the general purposes of the Charity are credited to "other unrestricted funds" to distinguish them from direct school income. Grants given for specific purposes are treated as income in the year of receipt and are taken to "restricted funds". Unspent restricted income is included under restricted funds as it is fully committed. Income received from the charities of The King Henry VIII Endowed Trust, Warwick and The Charity of Sir Thomas White, Warwick is accounted for on a receivable basis.

##### (e) Resources Expended

Resources expended are accounted for on an accruals basis. Certain expenditure is apportioned to cost categories based on the estimated amount attributable to that activity in the year. Teaching, welfare and premises costs are derived from activities classified in cost departments that are directly for the pupils' benefit. Support costs consist of the administration costs (Heads, Bursars and Foundation offices) of running the schools, Marketing & Recruitment costs for the schools and expenditure in relation to school expeditions. Governance costs comprise the costs of running the charity, including strategic planning for

**WARWICK INDEPENDENT SCHOOLS FOUNDATION**  
**NOTES TO THE ACCOUNTS (CONTINUED)**

**FOR THE YEAR ENDED 31 JULY 2009**

**1. STATEMENT OF ACCOUNTING POLICIES - continued**

**(e) Resources Expended (continued)**

its future development, external audit, legal advice for the Governors and all costs of complying with statutory requirements. Liabilities are recognised where there is a legal or constructive obligation committing the Charity to the expenditure.

**(f) Operating Leases**

Rentals payable are charged on a time basis over the lease term.

**(g) Pension Schemes**

The Schools participate in a multi-employer pension scheme, the Government's Teachers Pension Defined Benefits Scheme, for their teaching staff. The pension liability is the responsibility of the Teachers Pension Scheme. As a result, it is not possible to identify the assets and liabilities of the scheme that are attributable to the Schools. Accordingly, under FRS17 the scheme is accounted for as if it were a defined contributions scheme.

The Charity also participates in a multi-employer pension scheme, the Local Government Pension Scheme, for its non-teaching staff, which is administered by Warwickshire County Council. The company is able to identify its share of the underlying assets and liabilities in the scheme on a consistent and reasonable basis. Accordingly the scheme is treated as a defined benefit scheme under FRS 17. The scheme is being accounted for under FRS 17, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the accounts as a designated fund entitled "Pensions Reserve", which is deducted from Unrestricted Funds in the balance sheet.

**(h) School Buildings and Equipment**

***Capitalisation and Replacement***

The original land and buildings endowed to the Schools together with all subsequent additions recorded by the Trust were professionally re-valued as at 31 August 2001. On 1 September 2001, all land and buildings, other than the original endowed property, were transferred to the Charity. In these accounts these transfers are treated as being at cost to the Charity. The Charity is also responsible for keeping the original building in fit and useful condition and these costs are written off as incurred.

Buildings improvements and extensions and furniture and equipment costing more than £5,000 individually are capitalised and carried in the balance sheet at historical cost.

***Depreciation***

Depreciation is not provided on freehold land. Depreciation of other assets is provided at rates calculated to write off the excess of cost over estimated residual amount evenly over the estimated useful economic lives of each class of asset, subject to annual review.

These rates are currently as follows:

Buildings (excluding sports associated constructions)	50 years
Sports associated constructions	20 years
Furniture & equipment	3 years
Motor vehicles	4 years
Fixtures & fittings held for trade purposes	4 years
Fitted kitchen	10 years

**WARWICK INDEPENDENT SCHOOLS FOUNDATION**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2009**

**1. STATEMENT OF ACCOUNTING POLICIES - continued**

**(i) Investments**

Investments are stated at market value

Unit trust investments are stated at mid-market price

Realised gains and losses on investments, calculated as the difference between the sale proceeds and their market value at the start of the period, or subsequent cost, are credited or charged to the SOFA in the period of gain or loss

Unrealised gains and losses representing the movement in market values during the period are credited or charged to the SOFA in the period of gain or loss

**(j) Stock**

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks

**(k) Fund Accounting**

Unrestricted funds are available for use at the discretion of the Trustees in furtherance of the general object of the Charity. Unrestricted funds are identified as either Designated Funds or General Funds. Designated Funds represent funds that the Trustees have set aside for defined purposes. Certain elements of the Designated Bursary Funds are subject to restrictions set out in the Memorandum and Articles of Association. Each Designated Fund is disclosed separately in the notes to the financial statements. There is a commitment to use these monies in future years, as designated. General Funds represent accumulated surpluses/deficits to date, after transfers to Designated Funds.

