

REGISTERED COMPANY NUMBER: SC026589 (Scotland)
REGISTERED CHARITY NUMBER: SC005052

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED
30 JUNE 2019
FOR**

WELLINGTON SCHOOL (AYR) LIMITED

Galbraith Pritchards
Chartered Accountants & Statutory Auditor
20 Barns Street
Ayr
Ayrshire
KA7 1XA

WELLINGTON SCHOOL (AYR) LIMITED

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FOR THE YEAR ENDED 30 JUNE 2019**

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WELLINGTON SCHOOL (AYR) LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2019**

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 30 June 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

WELLINGTON SCHOOL (AYR) LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Charity's principal objects reflect the ethos of a modern Independent School in the 21st century:-

"3. The Objects for which the Company is established are:-

3.1 The advancement of education for the public benefit by:

(a) promoting education in all its branches through carrying on and operating Wellington School (the "School") as a co-educational day school for boys and girls from ages 3 to 18 (the "Students");

(b) co-operating with other educational bodies, both public and private, in teacher training and curriculum development;

3.2 The advancement of citizenship and community development for the public benefit by:

(a) promoting volunteering and community involvement amongst the Students; and

(b) making the School's facilities available to community organisations when not otherwise required in connection with the School's objects set out in Clause 3.1 above."

As a charity, the School is regulated by the Office of the Scottish Charity Regulator (OSCR). Following an OSCR review, issue of a direction and corrective action by the School, Wellington School passed the Charity Test on 1 May 2014.

The School's mission statement seeks to help provide pupils with a basis on which they can lead a successful adult life by:

- fulfilling their academic potential;
- developing interests which will enrich life at school and beyond;
- having a curriculum appropriate to the world of the future;
- promoting confidence and high self-esteem;
- teaching them to act and think in an independent and resourceful manner;
- encouraging a caring attitude towards each other and the wider community and
- instilling a sense of duty and providing opportunities for service to the world at large.

The School endeavours to achieve these aims by providing the best possible learning environment in which young people can thrive, supported by a productive partnership involving themselves, their parents and the staff of the School. The ethos of Wellington School attaches great importance to values and the School is a place that operates on principles of courtesy, tolerance and consideration for others, and where pupils are expected to demonstrate a high standard of behaviour at all times and to treat those around them with respect and kindness. The School is fully committed to the Curriculum for Excellence and to developing pupils who are confident, successful, responsible and effective contributors to society.

The Company seeks to make a surplus each year which is entirely re-invested in the School in order to maintain and enhance the educational supply, in its widest form. The Company has no endowed funds or trusts, and has only annual surpluses to fulfil its objects. As well as their duty to maintain investment in the School's fabric, the Directors have endeavoured over recent years, to significantly widen access to the local community by offering bursaries to those in financial need, who may not otherwise be able to give their child an independent schooling. The School is reassured that OSCR has recognised those efforts.

Means-tested financial assistance

In 2018/19, there were 96 pupils (2017/18 - 89 pupils) in receipt of means-tested assistance representing a total means-tested assistance actual spend (fees plus uniforms, travel etc.) of £558,701 (2017/18 - £482,779). This represents 9.9% of total School income less restricted funds, of £5,612,348 in 2018/19 (8.4% in 2017/18). The 96 pupils represent 21% of the School Roll, excluding the Nursery (19% incl Nursery). The range of Bursary awards is as follows:

0-20% 10 beneficiaries

21-40% 28 beneficiaries

41-60% 39 beneficiaries

61-80% 9 beneficiaries

81-100% 10 beneficiaries (of whom 4 received 100%)

WELLINGTON SCHOOL (AYR) LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019

OBJECTIVES AND ACTIVITIES

Objectives and aims

The Board's Bursary Policy which was updated in October 2015, explains both the policy and practice covering full and partial bursaries, availability to existing families who experience financial difficulty as well as new families to the School and the extension of financial assistance into the Junior School. Bursaries are typically awarded with an expectation that assistance will be maintained for as long as the pupil remains at Wellington School. All awards are means-tested and are subject to review. The annual review is undertaken by the Bursary Committee and consideration is given to financial need, academic progress, behaviour, attendance and contribution to the wider school community.

The Bursary programme is communicated to all interested parties via an extensive advertising programme each autumn which is aimed at both existing and prospective parents and typically utilises press, radio, bus advertising amongst many other modes of communication. This generates good numbers of applications for means tested assistance each year.

Non means-tested financial assistance

The only remaining form of non means-tested assistance is sibling discount. In total, these awards were made to 97 children and amounted to £58,860 in 2018/19. These awards benefitted 19% of the School Roll, including Nursery, and amounted to 1.05% of total School income, less restricted funds.

Substantial funds are made available each year for staff training, over and above the in-service training provided in school.

The School timetable is reviewed every year to ensure maximum flexibility in subject choices whilst also taking due cognisance of teaching staff resources.

Along with investment in staff, the Company is continually re-investing in the facilities and fabric of the School and its equipment, to keep these as up to date and efficient as possible.

Volunteers

Members of the Governing Body did not receive any payment for the work they carried out in that capacity for the charity in the year ending 30 June 2019. In addition, a large number of parents gave their time voluntarily in assisting the School with the supervision of excursions and extra-curricular sporting activities.

STRATEGIC REPORT

Achievement and performance

2018/19 was another good year for the School, but the financial climate continues to prove challenging. Whilst pupil numbers in the Senior School are strong, recruitment in the early years is increasingly difficult. This is reflected in the fact that the School now has only single classes in P1, P2 and P3. For the second consecutive year, however, three P7 classes have been required in order to meet demand.

