

Charity Registration No. 1096270

Company Registration No. 4659710 (England and Wales)

THE WOODARD CORPORATION

(A Company Limited by Guarantee)

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31st AUGUST 2020

THE WOODARD CORPORATION LIMITED

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THE WOODARD CORPORATION LIMITED

COMPANY INFORMATION

Directors (Meetings attended)

The Right Reverend Dr J Inge (6/6)
Mr R S Morse (6/6)
Dr I Bishop (2/3) (Resigned 29th April 2020)
Mr M S Hedges (6/6)

The Very Reverend Dr J Hall (6/6)

Mrs M Holman (6/6)
Mr B M Newman (6/6)
Mr A Prince (5/6)
Mrs P Pritchard (6/6)
Mr P H W Southern (6/6)

Charity Number

Company Number

Registered Address

Vice-President

Key management personnel and executive officers

Senior Provost
Director of Education
Director of Finance and Company Secretary

Auditors

Bankers

Post and Committee Membership

(Meetings attended; *Chairman)

President, Pastoral* (3/3), Remuneration (1/1)
Chairman of the Board, Remuneration (1/1)
Education* (2/2), Remuneration (1/1)
Senior Independent Director, Audit* (5/5),
Remuneration (1/1)

Education (2/3)

Finance & Estates* (5/5), Remuneration (1/1)

Finance & Estates (4/5)

Education (3/3)

Finance & Estates (5/5)

1096270

4659710

High Street
Abbots Bromley
Staffordshire
WS15 3BW

Rear Admiral Sir Robert Woodard

The Reverend Canon B D Clover
Mr C G Wright
Mr M G Corcoran

RSM UK Audit LLP
3 Hardman Street
Manchester
M3 3HF

Lloyds TSB Bank plc
1 Pride Hill
Shrewsbury
SY1 1DG

THE WOODARD CORPORATION LIMITED

COMPANY INFORMATION

Insurance Brokers/Providers

Marsh
1 Tower Place West
Tower Place
London
EC3R 5BU

Solicitors

Farrer & Co 66 Lincoln's Inn Fields London WC2A 3LH	Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol BS1 4QA
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The schools in the Woodard group are:

Incorporated (Independent)

Abbots Bromley School (to 31st August 2019)¹
Ardingly College²
Bloxham School³
The Cathedral School, Llandaff⁴
Denstone College⁵
Denstone College Preparatory School at
Smallwood Manor ¹⁴
Ellesmere College⁶
Hurstpierpoint College⁷
King's College, Taunton⁸
King's Hall School, Taunton⁸
Lancing College⁹
The Peterborough School¹⁰
Prestfelde School, Shrewsbury¹¹
Queen Mary's School, Baldersby¹²
St James' School, Grimsby¹³
Worksop College¹⁵
Worksop College Preparatory School at Ranby
House ¹⁵

Woodard Sponsored Academies

Kings Priory School, Tynemouth¹⁶
The Littlehampton Academy¹⁶
St Augustine Academy, Maidstone¹⁶
St Peter's Academy, Stoke on Trent¹⁶
The Sir Robert Woodard Academy, Sompting¹⁶
Polam Hall School, Darlington ¹⁶

Superscript number denotes company per note 15

Affiliated schools are maintained sector schools that have chosen to link themselves to Woodard for reasons of ethos and educational networking. Their results are not consolidated into these financial statements.

Associated schools are independent schools that are unable to be full members of Woodard but choose to link themselves to the group, also for reasons of ethos and educational networking. Their results are not consolidated into these financial statements.

Woodard Langelanga Secondary School and St Thomas' College are supported by, but not owned by Woodard. See page 5 for further details.

A full list of Woodard companies and charities is provided in note 15.