Restricted Funds are subject to specific restrictions imposed by donors.

The Endowment Funds are permanent endowment funds, ie the donors have stated that the funds are to be held as capital.

**WARWICK INDEPENDENT SCHOOLS FOUNDATION**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2009**

**2. FEES RECEIVABLE**

	2009 £'000	2008 £'000
Fees	20,844	19,671
Less Teachers Fee Remission	289	281
Less Scholarships and Bursaries	1,509	1,303
	<u>19,046</u>	<u>18,087</u>

**3. OTHER INCOME**

	2009 £'000	2008 £'000
<b>Charitable Activities</b>		
Other educational charitable activities		
Entrance and registration fees	34	40
Music tuition fees	475	440
Summer School and Easter Action	194	164
Other	268	154
	<u>971</u>	<u>798</u>
Other ancillary activities		
Insurance commissions	26	28
Excursions	641	746
	<u>1,638</u>	<u>1,572</u>
<b>Other activities to generate funds</b>		
Letting of Premises & Function Catering	79	77
Rental of Domestic Properties	50	32
	<u>129</u>	<u>109</u>

**4. INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES**

The Charity owns the whole of the £1 ordinary share capital of Warwick Schools Enterprises Limited. The principal activity of the company is that of letting the school facilities and the operation of a school clothing shop.

The trading results for the period, extracted from the audited accounts, are summarised below:

	2009 £'000	2008 £'000
Turnover	473	466
Operating costs	-424	-404
Profit from continuing activities	49	62
Covenanted donation gross	-49	-62
Balance carried forward	-	-

Warwick Schools Enterprises Limited makes a gift aid donation of any surplus earned to its parent, Warwick Independent Schools Foundation. This amounted to £49,000 (2008: £62,000) to the Charity during the year.

The net assets of Warwick Schools Enterprises Limited at 31 July 2009 amounted to £19,067 (2008: £18,722).

**WARWICK INDEPENDENT SCHOOLS FOUNDATION**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2009**

**5. INVESTMENT INCOME**

	Unrestricted £'000	Restricted £'000	2009 Total £'000	2008 Total £'000
UK Fixed Interest	25	-	25	39
UK Equities	151	-	151	146
Unit Trusts	-	5	5	5
COIF Funds	-	14	14	18
COIF Property Fund	39	-	39	47
Bank Interest	105	-	105	157
	<u>320</u>	<u>19</u>	<u>339</u>	<u>412</u>

**6. BANK & OTHER INTEREST**

	2009 £'000	2008 £'000
Bank Interest	<u>70</u>	<u>163</u>

**7. EXPENDITURE**

	2009 £'000	2008 £'000
<b>Charitable expenditure includes:</b>		
Auditors' remuneration		
For audit	26	30
For audit of subsidiaries	1	1
For other services	12	-
Operating Leases Payable		
For Motor Vehicles	22	16
For Property	58	58
Depreciation	<u>830</u>	<u>740</u>
	2009 £'000	2008 £'000
Total staff costs comprised		
Wages and salaries	11,550	10,941
Social security costs	843	811
Pension contributions	1,374	1,448
Compensation for Loss of Office	<u>95</u>	<u>11</u>
	<u>13,862</u>	<u>13,211</u>

The average number of employees in the year was 374 (2008 – 360 restated) of which 214 (209) were teaching staff. Neither the governors nor persons connected with them received any remuneration or other benefits from the Schools or any connected organisation. Travelling expenses amounting to £1,237 (2008 – £1,412) were reimbursed to five governors (2008 – three).