Key elements underpinning the School's achievements include:-

- A capable and well-structured Senior Management Team made up of the Head, Deputy Head, Assistant Head (Academic), Assistant Head (Wellbeing), Head of the Junior School and Bursar.
- Strong pastoral middle management in the form of Heads of Year, overseen by the Assistant Head (Wellbeing).
- Expert curricular leadership through the retention of Heads of Department for individual subjects, ensuring a commitment to the highest academic standards.
- Senior School Heads of Department oversee curricular planning throughout the 3-18 school, particularly in Science, Modern Languages and the Expressive subjects.
- Objective externally verified tests (CATS) are used at various stages 3-14 in order to provide baseline data and facilitate progress tracking and curricular planning.
- Parent Focus Groups provide the opportunity for parents to ask questions, express opinions and discuss any area of interest or concern, pastoral or curricular. Focus Groups are in place throughout the School - Nursery, P1-P6, P7, S1/2, S3/4 and S5/6.
- A full programme of Parents' Evenings and Information Evenings provide parents with detailed feedback on the progress of their children and regular, timely advice at significant points in the year.

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2019**

STRATEGIC REPORT

Achievement and performance

- Strategic sessions are provided for parents and pupils regarding Option Choices: S2 for S3/4, S4 for S5, S5 for S6. Personal interviews with senior staff are arranged for each pupil, with his or her parents, in S2 and S4.
- Consistent homework experience from 3-18; use of 'homework diaries'.
- Improved consistency and quality of subject/course specific information for parents from 3-18 has meant parents and pupils are better informed at the time of option choices.
- A comprehensive system of departmental review is in place to monitor performance and promote self-evaluation. Heads of Department complete a detailed report on the work of the last session, which is then discussed at a meeting with the Head and the SMT Departmental Link. Subsequently, targets are agreed for the forthcoming session.
- A staff PRD Committee continues to monitor and review the procedures implemented in accordance with national GTCS requirements.
- Regular additional Junior School INSET sessions take place outwith normal timetable to coordinate and promote good practice.
- In-Service Days allow whole school discussion and feedback of good practice 3-18.
- The School uses Groupcall Messenger extensively in order to communicate more easily with parents via email, text and Groupcall's own 'Expressions' App.
- The Modern Language curriculum gives all pupils tuition in French from P1 and enables all pupils to begin two further languages (from German, Spanish and Latin) from S1.
- There has been significant development in the use of social media. The School now has a strong digital marketing programme across a range of channels, including Facebook, Twitter and Instagram.
- The School's traditional publication 'The Turret' continues to evolve and there are both Winter and Summer editions.
- A fresh, new printed Prospectus was published in April 2017 to showcase the School for prospective families, alongside the website.
- A strategic plan has been put in place to re-launch the School's FP operations and to re-connect with former pupils. An inaugural lunch was held in October 2018.

The School roll was 515 at the end of June 2019 (535 at June 2018). Pupil numbers for the relevant year groups are shown below:

Nursery and Junior school 260

Senior School 255

The Board is aware that the School continues to operate in a challenging economic climate and the School has worked hard to maintain numbers since the downturn in the economy. Interest in the School remains strong, however, and there is evidence to confirm the continuing appeal of the School, its staff, ethos and approach. Significant steps have been taken to develop the way in which the School is marketed and this continues to have a positive impact.

In the June 2019 Scottish Qualifications Authority examinations, the results for the year were very pleasing and the School continues to be amongst the top performing schools in Scotland. The School's performance at Advanced Higher was excellent once again. 91% of Advanced Higher awards were passed with grades ABC, including 70% at grades AB and 48% at grade A. At S5 Higher, 90% of presentations resulted in a pass at grades ABC, including 78% at grades AB and 56% at grade A. Meanwhile, at S4 National 5, 92% of awards were at grades ABC, 82% at grades AB and 68% at grade A. Every sixth year pupil progressing to University or College received an offer of entry.

Pupils continue to be involved in a very wide range of activities, including sporting, musical, dramatic and artistic. Details of participation and achievement are documented in the "Turret" magazine and success is recognised in Assembly, at Speech Day and in a variety of other ways throughout the year. Many pupils, according to age, participate in the Duke of Edinburgh Award scheme, the John Muir Award scheme and the 'Junior Duke' scheme.

The School holds International School status, recently granted again by the British Council in recognition of its commitment to projects and partnerships with schools in other parts of the world. Many pupils benefit from their participation in overseas exchanges, projects and tours.

The Erasmus+ project 'Eurostronomia' is approaching its conclusion, but the School has been successful in obtaining funding for two further projects. The first of these, entitled 'Celebrating Success', helps to mark the 30 year anniversary of the partnership between Wellington School and the Mallinckrodt Gymnasium, Dortmund. The second, 'Small Countries, Strong Cultures', is a joint project with schools in Slovenia and Belgium.

WELLINGTON SCHOOL (AYR) LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019

STRATEGIC REPORT

Achievement and performance

In order to support its programme of Modern Languages teaching, the School maintains longstanding partnerships with schools in France, Germany, Slovenia and India, together with a number of other significant links.

On the charitable front the School raised in the region of £30,000 specifically for the Ayrshire Hospice in 2018/2019. Pupils also take part in a wide range of local community activities including musical performances for senior citizens, visiting and performing for nursing home residents and visiting and performing for the local hospice. Moreover, a large number of senior pupils undertake voluntary work in connection with the Duke of Edinburgh Award Scheme and their own preparation for university.

The School considers that it contributes to the public benefit and wider community in many ways. This was also recognised by OSCR in its Update Report in 2014, where it referred to "a large number of beneficiaries both within and outwith the School" and that the School's activities in that regard were "regular, scheduled and show a clear commitment by the School to opening up access to the benefit it provides for those who are unable to afford the fees".