Affiliated (Maintained)

The Bishop of Hereford's Bluecoat School, Tupsley
Bishop Stopford School, Kettering
Bury Church of England School, Bury
Christ Church CE Primary and Nursery Academy, St
Leonards on Sea
Crompton House CofE High School, Shaw
King Solomon International Business School,
Birmingham
St Marylebone CE School, Westminster
The St Marylebone CE Bridge School, Westminster
St Olave's Grammar School, Orpington
S Peter's Collegiate School, Wolverhampton
St Saviour's and St Olave's CofE School, Southwark
St Wilfrid's CofE Academy, Blackburn
Trinity CofE School, Belvedere
Trinity School, Lewisham
Wren Academy, North Finchley

Associated (Independent)

Alderley Edge School for Girls
King's School, Rochester

Overseas

St Thomas' College, Mount Lavinia, Sri Lanka
Woodard Langelanga Secondary School, Gilgil, Kenya

THE WOODARD CORPORATION LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) **YEAR ENDED 31st AUGUST 2020**

The directors present their report and financial statements for the year ended 31st August 2020 and confirm they comply with the requirements of the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Woodard Corporation (Woodard, the Charity or the Company) was incorporated as a company limited by guarantee (registered number 4659710) in February 2003 and registered with the Charity Commission as charity number 1096270. Woodard is the holding company of the incorporated schools and sponsored academies shown on page 2. Woodard commenced trading on 1st September 2003 and took over most of the assets and functions of the unincorporated charity known as the Corporation of SS Mary and Nicolas (charity number 314291) during the year to 31st August 2004.

Details of all connected charities are shown in note 15.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

Woodard is governed by Articles of Association adopted by Special Resolution on 20th March 2013 and amended by Special Resolution on 20th May 2019. The Articles of Association of Woodard forbid the distribution of any income, which is to be applied solely towards the promotion of the charitable objects.

Governing Body

The members of the Woodard Board (the Board) are the directors and charitable trustees of the company. The relationship between Woodard and the subsidiary schools (the incorporated schools) and the Woodard Academies Trust (WAT) is outlined in regulations developed for the purpose. The Board oversees the management of Woodard and formulates policy; it met six times during the year. In attendance at Board meetings are the Senior Provost, Company Secretary/Director of Finance, the Director of Education and a Minutes Secretary. The Board designated Mr M S Hedges as the Senior Independent Director.

Recruitment and Training of Directors

Each incorporated school has a governing School Council comprising Woodard Fellows (the Fellows). The trustees of the WAT are also Fellows. The Fellows are the custodians of the Woodard ethos and are the guarantors for the company. Fellowship is open to the President and any other individual interested in promoting the objects of Woodard, whether or not they are a communicant member of the Church. In addition to the Fellows engaged on School Councils, there are up to forty other Fellows who are not attached to schools and all individuals who have previously served as a Fellow in any of the above categories and have agreed to continue as a Fellow at the invitation of the Board of Trustees.

Together, the Fellows form the Corporate Chapter. It is the Corporate Chapter that elects the members of the Board, who are the trustees of Woodard itself, the names of whom are listed on page 1. The Board looks to ensure a mix of skills and, to this end, can co-opt up to six members on the basis of background, competence, specialist skills and Christian commitment. Board members are provided with induction training by the Chairman and staff and a wider programme of training events is organised by the schools themselves and Woodard. Woodard also encourages its Board members to attend events run by the Association of Governing Bodies of Independent Schools (AGBIS).

Where possible the directors consider that the skills and experience of the Board should comprise the following:

- A director with a legal background.
- A director with a financial/accounting background.
- A director with education experience.
- A director with senior managerial or business experience.
- A director with experience of equal opportunities or disability needs.
- At least one female director and at least one male director.

THE WOODARD CORPORATION LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) **YEAR ENDED 31st AUGUST 2020**

An individual director may have one or more of these skills or attributes. At 31st August 2020 the Board has the appropriate skills and experience, but keeps this under review.

Volunteers

Directors are volunteers providing their time for free to support the governance of Woodard. Woodard relies on a wide range of volunteers in its schools and thanks all of them for their valuable input and insight.

Directors' expenses incurred in attending meetings are met by Woodard where a claim is made.

Organisational Management

Woodard is governed by the Board which delegates responsibility for overseeing work to a number of committees listed below. Board membership of each committee is given on page 1; there are members of committees who are not on the Woodard Board, who are noted below, with the numbers in brackets indicating the meetings attended by each. The directors determine the general policy of Woodard. The incorporated schools hold all real estate and other property of the schools. Each School Council is responsible for running the schools, with delegated responsibility being held by the Headteacher and Bursar. Individual academies are supported by their Academy Councils which operate as sub-committees of the WAT. The School and Academy Councils are in some cases supported by a number of sub-committees.