The number of higher paid employees was

	2009	2008
£60,000 - £70,000	3	1
£70,000 - £80,000	-	2
£80,000 - £90,000	3	1
£90,000 - £100,000	-	1
£100,000 - £110,000	<u>1</u>	<u>-</u>

All the above higher paid employees are accruing benefits under Defined Benefit Schemes



**WARWICK INDEPENDENT SCHOOLS FOUNDATION**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2009**

**8. ANALYSIS OF TOTAL RESOURCES EXPENDED**

	Staff Costs £'000	Other £'000	Depreciation £'000	2009 Total £'000	2008 Total £'000
Costs of generating funds					
Other Activities	-	17	9	26	22
Cost of Development Office	62	35	-	97	91
<b>Total for Charity</b>	<b>62</b>	<b>52</b>	<b>9</b>	<b>123</b>	<b>113</b>
Trading costs of the subsidiary	125	292	7	424	407
<b>Total for Group</b>	<b>187</b>	<b>344</b>	<b>16</b>	<b>547</b>	<b>520</b>
Charitable activities					
Teaching	10,652	1,904	-	12,556	12,018
Welfare	577	616	-	1,193	1,171
Premises	879	1,913	814	3,606	3,605
Support costs	1,567	1,309	-	2,876	2,731
Financing Costs	-	224	-	224	21
Prizes & other awards	-	9	-	9	12
	<u>13,675</u>	<u>5,975</u>	<u>814</u>	<u>20,464</u>	<u>19,558</u>
Governance	-	115	-	115	143
<b>Total</b>	<b><u>13,675</u></b>	<b><u>6,090</u></b>	<b><u>814</u></b>	<b><u>20,579</u></b>	<b><u>19,701</u></b>
<b>Total Resources expended Group</b>	<b><u>13,862</u></b>	<b><u>6,434</u></b>	<b><u>830</u></b>	<b><u>21,126</u></b>	<b><u>20,221</u></b>
<b>Charity</b>	<b><u>13,737</u></b>	<b><u>6,142</u></b>	<b><u>823</u></b>	<b><u>20,702</u></b>	<b><u>19,814</u></b>

**WARWICK INDEPENDENT SCHOOLS FOUNDATION**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2009**

**9. TANGIBLE FIXED ASSETS**

	Land & Buildings	Furniture & Equipment	Motor Vehicles	Assets in Course of Construction	Charity Total
	£'000	£'000	£'000	£'000	£'000
<b>COST</b>					
At 1 August 2008	34,730	273	45	3,826	38,874
Additions	-	7	6	3,545	3,558
Disposals	-	-	-	-	-
Reclassification	4,248	-	-	-4,248	-
At 31 July 2009	<u>38,978</u>	<u>280</u>	<u>51</u>	<u>3,123</u>	<u>42,432</u>
<b>DEPRECIATION</b>					
At 1 August 2008	3,888	214	42	-	4,144
Charge for year	810	8	5	-	823
On Disposals	-	-	-	-	-
At 31 July 2009	<u>4,698</u>	<u>222</u>	<u>47</u>	<u>-</u>	<u>4,967</u>
<b>NET BOOK VALUES</b>					
At 31 July 2009	<u>34,280</u>	<u>58</u>	<u>4</u>	<u>3,123</u>	<u>37,465</u>
At 31 July 2008	<u>30,842</u>	<u>59</u>	<u>3</u>	<u>3,826</u>	<u>34,730</u>

  