Particular examples, with reference to its amended Object 3.1 "the advancement of education for the public benefit by:

(a) promoting education in all its branches through carrying on and operating Wellington School and (b) co-operating with other educational bodies, both public and private, in teacher training and curriculum development", include:

- Provision of student teacher placements for trainees from University Education faculties;
- Provision of probationer teacher appointments for newly qualified teachers from University Education faculties;
- Provision of work placement experience visits for pupils from other South Ayrshire schools and colleges;
- Regular provision of work placement experiences for trainee teachers linked to our partner school in Germany;
- Provision of a high quality Nursery and Woodland Nursery, recognised as "excellent" by the Care Inspectorate, in partnership with South Ayrshire Council;
- Organisation and delivery of in-service training courses for staff from our own School and other schools (both maintained and independent) and nurseries;
- Sharing resources and teaching strategies with colleagues from both independent and maintained schools and nurseries;
- Providing examiners, markers, setters and verifiers for SQA examinations;
- Provision of staff to develop and support the SQA and National Qualifications in a number of subjects via national Quality Development Teams and Subject Working Groups;
- Inviting all of Ayr, Troon and Prestwick's secondary schools to attend its Higher Education Fair, when representatives from most of Scotland's colleges and universities exhibit within the School;
- Organising and hosting a programming of specialist Debating and Public Speaking coaching sessions, attended also by pupils from a number of local South Ayrshire Schools.
- Since 2009/10, making its own expert Duke of Edinburgh staff and resources (e.g. minibuses) available to Ayr secondary schools, to train staff and pupils from those Schools and thereby enable them to deliver a fuller D of E experience to their own pupils;
- Hosting language assistants from the European Economic Area and thereby contributing to the training of teachers in Europe;
- Significant input and collaboration with European colleagues through the School's active participation in the Erasmus+ and UCAPE which brings together language teachers and senior management from a range of Schools throughout Europe. These programmes also advance education as they involve annual pupil exchanges and conferences which enable pupils from the participant countries, to meet, work, study and play together.
- In addition to the above Erasmus+/UCAPE programmes, the School also organises and hosts its own annual programme of exchange visits which enable around 40-50 pupils plus 3-4 staff to visit Wellington for around one week each year to learn about Scottish culture, language, specific subjects and enjoy sporting opportunities.
- School staff representing UCAPE at the Council of Europe Working Group on "Teaching in the 21st Century", undertaking translator duties and representing the British Council at the Scottish Learning Festival.
- Continued expansion of its collaboration with St Edmunds School in Jaipur, India. 2018/19 saw further staff exchanges taking place.

WELLINGTON SCHOOL (AYR) LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019

STRATEGIC REPORT

Achievement and performance

The School considers that it contributes to (as per amended Object 3.2) "the advancement of citizenship and community development for the public benefit by: (a) promoting volunteering and community involvement amongst the Students; and (b) making the School's facilities available to community organisations when not otherwise required to in connection with the School's objects set out in clause 3.1 above". It does so by:-

- Pupils delivering training at rugby, hockey, cricket, swimming, skating and football clubs throughout Ayrshire;
- Pupils assisting in the leadership of cubs, scouts, rainbows, brownies and guides throughout Ayrshire;
- Pupils providing a range of assistance to Ayr's charity shops including stocking shelves, dressing windows and operating tills;
- Pupils assisting in hospices, hospitals and care homes throughout Ayrshire;
- Pupils undertaking beach cleaning on Ayr beach and similar gardening, cleaning, litter-picking duties etc. in two local parks - Corsehill and Newton;
- Pupils undertaking conservation work in nearby forests;
- Pupils providing musical and vocal entertainment to a range of local charities, care homes, hospices and hospitals including Hansel Village, Ayr Hospice, Ayr Hospital, Cancer Research and Clic Sergeant;
- Charitable fundraising amounting to over £100k in just the past three years;
- Continuing collaboration with Ayr Rugby, leading to extensive sharing of resources including staff, coaches and pitches, both natural and all-weather;
- Letting of the School's Doonside all-weather surface to Ayr Hockey Club.
- Provision of its minibuses to various local groups and organisations;
- Extensive use of our educational and sporting facilities for a wide variety of local groups for educational, sporting and recreational use. In recent years, these have included:

Klezmer Band	North Ayrshire Young Fine Arts Society
Alloway Scout Troop	South Ayrshire Floral Art Society
Suzuki Violin School	Belmont High School
Ayr Art Circle	Ayr Rugby Club
Ayr Hockey Club	Ayr United Football
Wheelchairs for Ukraine	Rugby - International Youth Festival
Ayr and Prestwick Tennis Club	
Guildhall Trinity Music examinations	
Scottish Rugby Union	
Ayr Archery Club	

Improving Accessibility

- Widening access to the full educational facilities through the provision of a range of full, and partially funded, means-tested bursaries, available throughout the entire School from Primary 1 to Senior 6 to both new and existing parents;

General

- Provision of Independent schooling helps to retain and attract mid to high net-worth individuals to the community, to provide the mix required for a healthy local environment and with a consequent injection of funds into the local economy. The School is also a reasonable sized SME in Ayr with over 100 staff directly employed and a further 25 indirectly dependent upon the School - e.g. music instructors and catering staff.

WELLINGTON SCHOOL (AYR) LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019

STRATEGIC REPORT

Financial review

Financial position

The board was aware of the impending teachers' wage increase and had provided for the likely increase prior to the start of the current year. However, the increase proved to be greater than anticipated leading to a substantial increase in wages and pensions and national insurance contributions. As a result, there is a deficit for the current year of £276,241 for the year compared with a surplus for the previous year of £162,265.

The school continued to invest in improved facilities with capital expenditure during the year amounting to £233,212. The policy of improving the fabric of the school's buildings continued with repair expenditure totaling £365,882.

Inevitably, the loss and capital expenditure resulted in a reduction in cash reserves to £1,898,558 with overall reserves amounting to £4,816,131.

There is an ongoing demand for bursaries, which during the year amounted to £555,530 and represented 10.28% of school fees.

Every effort is being made to reduce overheads to ensure a return to profit. That is unlikely to be achieved during the current year and the loss of discretionary rate relief will be a further challenge for Wellington and all independent schools.