Woodard employs three executive officers: the Senior Provost, the Director of Education and the Company Secretary/Director of Finance; these post holders report directly to the Board. The Articles allow for the President and Chairman to be paid an honorarium and this allows them to undertake their roles in ensuring the delivery of the Woodard strategy. The executive officers, to whom day to day operations are delegated, are the Key Management Personnel for Woodard, as listed on page 1.

Nominations & Appointments Committee

The work of a Nominations & Appointments Committee is carried out by the whole Board, supported by the Senior Provost.

Audit Committee

The committee's responsibilities include overseeing arrangements for the audit of Woodard and subsidiary school companies and charities, and oversight of the audit of the WAT. The Audit Committee is responsible for monitoring the integrity of the annual financial statements of Woodard and any other associated formal announcements or returns relating to its financial performance, and for reviewing, and challenging where necessary, the actions and judgements of management in relation to Woodard's financial statements before submission to, and approval by, the Board and before clearance by the external auditors. The committee also has to keep under review the effectiveness of Woodard's internal financial controls and risk management systems and it reviews Woodard's procedures for whistle-blowing and for detecting fraud.

The Audit Committee met five times during the year ended 31st August 2020. The Chairman, Mr M S Hedges, is the one Board member shown on page 1. The other members are Mr G C Lloyd (4/5) who has particular expertise in the fields of corporate governance and finance and Mr J N Christie (5/5) who has expertise in risk management and financial control. The Company Secretary/Director of Finance and the Woodard Accountant normally attend Audit Committee meetings. The committee also meets the auditors in private to discuss any relevant matters, as appropriate.

Education Committee

The Education Committee reviews academic performance at Woodard schools, monitors changes in the sphere of educational provision and makes recommendations to the Board on matters relating to delivery of education. It also acts as the primary link between the Board and the Woodard Heads Association (WHA).

The Education Committee met three times during the year. Dr I Bishop was the Chairman of the committee to April 2020, and this is a role now undertaken by Mrs M Holman. The committee comprises the members shown on page 1, plus: Mrs E M K Phillips (2/3) and Mr D R Levin (2/3). Mrs M Gibbs

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DIRECTORS' REPORT (*incorporating the Strategic Report*) **YEAR ENDED 31st AUGUST 2020**

(2/2) served on the Education Committee until November 2019. From January 2018, the Woodard Education Committee holds joint meetings with the Education Committee of the WAT. The Director of Education and the Chairman of the WHA, or their Vice-Chairman, attend meetings of the committee.

Finance & Estates Committee

The committee is responsible for overseeing on behalf of the Board all financial aspects of the company and charity, to ensure short and long-term viability, and to report back to the Board accordingly. It is also responsible for advising the Board as to the most appropriate future financial strategy for the organisation. It has to consider whether the draft annual financial statements are consistent with the management accounts reported during the year and it reviews the draft financial statements prior to consideration by the Audit Committee. The committee reviews and then recommends to the Board Woodard's annual revenue and capital budgets and monitors performance in relation to the approved budgets. The committee also oversees the property development strategy and proposals made by individual schools, making recommendations to the Board, and it monitors the extent to which the incorporated schools plan their maintenance programmes for future years.

The Finance & Estates Committee met five times during the year. The Chairman is Mr B M Newman. The members during the year ended 31st August 2020 are shown on page 1. Meetings of the Finance & Estates Committee are attended by the Chairman, the Company Secretary/Director of Finance and the Woodard Accountant.

Vision, Ethos and Pastoral Committee

The Vision, Ethos and Pastoral Committee has oversight of policies, practices and procedures for the pastoral, spiritual and emotional support of staff and pupils in Woodard schools, including provision of chaplaincy support. The Vision, Ethos and Pastoral Committee met three times during the year. The members during the year ended 31st August 2020 are outlined on page 1 plus the Woodard Provosts: Right Reverend Dr R Ladds (3/3), Right Reverend C J Meyrick (3/3), Reverend Canon V Johnson (1/3) and Reverend Canon R Godsall (1/1).