	Charity Total	Subsidiary Furniture, Fittings & Equipment	Group Total
	£'000	£'000	£'000
<b>COST</b>			
At 1 August 2008	38,874	57	38,931
Additions	3,558	5	3,563
Disposals	-	-	-
Reclassification	-	-	-
At 31 July 2009	<u>42,432</u>	<u>62</u>	<u>42,494</u>
<b>DEPRECIATION</b>			
At 1 August 2008	4,144	26	4,170
Charge for year	823	7	830
On Disposals	-	-	-
At 31 July 2009	<u>4,967</u>	<u>33</u>	<u>5,000</u>
<b>NET BOOK VALUES</b>			
At 31 July 2009	<u>37,465</u>	<u>29</u>	<u>37,494</u>
At 31 July 2008	<u>34,730</u>	<u>31</u>	<u>34,761</u>

Included in the net book value of land and buildings is £1,709,620 (2008 £1,821,050) in respect of long leasehold buildings

**WARWICK INDEPENDENT SCHOOLS FOUNDATION**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2009**

**10. INVESTMENTS**

	Unrestricted Designated £'000	Endowed Funds £'000	Total £'000
<b>Group:</b>			
Balance at 1 August 2008	8,903	709	9,612
Additions	1,273	-	1,273
Disposals at opening market value	-1,078	-	-1,078
Movements in cash deposits	-105	-	-105
Unrealised gains/(losses)	-404	-101	-505
Balance at 31 July 2009	<u>8,589</u>	<u>608</u>	<u>9,197</u>
 Listed on the Stock Exchange	 4,687	 548	 5,235
Property	914	-	914
Cash deposits	<u>2,988</u>	<u>60</u>	<u>3,048</u>
 Listed Securities Comprise			
UK Fixed Interest	281	-	281
UK Equities	3,993	28	4,021
Property Fund	413	-	413
Unit Trusts	-	264	264
Balanced Growth Funds	-	256	256
	<u>4,687</u>	<u>548</u>	<u>5,235</u>

**Charity:** as above

Investment in subsidiary company (see note 4)

The following investments are held which represent more than 5% of the total market value of investments held

	2009 £'000	2008 £'000
COIF Stocks	264	304
6 25% Treasury Stock 2010	-	341
COIF Property Fund Income Units	413	598
28/32 Chapel Street*	752	752
42 Chapel Street*	162	-
	<u>1,591</u>	<u>1,995</u>

\*The properties are valued at cost The directors do not consider that the market value will have materially changed from purchase cost

**11. STOCKS**

	<b>Group</b>		<b>Charity</b>	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Goods for resale and consumables	<u>51</u>	<u>51</u>	<u>-</u>	<u>-</u>

# WARWICK INDEPENDENT SCHOOLS FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2009

### 12. DEBTORS

	Group		Charity	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
School Fees	216	284	216	284
Trade debtors	35	35	-	-
Other debtors	3	3	-	-
Prepayments	286	394	286	394
Amount due from subsidiary undertaking	-	-	93	112
VAT	-	5	-	5
Accrued Charitable Income	303	310	303	310
	<u>843</u>	<u>1,031</u>	<u>898</u>	<u>1,105</u>

Included within Amount due from subsidiary undertaking is £9,075 (2008 £13,425) falling due after more than one year. This relates to a loan made by the Charity to Warwick School Enterprises Limited which is to be repaid by September 2012. Interest is charged at a rate of 6%. At 31<sup>st</sup> July 2009 the balance outstanding on the loan was £13,203 (2008 £17,955).

### 13. CREDITORS due within one year

	Group		Charity	
	2009	2008	2009	2008
	£'000	£'000	£'000	£'000
Fees received in advance & Deposits	60	100	60	100
Trade creditors	762	799	757	766
Taxation and social security	282	278	276	270
Capital expenditure	310	531	310	531
Other creditors and accruals	957	597	925	584
Salaries	915	770	915	770
	<u>3,286</u>	<u>3,075</u>	<u>3,243</u>	<u>3,021</u>

### CREDITORS due after one year

Grants received	15	19	-	-
Fees received in advance & Deposits	1,137	1,037	1,137	1,037
Bank Loan	4,348	1,505	4,348	1,505
	<u>5,500</u>	<u>2,561</u>	<u>5,485</u>	<u>2,542</u>

The grant is in respect of the kitchen refurbishment at Guy Nelson Hall. It is being amortised in line with the depreciation of the kitchen over 10 years.