Principal funding sources

The main source of income for the charity is through the fee income charged for the provision of education. In the 2018-19 school year, the annual fees charged were:

Nursery	£6,000
Primary 1-2	£6,900
Primary 3	£8,850
Primary 4	£10,650
Primary 5	£11,250
Primary 6-7	£12,000
Senior 1-6	£12,900

Principal risks and uncertainties

The Governing Board, supported by the Headmaster, the Bursar, and the Senior Management Team of Deputy Head and Assistant Heads, regularly reviews the Company's activities with particular regard to risks that may arise and to the processes and procedures established to manage or mitigate such risks. Specific internal risks applicable to the operational running of the School are, in the first instance, monitored and reviewed by members of the Senior Management Team, whose policies and application of same are then overseen by the Board.

The Board through its deliberations, assesses the external risks affecting the Company, including financial stability, staffing, acts of God, protection of assets, changing legislation and the effects of a fall in the School roll, amongst others. These matters are dealt with on a frequent basis, in terms of reports and policy papers being regularly submitted by the Senior Management Team and risks considered by the Board. The Board also utilises guidance from the Scottish Council for Independent Schools, the Association of Governing Bodies of Independent Schools and the Office of the Scottish Charity Regulator. It also employs legal advisors on charity law, employment law and health and safety matters and employs specialist insurance brokers.

That said, the Board recognises the following as its key areas of risk:

1 Reducing/loss of pupil numbers - Although current pupil numbers are reasonable, the financial and political climate remains challenging. Rising costs in recent years have necessarily led to increased fees and this, in turn, has an impact on recruitment. The School, however, has implemented a number of measures to ensure that it remains attractive in the market place and improved online marketing has had a positive impact. While the Board continues to adopt a prudent approach to financial management, there is sufficient evidence to maintain a cautious optimism for the years ahead.

WELLINGTON SCHOOL (AYR) LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019

STRATEGIC REPORT

Principal risks and uncertainties

2 Increasing staff costs - Staff costs remain the single largest expenditure heading and these continue to rise. As Wellington teachers' salaries are tied to SNCT national scales, close attention is paid to any national negotiations and decisions regarding pay awards. Similarly, the teaching staff are aligned to the Scottish Teachers Pension Scheme 2015 (replacing the Scottish Teachers Superannuation Scheme) with consequent determination of the employer's contribution rates. All vacancies are therefore analysed carefully before the need to recruit is confirmed. Staff age profile, progression and incremental drift are closely monitored. As indicated elsewhere, the forthcoming increases both to teacher salaries and employer pension contributions are likely to be considerable and corresponding fee increases are unavoidable.

3 Ageing buildings with high maintenance costs - The age of the School's main buildings is such that there is always the possibility of major repairs being required. To mitigate this risk and to ensure that the quality of accommodation remains high, the School has in place regular maintenance and review schedules (including annual, six-monthly and monthly) in place for all electrical, central heating, fire and security systems. Preventative annual maintenance work schedules are in place for roofs, stonework and windows. Similarly, there is an annual programme of painting and decorating, flooring, furniture and IT replacement and renewal.

4 Increased costs as a result of national changes - The recent Barclay Review of commercial rates, if implemented as proposed, will lead to increased annual costs of approximately £80k. Increased fees and/or a reduction in the funds allocated to Bursaries are the only way in which this new overhead can be met without a reduction in the School's educational offering.

Future plans

The Directors are satisfied that, having conducted a comprehensive skills audit and appointed two new members as a result in 2017/2018, and established a number of core Committees - Finance, Estates and Bursaries, it has an experienced Board and a set of constitutional documents which are appropriate and relevant to the operation of a modern independent school. In 2018/19, the Directors sought to further strengthen the Board by expanding the Board and appointing a further three new Directors who can bring additional relevant skills. In doing so, the Company, therefore, intends to continue with the provision of the aims and objectives set out earlier in this report and to implement existing strategies to maintain the ethos and environment at Wellington.

The Directors are delighted that Wellington School holds 'charitable status' and the School remains fully committed to the provision of means tested assistance and 'not charged for' benefit. The School will continue to follow any subsequent guidance issued by OSCR to demonstrate that it continues to meet the Charity Test.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Wellington School (Ayr) Limited was established as a company limited by guarantee on 11 October 1948 and is governed by the provisions of its Memorandum and Articles of Association of 1948, as amended in 1966 and 1995. The Board undertook a major review of its constitutional documents in 2009. The Office of the Scottish Charity Regulator (OSCR) approved the changes to the charity's purposes on 24 June 2009. The amended Memorandum and Articles of Association were approved by the board on 8 September 2009. A further minor revision of its Articles of Association was approved by the Board on 13 December 2011 and thereafter approved by OSCR on 16 January 2012. The company has been deemed to have charitable status by HM Revenue and Customs for many years and has remained on the register of the Office of the Scottish Charity Regulator since that body was established by the Act of the Scottish Parliament.

WELLINGTON SCHOOL (AYR) LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment and appointment of governing board

The Board's constitutional review created a Board which is well placed to reflect modern corporate thinking and address modern day challenges. Key tests of the constitution are:

- The Members of the Company 'shall consist of the Directors and such other members as may be admitted in accordance with the provisions of these Articles (article 2.2).
- 'The Company shall have no less than three and no more than fifteen Director' (article 5.1).
- 'Directors will serve in multiples of five-year terms and be eligible for re-election' (article 5.4).
- 'The Directors may from time to time and as required act, or establish an appropriate sub-committee pursuant to 7.7.1 for the purposes of acting, as a Committee of Governors responsible for educational matters at a school operated by the Company' (article 7.8).

All members of the Governing Body are Directors and Members of the company. The present Directors are as listed and have held office from the date of this report unless otherwise stated. Reverend Aitken and Lady Hunter Blair joined the Board on 4 September 2018 with Mrs Wilson joining on 9 October 2018. Membership is based on eligibility, personal competence and mix of professional skills which can benefit the Company. While there are no formal criteria as to the make-up of the Board, the Directors endeavour to have some Directors who are current parents, of whom there were four at June 2019, with a further two being past parents

None of the Directors received remuneration or other benefit from their work with charity. Any contractual relationship must be disclosed and notes of interests are retained in written form.