The bank loan is secured on the portfolio of investments which must be a minimum of £3 million. The initial payment on the Bank Loan will be made in July 2011 and is repayable over 20 years from that date. Interest is payable at 0.625% above base rate.

The bank loan falls due as follows -

	2009	2008
	£'000	£'000
Between one and two years	-	-
Between two and five years	870	1,505
Over five years	3,478	-
	<u>4,348</u>	<u>1,505</u>

**WARWICK INDEPENDENT SCHOOLS FOUNDATION**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2009**

**14. NET ASSETS OF THE FUNDS OF THE CHARITY**

The net assets are held for the various funds as follows

	Fixed Assets	Investments	Net Current Assets	Long Term Liabilities	Total
	£'000	£'000	£'000	£'000	£'000
Endowed funds	2,383	608	13	-	3,004
Restricted funds	-	-	138	-	138
Unrestricted funds					
- Bursary funds	666	8,589	72	-	9,327
- other	34,416	-	2,474	-8,165	28,725
<b>Charity</b>	<b>37,465</b>	<b>9,197</b>	<b>2,697</b>	<b>-8,165</b>	<b>41,194</b>
Subsidiary Reserves	29	-	5	-15	19
<b>Group</b>	<b>37,494</b>	<b>9,197</b>	<b>2,702</b>	<b>-8,180</b>	<b>41,213</b>

**14a ENDOWED FUNDS: MOVEMENTS IN THE YEAR**

	Balance at 1 August 2008	Incoming Resources	Resources Expended	Transfers & Investment Gains	Balance 31 July 2009
	£'000	£'000	£'000	£'000	£'000
Exhibitions & prizes fund	203	-	-	-23	180
Legacy funds	506	10	-	-75	441
Fixed assets fund	2,410	-	-27	-	2,383
	<u>3,119</u>	<u>10</u>	<u>-27</u>	<u>-98</u>	<u>3,004</u>

Legacy, Exhibitions & Prizes – These Funds represent the capital value of amounts originally donated for the purpose of generating income to be distributed as prizes

Fixed Assets - The Endowed funds represent the value of land and buildings originally endowed to the schools of the Charity

**14b RESTRICTED FUNDS: MOVEMENTS IN THE YEAR**

	Balance at 1 August 2008	Incoming Resources	Resources Expended	Transfers	Balance 31 July 2009
	£'000	£'000	£'000	£'000	£'000
Friends of Warwick School					
Donations	11	19	-17	-	13
Old Warwickian Assoc	-	12	-12	-	-
Parent Donation	2	-	-1	-	1
MEF Donation	-	60	-60	-	-
Fundraising	-	120	-	-120	-
Borough Bursary Fund	114	568	-	-558	124
Income from Legacy Funds & Prizes	-	19	-5	-14	-
	<u>127</u>	<u>798</u>	<u>-95</u>	<u>-692</u>	<u>138</u>

These Funds represent the money donated to the schools by the parents association of Warwick School, a contribution from the OWA towards running alumni services and a contribution from the Memorial Endowment Fund towards organ refurbishment and computer equipment, a parental donation in respect of a specific year group and accumulated funds resulting from campaigns run by the Schools' Development Office. These funds must be applied to the projects specified by the donor.

The Borough Bursary Fund relates to the funds received from two charitable bodies, these funds must be used to help pupils who attend the school and live within the old borough of Warwick.

The transfers represent the matching of the fund income to the relevant resources expended by the Schools.