The Board has a number of committees to support key aspects of School activity. There are now committees covering - Education, Finance, Estates & Buildings and Bursaries. These are supplemented by a number of School committees which Governors attend including Marketing, Curriculum, Health and Safety.

Organisational structure

The Headmaster is appointed by the Governors to manage the day to day activities and is considered to be the Chief Executive. For operational purposes, the Headmaster and the Bursar have delegated authority, within terms approved by the Governors, to deal with matters arising, including education, finance and employment matters.

Board meetings are well attended and all major decisions are taken by the full Board. The establishment of the various committees has seen those committees make recommendations to the full Board or refer final decisions there for ratification. Matters of principle are determined by the Board, advised by the Headmaster or the committees, with the Headmaster then responsible for implementing these.

The Governors have delegated to the Bursar, who is also Company Secretary, the responsibility for keeping proper accounting records, the regular production of management accounts and information and the general safeguarding of the assets of the company.

The Headmaster and Bursar are able to consult the Chair of the Board at any time and also receive considerable support from the various Committees and members of the Board throughout the year, allowing them to access their particular skills, as and when required.

Board papers are prepared for each meeting by the Chair, the Headmaster and the Bursar and include detailed monthly management accounts to enable the financial position to be closely monitored.

Induction and training of governors

New Governors are inducted into the workings of the Company at briefing sessions held with the Chair, the Headmaster and the Bursar. These sessions cover educational and business matters and a familiarisation with the Company's activities. Governors are issued with extensive background material together with the Independent Schools Council's "Guidelines for Governors" publication. During the year, Governors are invited to meetings organised by the Scottish Council for Independent Schools (SCIS) and the Association of Governing Bodies of Independent Schools (AGBIS). They are also able to access online training sessions with AGBIS. Governors also have the opportunity to meet with governors from other independent schools.

WELLINGTON SCHOOL (AYR) LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019

STRUCTURE, GOVERNANCE AND MANAGEMENT

Pay policy for senior staff

The School utilises the SNCT salary scales for all teaching staff, including senior teaching staff. Those salaries are subject to a Wellington enhancement. This is common to many other SCIS schools, which are also linked into the SNCT scales and apply their own enhancement. This allows the School to remain an attractive employer in the independent school sector.

The salaries scales are reviewed as part of national teacher pay negotiations and generally an inflationary increase is applied.

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

SC026589 (Scotland)

Registered Charity number

SC005052

Registered office

Carleton Turrets
1 Craigweil Road
Ayr
KA7 2XH

Trustees

Mrs F Ablett	
G M Andrew	
Mrs J K Fergusson BSc (Hons)	- resigned 4/9/2018
Mrs D A Gardner BA (Hons)	
PJ Lorimer DL, MA, DipA, ARIAS, RI BA, FSA (Scot)	
Mrs E M P Napier BA, MBA, FCMA	
Mrs J E M Simpson	
K A C Swinley LLB (Hons), DipLP	- resigned 4/9/2018
A Wilson	
T Steele	
Reverend F R Aitken	- appointed 4/9/2018
Lady M C Hunter Blair	- appointed 4/9/2018
L Wilson	- appointed 9/10/2018

Company Secretary

D C Kennedy FCIBS

Senior Statutory Auditor

Alistair Campbell

Auditors

Galbraith Pritchards
Chartered Accountants & Statutory Auditor
20 Barns Street
Ayr
Ayrshire
KA7 1XA

WELLINGTON SCHOOL (AYR) LIMITED

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 30 JUNE 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Bank of Scotland
123 High Street
Ayr
KA7 1QP

Solicitors

Black Hay
5 Wellington Square
AYR
KA7 1EN

Investment Advisers

1825
Citadel House
6 Citadel Place
Ayr
KA7 1JN

Senior Management

Chief Executive Mr S P Johnson MA (Cantab)

STATEMENT OF TRUSTEES RESPONSIBILITIES

The trustees (who are also the directors of Wellington School (Ayr) 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), including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

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, Galbraith Pritchards, will be proposed for re-appointment at the forthcoming Annual General Meeting.

WELLINGTON SCHOOL (AYR) LIMITED

**REPORT OF THE TRUSTEES
FOR THE YEAR ENDED 30 JUNE 2019**

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on4112119..... and signed on the board's behalf by:


.....

Mrs J E M Simpson - Trustee

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF WELLINGTON SCHOOL (AYR) LIMITED

Opinion

We have audited the financial statements of Wellington School (Ayr) Limited (the 'charitable company') for the year ended 30 June 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 30 June 2019 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, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Companies Act 2006, the Charities and Trustee Investment (Scotland) Act 2005 and regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Trustees.

REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES AND MEMBERS OF WELLINGTON SCHOOL (AYR) 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 and the Charities Accounts (Scotland) Regulations 2006 (as amended) requires us to report to you if, in our opinion:

- the charitable company has not kept proper and adequate accounting records 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.

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

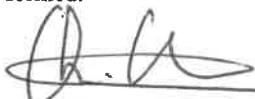
Our responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006, and to the charitable company's trustees, as a body, in accordance with Section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charitable company's members and trustees 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 and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



Alistair Campbell (Senior Statutory Auditor)

for and on behalf of Galbraith Pritchards

Chartered Accountants & Statutory Auditor

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

20 Barns Street

Ayr

Ayrshire

KA7 1XA

Date: 12/12/2019

WELLINGTON SCHOOL (AYR) LIMITED

**STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 30 JUNE 2019**

		Unrestricted funds £	Restricted funds £	30/6/19 Total funds £	30/6/18 Total funds £
	Notes				
INCOME AND ENDOWMENTS FROM					
Charitable activities	3				
Provision of educational services		5,595,904	-	5,595,904	5,689,407
ERASMUS grant		-	34,113	34,113	28,226
Investment income	2	16,444	-	16,444	54,464
Total		5,612,348	34,113	5,646,461	5,772,097
EXPENDITURE ON					
Charitable activities	4				
Provision of educational services		5,881,903	-	5,881,903	5,555,411
Support costs		22,504	-	22,504	25,140
ERASMUS grant		-	18,295	18,295	11,777
Total		5,904,407	18,295	5,922,702	5,592,328
Net gains/(losses) on investments		-	-	-	(17,504)
NET INCOME/(EXPENDITURE)		(292,059)	15,818	(276,241)	162,265
RECONCILIATION OF FUNDS					
Total funds brought forward		5,054,293	38,079	5,092,372	4,930,107
TOTAL FUNDS CARRIED FORWARD		4,762,234	53,897	4,816,131	5,092,372