# WARWICK INDEPENDENT SCHOOLS FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2009

### 14c. UNRESTRICTED FUNDS

	Balance at 1 August 2008 £'000	Incoming Resources £'000	Resources Expended £'000	Transfers £'000	Investment Losses £'000	Balance 31 July 2009 £'000
Designated Funds						
Bursary Fund						
Warwick School	5,479	225	-685	875	-298	5,596
King's High School	3,002	121	-380	482	-160	3,065
Fixed Asset loans	980	-	-	-314	-	666
Fixed assets	31,340	-	-	3,076	-	34,416
Repairs & Maintenance Fund	84	24	-21	-	-	87
Unrestricted Funds						
Free Reserves	-1,365	20,858	-19,209	-3,382	-	-3,098
<b>Charity</b>	39,520	21,228	-20,295	737	-458	40,732
Subsidiary trading funds	18	473	-424	-48	-	19
	39,538	21,701	-20,719	689	-458	40,751
Pension Reserve Deficit	-2,345	-	-285	-	-50	-2,680
<b>Group</b>	37,193	21,701	-21,004	689	-508	38,071

Bursary Funds – These funds enable the Governors to provide such number of free and assisted places in the Schools of the Charity as they shall determine, for the benefit of pupils who are in need of financial assistance. Funds may be used to advance loans to the Schools to assist in the purchase of fixed assets. Interest rates and repayment periods for such loans are based on commercial terms.

Fixed Assets – These represent the net book value of the unendowed assets available for use by the Charity, excluding assets funded out of Bursary Funds.

Repairs and Maintenance Fund – This fund is being accumulated from net rental income to finance future repairs and maintenance.

### 15. CAPITAL COMMITMENTS

	2009 £'000	2008 £'000
Authorised and contracted for		
Creative Arts Centre, King's High School	347	3,126
Maths Block, Warwick School	-	220
Arts, Ceramics & Student Support	-	588
Hogan Centre Refurbishment	-	236

# WARWICK INDEPENDENT SCHOOLS FOUNDATION

## NOTES TO THE ACCOUNTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2009

### 16. OPERATING LEASE COMMITMENTS

At 31 July 2009, the Charity had the following annual commitments under non-cancellable operating leases

Group	Property		Other	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Operating leases which expire				
Within one year	21	-	-	-
Within two to five years	-	26	24	18
After five years	32	32	-	-
Charity	Property		Other	
	2009 £'000	2008 £'000	2009 £'000	2008 £'000
Operating leases which expire				
Within one year	21	-	-	-
Within two to five years	-	26	22	16
After five years	32	32	-	-

### 17. TAXATION

No corporation tax has been provided for in these accounts because income of the Charity is within the exemptions granted by Section 505 of the Income and Corporation Taxes Act 1988. The Charity has borne VAT on its expenditure where appropriate.

The trading subsidiary provides for corporation tax as applicable, nil this year. It is also registered for VAT.

### 18. PRINCIPAL SUBSIDIARIES

Company name	Percentage Shareholding	Description	Principal Activity
Warwick Schools Enterprises Limited	100%	£1 Ordinary share capital	Letting of school facilities and operation of school clothing shop
Campus Library Services Limited	100%	£1 Ordinary share capital	Dormant

The Charity is also the corporate trustee of the Warwick Schools Foundation Trust.

These financial statements include the results of the above companies, with the exception of the dormant company.

### 19. CONNECTED CHARITY

Warwick Scholarship Trust, a registered charity and company limited by guarantee, was incorporated on 27 June 2003. The objects of the charity are to further the education of children by awarding scholarships, bursaries and other financial assistance to persons under the age of 19 who attend any of the schools of Warwick Independent Schools Foundation and who are in need of financial assistance. The Memorandum and Articles provide that Warwick Independent Schools Foundation must appoint 7 out of the 9 trustees. Accordingly the Governors consider that Warwick Scholarship Trust is a connected charity. However, no material financial transactions had taken place by 31 July 2009 and therefore consolidated accounts have not been prepared.

**WARWICK INDEPENDENT SCHOOLS FOUNDATION**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2009**

**20. PENSION SCHEMES**

The Schools participate in the Teachers' Pension Scheme (England and Wales) ("the Scheme"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to identify the assets and liabilities of the Scheme that are attributable to the Schools.