The notes form part of these financial statements

WELLINGTON SCHOOL (AYR) LIMITED

BALANCE SHEET
AT 30 JUNE 2019

	Notes	Unrestricted funds £	Restricted funds £	30/6/19 Total funds £	30/6/18 Total funds £
FIXED ASSETS					
Tangible assets	10	3,481,911	-	3,481,911	3,375,336
CURRENT ASSETS					
Stocks	11	39,216	-	39,216	46,695
Debtors	12	108,312	-	108,312	122,661
Investments	13	-	-	-	818,044
Cash at bank and in hand		1,844,661	53,897	1,898,558	1,580,497
		<u>1,992,189</u>	<u>53,897</u>	<u>2,046,086</u>	<u>2,567,897</u>
CREDITORS					
Amounts falling due within one year	14	(651,366)	-	(651,366)	(783,061)
NET CURRENT ASSETS		<u>1,340,823</u>	<u>53,897</u>	<u>1,394,720</u>	<u>1,784,836</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		4,822,734	53,897	4,876,631	5,160,172
CREDITORS					
Amounts falling due after more than one year	15	(60,500)	-	(60,500)	(67,800)
NET ASSETS		<u>4,762,234</u>	<u>53,897</u>	<u>4,816,131</u>	<u>5,092,372</u>
FUNDS	17				
Unrestricted funds				4,762,234	5,054,293
Restricted funds				53,897	38,079
TOTAL FUNDS				<u>4,816,131</u>	<u>5,092,372</u>

The notes form part of these financial statements

WELLINGTON SCHOOL (AYR) LIMITED

BALANCE SHEET - CONTINUED
AT 30 JUNE 2019

The financial statements were approved by the Board of Trustees on 4/12/19 and were signed on its behalf by:



.....
Mrs J E M Simpson -Trustee



.....
G M Andrew -Trustee

The notes form part of these financial statements

WELLINGTON SCHOOL (AYR) LIMITED**CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

		30/6/19 £	30/6/18 £
Cash flows from operating activities:	Notes		
Cash generated from operations	1	(283,215)	630,144
Net cash provided by (used in) operating activities		<u>(283,215)</u>	<u>630,144</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		(233,212)	(201,911)
Sale of current asset investments		818,044	-
Uplift in investment		-	(45,234)
Interest received		16,444	54,464
Net cash provided by (used in) investing activities		<u>601,276</u>	<u>(192,681)</u>
Change in cash and cash equivalents in the reporting period		<u>318,061</u>	<u>437,463</u>
Cash and cash equivalents at the beginning of the reporting period		<u>1,580,497</u>	<u>1,143,034</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,898,558</u></u>	<u><u>1,580,497</u></u>

The notes form part of these financial statements

WELLINGTON SCHOOL (AYR) LIMITED

**NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 30 JUNE 2019**

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES

	30/6/19 £	30/6/18 £
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	(276,241)	162,265
Adjustments for:		
Depreciation charges	126,637	103,002
Interest received	(16,444)	(54,464)
Unrealised (gain)/loss on investments	-	17,504
Decrease in stocks	7,479	36,660
Decrease in debtors	14,349	199,482
(Decrease)/increase in creditors	(138,995)	165,695
Net cash provided by (used in) operating activities	<u>(283,215)</u>	<u>630,144</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

Preparation of the financial statements on a going concern basis

The School is currently self financing and the Trustees are in the fortunate position that they do not rely on external finance to operate the school.

The Trustees recognise that the current economic climate is affecting independent schools and they are mindful that this needs to be considered when determining future plans.

Income

All income is recognised in the Statement of Financial Activities once the Schoolcharity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably. The following specific policies are applied to particular categories of income:

Incoming resources from charitable activities are accounted for when earned.

Fees receivable are accounted for in the period in which the service is provided. Fees are stated before deducting bursaries.

Investment income is included when receivable.

Income from grants is recognised when the School has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred.

Expenditure

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable value added tax is charged as a cost against the activity for which the expenditure was incurred.

Allocation and apportionment of costs

All costs are allocated between the expenditure categories of the statement of financial activities account on a direct basis or a fair and reasonable apportionment designed to reflect the use of the resource.

WELLINGTON SCHOOL (AYR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2019

1. ACCOUNTING POLICIES - continued

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off the cost less estimated residual value of each asset over its estimated useful life.

Freehold property	- 2% on cost or valuation
Fixtures and fittings	- 25% on reducing balance
Office and computer equipment	- 20% on cost

No depreciation is provided on freehold land and other tangible fixed assets in the course of construction.

Individual assets costing £5,000 or more are capitalised.

A review of impairment is carried out at each reporting date. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Impairment losses are recognised in the Statement of Financial Activities incorporating Income and Expenditure Account.

Stocks

Stocks of textbooks and other consumable materials represent the cost of department requisitions purchased during the previous year after due allowance has been made for obsolete and slow moving items. The trustees believe that the resulting figure fairly values the stock at the lower of cost and net realisable value as at the balance sheet date.

Taxation

Wellington School (Ayr) Limited has been approved as a charity by HM Revenue and Customs and charity is exempt from corporation tax on its charitable activities.

Fund accounting

Unrestricted funds are those available to be expended in achieving the general objects of Wellington School (Ayr) Limited at the discretion of the trustees. During the year the decision was made to transfer £150,000 from general unrestricted funds to a designated fund for future large repairs.