The latest actuarial valuation of the Scheme by the Government Actuary issued in October 2006 relating to the period 1 April 2001 to 31 March 2004 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) exceeded the value of the Scheme's assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) by 2.0 %.

From 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the standard contribution has been assessed at 19.75%, with a supplementary contribution of 0.75% to balance the Scheme's assets and liabilities within 15 years as required by the regulations. This translates into an employer contribution rate of 14.1% and an employee contribution rate of 6.4%. The cost-sharing agreement has also introduced – effective for the first time from the 2008 valuation – a 14% cap on employer contributions payable. The valuation of the Scheme by the Government Actuary as at 31 March 2008 is expected to be issued early in 2010.

The pension charge for the year includes contributions payable to the scheme of £906,000 (2008 £988,000).

Other members of staff are entitled to belong to the Warwickshire County Council Pension Fund, a multi-employer defined benefit scheme operated within the Local Government Scheme, to which contributions are made by both employees and the employer. The basis of contribution to the Scheme is calculated according to the advice of the Scheme actuary. The cost of providing such pensions is charged on a systematic basis over the average remaining service life of the members.

The last full actuarial valuation of the Scheme was carried out on the effective date of 31 March 2007 when the assets of the Scheme were not deemed sufficient to cover its accrued liabilities. The employers have accordingly amended their rate of contribution to the scheme in line with advice from the actuary. The market value of the Scheme's assets at 31 March 2007 was £1,001 million. The next actuarial review will be as at 31 March 2010.

The valuation method adopted was the Projected Unit Method and it was assumed, in relation to security of both accrued and protected rights that the Scheme would continue.

In accordance with FRS 17 the pension valuation has been updated by the qualified actuary. The scheme's assets and liabilities relating to Warwick Independent Schools Foundation were found to be as follows:

	31 July 2009	31 July 2008	31 July 2007	31 July 2006	31 July 2005
	£'000	£'000	£'000	£'000	£'000
Total market value of assets	5,452	5,486	5,380	4,731	3,863
Present value of scheme liabilities	-8,132	-7,831	-6,298	-5,676	-4,766
(Deficit) in scheme	-2,680	-2,345	-918	-945	-903



**WARWICK INDEPENDENT SCHOOLS FOUNDATION**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2009**

**20. PENSION SCHEMES - continued**

The main financial assumptions made by the actuary at the beginning of the period and at the balance sheet date were as follows:-

	2009	2008
	%	%
Inflation	3.7	3.8
Rate of increase in salaries	5.45	5.55
Rate of increase for pensions	3.7	3.8
Discount rate for liabilities	6.3	5.9

Life expectations on retirements age 65 -

	2009	2008
	Years	Years
Male currently age 45	22.2	22.2
Female currently age 45	25	25
Male currently age 65	21.2	21.1
Female currently age 65	24	24

**Fair value of assets and expected rate of return**

	31 July 2009		31 July 2008		31 July 2007	
	Fair value	Expected rate of return	Fair value	Expected rate of return	Fair value	Expected rate of return
	£'000	%	£'000	%	£'000	%
Equities	3,390	7.5	3,511	7.5	3,551	7.5
Government bonds	562	4.5	494	4.8	726	4.9
Other bonds	840	5.8	878	5.9	516	5.8
Property	213	6.5	219	6.5	194	6.5
Cash/Liquidity	142	0.5	110	5.0	129	5.75
Other	305	7.5	274	7.5	264	7.5
<b>Total</b>	<b>5,452</b>		<b>5,486</b>		<b>5,380</b>	

	31 July 2006		31 July 2005	
	Fair value	Expected rate of return	Fair value	Expected rate of return
	£'000	%	£'000	%
Equities	3,685	7.0	2,901	7.5
Government bonds	388	4.4	340	4.4
Other bonds	615	5.1	541	5.0
Property	-	6.5	-	6.5
Cash/Liquidity	43	4.5	81	4.8
Other	-	-	-	-
<b>Total</b>	<b>4,731</b>		<b>3,863</b>	