Restricted funds are those received subject to restrictions placed by the donor, or by the wording of a particular appeal.

Wellington School (Ayr) Limited had restricted funds at 30 June 2018 relating to the ERASMUS project.

Pension costs and other post-retirement benefits

The School contributes to the Scottish Teachers Superannuation Scheme for its teaching employees.

The scheme is a multi employer scheme and it is not possible to identify the assets and liabilities which are attributable to the School. In accordance with FRS 102 therefore it is accounted for as a defined contribution scheme.

The School also has a stakeholder scheme for the administration staff which is a defined contribution scheme.

WELLINGTON SCHOOL (AYR) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2019**

1. ACCOUNTING POLICIES - continued

Investments

Investments are a form of basic financial instrument and are initially recognised at their transaction value and subsequently measured at their fair value as at the balance sheet date using the closing quoted market price. The statement of financial activities includes the net gains and losses arising on revaluation and disposals throughout the year.

The Company does not acquire put options, derivatives or other complex financial instruments.

Debtors

Trade and other debtors are recognised at the settlement amount due.

Cash and bank

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

Creditors and provisions

A review of impairment is carried out at each reporting date. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

2. INVESTMENT INCOME

	30/6/19	30/6/18
	£	£
Investment income	16,444	54,464

3. INCOME FROM CHARITABLE ACTIVITIES

	Activity	30/6/19	30/6/18
		£	£
School fees and extras	Provision of educational services	5,595,904	5,689,407
Grants	ERASMUS grant	34,113	28,226
		<u>5,630,017</u>	<u>5,717,633</u>

Grants received, included in the above, are as follows:

	30/6/19	30/6/18
	£	£
ERASMUS grant	<u>34,113</u>	<u>28,226</u>

4. CHARITABLE ACTIVITIES COSTS

	Direct costs	Support costs (See note 5)	Totals
	£	£	£
Provision of educational services	4,390,875	1,491,028	5,881,903
ERASMUS grant	18,295	-	18,295
Support costs	-	22,504	22,504
	<u>4,409,170</u>	<u>1,513,532</u>	<u>5,922,702</u>

WELLINGTON SCHOOL (AYR) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2019**

5. SUPPORT COSTS

	Management £	Finance £	Governance costs £	Totals £
Provision of educational services	1,490,636	4,952	(4,560)	1,491,028
Support costs	-	-	22,504	22,504
	<u>1,490,636</u>	<u>4,952</u>	<u>17,944</u>	<u>1,513,532</u>

Support costs, included in the above, are as follows:

Management

	30/6/19 Provision of educational services £	30/6/18 Total activities £
Wages	487,420	427,473
Social security	45,058	33,482
Pensions	17,825	17,104
Rent, rates and water charges	28,478	25,638
Insurance	44,763	36,831
Light and heat	82,176	74,931
Telephone	14,087	9,484
Sundry expenses	22,752	26,022
School events	19,418	33,560
Staff training	13,251	14,846
Maintenance of playing fields	28,497	42,041
Repairs and maintenance	365,882	272,352
Laundry and cleaning	75,000	69,937
Security costs	15,920	20,977
Printing, postage & stationery	21,594	25,800
Advertising	35,661	46,173
Minibus running costs	15,801	15,499
Travel expenses	5,256	3,672
Accountancy fees	8,790	9,480
Subscriptions	24,456	21,681
Bad debts (recovery)/charge	(8,086)	(7,623)
Depreciation of tangible and heritage assets	126,637	103,002
	<u>1,490,636</u>	<u>1,322,362</u>

Finance

	30/6/19 Provision of educational services £	30/6/18 Total activities £
Bank charges	4,952	4,553

WELLINGTON SCHOOL (AYR) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2019****5. SUPPORT COSTS - continued****Governance costs**

			30/6/19	30/6/18
	Provision of educational services £	Support costs £	Total activities £	Total activities £
Legal and professional fees	(4,560)	17,904	13,344	19,575
Auditors' remuneration	-	4,600	4,600	5,565
	<u>(4,560)</u>	<u>22,504</u>	<u>17,944</u>	<u>25,140</u>

6. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	30/6/19 £	30/6/18 £
Auditors' remuneration	4,600	5,565
Depreciation - owned assets	<u>126,637</u>	<u>103,002</u>

7. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 30 June 2019 nor for the year ended 30 June 2018.

Trustees' expenses

There were no trustees' expenses paid for the year ended 30 June 2019 nor for the year ended 30 June 2018.

WELLINGTON SCHOOL (AYR) LIMITED

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 30 JUNE 2019

8. STAFF COSTS

	30/6/19	30/6/18
	£	£
Wages and salaries	3,175,100	3,016,143
Social security costs	302,473	295,474
Other pension costs	442,697	411,914
	<u>3,920,270</u>	<u>3,723,531</u>

The average monthly number of employees during the year was as follows:

	30/6/19	30/6/18
Teaching staff	91	92
Administration	11	10
Janitors and domestics	7	7
	<u>109</u>	<u>109</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	30/6/19	30/6/18
£60,001 - £70,000	2	-
£70,001 - £80,000	-	1
£80,001 - £90,000	1	-
	<u>3</u>	<u>1</u>

The School considers its key management personnel to be the Headmaster, the Head of the Junior School, the Bursar, the Deputy Head and the two Assistant Heads. The total employment benefits including employer pension contributions of the key management personnel were £477,984 (2018: £449,273).

The company provides pensions for its teaching employees through contributions to the Scottish Teachers Superannuation Scheme (STSS).

The STSS is a group scheme covering teachers and related occupations and is the responsibility of the Scottish Public Pensions Agency, and is maintained separately of the company's finances.

The fund is a defined benefit scheme which was established to enable a number of autonomous but related employers to operate a pension scheme through the sharing of risk within a wider membership base. As such it is not possible to identify the assets and liabilities which are attributable to the company. In accordance with FRS 102 therefore it is accounted for as a defined contribution scheme.