**WARWICK INDEPENDENT SCHOOLS FOUNDATION**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2009**

**20. PENSION SCHEMES - continued**

The overall expected rate of return on the scheme assets is determined based on market expectations at the beginning of the period, for investment returns over the entire life of the related obligation. The assumption used is the average of the above assumptions appropriate to the individual asset classes weighted by the proportion of the assets in the particular asset class

	2009 £'000	2008 £'000
The actual return on the scheme assets in the year	-382	-301

**Changes in the fair value of the scheme assets are as follows:-**

	2009 £'000	2008 £'000
Opening value of scheme assets	5,486	5,380
Restatement of opening fair value of scheme		
Assets after actuarial valuation	-	-16
Expected return on scheme assets	368	362
Actuarial (losses)/gains	-750	-661
Contributions by employer	300	262
Contributions by employees	145	125
Benefits paid	-97	34
	<u>5,452</u>	<u>5,486</u>

**Changes in the present value of the scheme liabilities are as follows:-**

	2009 £'000	2008 £'000
Opening liabilities	7,831	6,298
Current service cost	476	376
Interest cost	477	381
Contributions by employees	145	125
Past service costs	-	75
Actuarial (losses)/gains	-700	542
Benefits paid	-97	34
	<u>8,132</u>	<u>7,831</u>

**The charge to the Statement of Financial Activities over the financial year comprised:-**

	2009 £'000	2008 £'000
Schools and grant making		
Current service cost	476	376
Past service cost	-	75
Expected return on pension scheme accounts	477	-
Interest on pension scheme liabilities	-368	-
	<u>585</u>	<u>451</u>
Bank and other interest		
Expected return on pension scheme accounts	-	362
Interest on pension scheme liabilities	-	-381
Net return	<u>-</u>	<u>-19</u>
Total charge to expenditure in SOFA	<u>585</u>	<u>470</u>

**WARWICK INDEPENDENT SCHOOLS FOUNDATION**  
**NOTES TO THE ACCOUNTS (CONTINUED)**  
**FOR THE YEAR ENDED 31 JULY 2009**

**20. PENSION SCHEMES - continued**

The actuarial gains and losses shown in the Statement of Financial Activities comprised:-

	2009 £'000	2008 £'000	2007 £'000	2006 £'000	2005 £'000
Experience gains and losses on scheme assets	-750	-661	131	304	387
Experience gains and losses on scheme liabilities	-	13	-	-163	-95
Effects of change of demographic and financial assumptions underlying the present value of the scheme liabilities	700	-555	23	-177	-408
Total amount recognised in the Statement of financial activities	-50	-1,203	154	-36	-116

Employers' contributions for the period to 31 July 2009 were £292,000 (2008 £254,000). The contribution until 31 March 2008 was 12.7%, in April 2008 this increased to 13.2%. The best estimate of employer contributions for the coming year to 31 July 2010 is £310,000. The scheme is open to new members.

**21. RECONCILIATION OF SURPLUS BEFORE APPROPRIATIONS TO NET CASH FLOW FROM GROUP OPERATIONS**

	2009 £'000	2008 £'000
Net incoming resources	1,383	1,552
Interest receivable	-409	-575
Interest paid	109	-
Depreciation	830	740
(Increase) in stock	-	-12
Increase in creditors	307	910
Decrease/(Increase) in debtors	188	-182
Movement in Pension deficit before actuarial gain and interest	285	205
	<u>2,693</u>	<u>2,638</u>

**22. ANALYSIS OF CHANGES IN NET CASH RESOURCES OF THE GROUP**

	Balance at 1 August 2008 £'000	Cash (out)/ inflow £'000	Balance at 31 July 2009 £'000
Cash at Bank	2,965	2,129	5,094
Debt due after one year	-1,505	-2,843	-4,348
	<u>1,460</u>	<u>-714</u>	<u>746</u>