The pension cost charge represents contributions payable by the company to the fund and amounted to £424,872 (2018 - £394,810).

The company has a stakeholder scheme for the administration staff which is a defined contribution scheme.

During the year ended 30 June 2019 contributions amounting to £17,825 (2018 - £17,104) were paid into this scheme.

WELLINGTON SCHOOL (AYR) LIMITED**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2019****9. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted funds £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
Provision of educational services	5,689,407	-	5,689,407
ERASMUS grant	-	28,226	28,226
Investment income	54,464	-	54,464
Total	5,743,871	28,226	5,772,097
EXPENDITURE ON			
Charitable activities			
Provision of educational services	5,555,411	-	5,555,411
Support costs	25,140	-	25,140
ERASMUS grant	-	11,777	11,777
Total	5,580,551	11,777	5,592,328
Net gains/(losses) on investments	(17,504)	-	(17,504)
NET INCOME/(EXPENDITURE)	145,816	16,449	162,265
RECONCILIATION OF FUNDS			
Total funds brought forward	4,908,477	21,630	4,930,107
TOTAL FUNDS CARRIED FORWARD	5,054,293	38,079	5,092,372

WELLINGTON SCHOOL (AYR) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2019**

10. TANGIBLE FIXED ASSETS

	Freehold property £	Fixtures and fittings £	Office and computer equipment £	Totals £
COST				
At 1 July 2018	4,342,698	464,641	38,537	4,845,876
Additions	162,409	21,052	49,751	233,212
At 30 June 2019	4,505,107	485,693	88,288	5,079,088
DEPRECIATION				
At 1 July 2018	1,063,104	394,985	12,451	1,470,540
Charge for year	86,302	22,677	17,658	126,637
At 30 June 2019	1,149,406	417,662	30,109	1,597,177
NET BOOK VALUE				
At 30 June 2019	3,355,701	68,031	58,179	3,481,911
At 30 June 2018	3,279,594	69,656	26,086	3,375,336

Included in cost or valuation of land and buildings is freehold land of £190,000 (2018 - £190,000) which is not depreciated.

11. STOCKS

	30/6/19 £	30/6/18 £
Text books & other consumable materials	39,216	46,695

12. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/19 £	30/6/18 £
Trade debtors	49,011	45,162
Prepayments	59,301	77,499
	108,312	122,661

WELLINGTON SCHOOL (AYR) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2019**

13. CURRENT ASSET INVESTMENTS

	30/6/19 £	30/6/18 £
Listed investments	-	818,044
		Listed investments £
MARKET VALUE		
At 1 July 2018		818,044
Disposals		(818,044)
At 30 June 2019		-
NET BOOK VALUE		
At 30 June 2019		-
At 30 June 2018		818,044
Historical cost		-

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	30/6/19 £	30/6/18 £
Trade creditors	131,127	243,764
Social security and other taxes	86,028	77,115
Accruals and deferred income	434,211	462,182
	<u>651,366</u>	<u>783,061</u>

Included in accruals are outstanding pension contributions of £62,469 (2018: £52,803).

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

	30/6/19 £	30/6/18 £
Parents' deposits	<u>60,500</u>	<u>67,800</u>

WELLINGTON SCHOOL (AYR) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2019**

16. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	30/6/19 £	30/6/18 £
Between one and five years	<u>32,811</u>	<u>43,748</u>

17. MOVEMENT IN FUNDS

	At 1/7/18 £	Net movement in funds £	At 30/6/19 £
Unrestricted funds			
General Fund	5,054,293	(292,059)	4,762,234
Restricted funds			
ERASMUS Fund	38,079	15,818	53,897
TOTAL FUNDS	<u>5,092,372</u>	<u>(276,241)</u>	<u>4,816,131</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General Fund	5,612,348	(5,904,407)	(292,059)
Restricted funds			
ERASMUS Fund	34,113	(18,295)	15,818
TOTAL FUNDS	<u>5,646,461</u>	<u>(5,922,702)</u>	<u>(276,241)</u>

Comparatives for movement in funds

	At 1/7/17 £	Net movement in funds £	Transfers between funds £	At 30/6/18 £
Unrestricted Funds				
General Fund	4,908,477	145,816	(150,000)	4,904,293
Major Repair Fund	-	-	150,000	150,000
	<u>4,908,477</u>	<u>145,816</u>	<u>-</u>	<u>5,054,293</u>
Restricted Funds				
ERASMUS Fund	21,630	16,449	-	38,079
TOTAL FUNDS	<u>4,930,107</u>	<u>162,265</u>	<u>-</u>	<u>5,092,372</u>

WELLINGTON SCHOOL (AYR) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 30 JUNE 2019**

17. MOVEMENT IN FUNDS - continued

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	5,743,871	(5,580,551)	(17,504)	145,816
Restricted funds				
ERASMUS Fund	28,226	(11,777)	-	16,449
TOTAL FUNDS	<u>5,772,097</u>	<u>(5,592,328)</u>	<u>(17,504)</u>	<u>162,265</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/7/17 £	Net movement in funds £	Transfers between funds £	At 30/6/19 £
Unrestricted funds				
General Fund	4,908,477	(146,243)	(150,000)	4,612,234
Major Repair Fund	-	-	150,000	150,000
Restricted funds				
ERASMUS Fund	21,630	32,267	-	53,897
TOTAL FUNDS	<u>4,930,107</u>	<u>(113,976)</u>	<u>-</u>	<u>4,816,131</u>

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Gains and losses £	Movement in funds £
Unrestricted funds				
General Fund	11,356,219	(11,484,958)	(17,504)	(146,243)
Restricted funds				
ERASMUS Fund	62,339	(30,072)	-	32,267
TOTAL FUNDS		<u>11,418,558</u>	<u>(11,515,030)</u>	<u>(113,976)</u>

18. RELATED PARTY DISCLOSURES

There were no related party transactions for the year ended 30 June 2019.

19. ULTIMATE CONTROLLING PARTY

In the opinion of the Trustees, there is no ultimate controlling party.