Remuneration Committee

The Remuneration Committee determines the annual remuneration of Woodard's executive officers and the honoraria of the President, Chairman and Provosts. Remuneration of all other staff directly employed by Woodard is determined by management. Remuneration of the Key Management Personnel is set after an individual appraisal, having regard to targets set, individual performance against those targets and, where available, comparative data. The Remuneration Committee met once during the year. The members during the year ended 31st August 2020 are shown on page 1.

Group Structure and Relationships

In the year to 31st August 2020, Woodard discharged its objects by establishing, maintaining or otherwise supporting 16 schools, incorporated within 14 charitable companies with the shares in these companies ultimately being owned by Woodard, and through sponsorship of six academies operated through its sister company and charity, the WAT. Note 15 provides details of connected charities and these are consolidated into these financial statements.

There are a further 16 UK based schools, in the independent and state sectors, that are committed to following the ethos and objectives of Woodard's Founder, the Reverend Canon Nathaniel Woodard. These schools are linked to Woodard through agreements of 'affiliation' or 'association', as set out in the governing documents. They are not consolidated into these financial statements. Woodard also supports two overseas schools through encouraging links with UK based Woodard schools, assisting in finding governors and through periodic visits.

Woodard directly sponsors six academies through the Woodard Academies Trust Limited, a sister company and charity (Exempt charity, Company No: 6415729). The WAT has its own Board and individual academies have Academy Councils which operate as sub-committees of the WAT. In line with Financial Reporting Standard (FRS) 102, Woodard believes it exerts a dominant influence over the WAT as the Memorandum and Articles of the WAT allow Woodard to appoint and remove the majority of the directors (the 'sponsor directors') and the two companies follow an agreed strategy. As a consequence, the financial statements of the WAT are consolidated into these financial statements.

THE WOODARD CORPORATION LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31st AUGUST 2020

The members of the Woodard Board (the Board) are the directors and charitable trustees of the group called the Woodard Corporation (incorporated, academies, affiliated and associated). The Board oversees the management of Woodard and formulates policy and strategy. The Board employs executive staff to work on its behalf.

Employment Policy

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of age, gender, relationship status, colour, race, ethnicity, religion, sexual orientation or choice, or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Employment policies clearly set out our approach to equal opportunities and the avoidance of discrimination at work. Policies apply to all aspects of employment, including recruitment, pay and conditions, training, appraisals, promotion, conduct at work, disciplinary and grievance procedures, and termination of employment.

We recruit and promote on merit and we help our employees to maximise their achievements through a programme of personal development. We have continued to provide employees with opportunities for training and staff development and engage with universities and other bodies to ensure that the employee intake is as broad as possible. Schools use a variety of tools to communicate with professional and support staff including newsletters and electronic communication including email and via the school's website. The senior staff will often address staff meetings, and governors are available at school events.

Consultation with employees, or their representatives, is undertaken at all levels with the aim of taking the views of employees into account when decisions that are likely to affect their interests are being made. Employees are made aware of the financial and economic performance of the schools through regular staff training days.

Investment Policy and Objectives

The Articles of Association of Woodard and its subsidiary schools permit funds to be invested in such manner as the directors see fit, providing that such powers of investment are only exercised for the purpose of attaining the objects and in a manner that is legally charitable. The general policy is to preserve the capital value of investments and maximise the return and income on all investments. For the advanced fees scheme, the aim is to match the return on investments with the maturation profile of the related liability to provide schooling in future years.

CHARITABLE OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Within the objects, Woodard schools aim to create an environment to nurture children, to get the best from them and to allow them to develop and fulfil their potential. All Woodard schools provide pupils with a first-class education and a wide range of sporting and artistic opportunities. Woodard's public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community. In the furtherance of these aims, the Board and governors at all incorporated schools, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act.

THE WOODARD CORPORATION LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31st AUGUST 2020

Charitable Objects

The primary objects of Woodard, as set out in the Articles of Association, are 'to promote and extend Education (including spiritual, moral, social, cultural and physical education) in accordance with the doctrines and principles of the Church through any or all of the following means:

- establishing, maintaining or otherwise supporting schools which commit to develop and sustain a Christian environment centred on the Anglican tradition of the Eucharist and at which a fundamental importance is attached to the teaching of those principles;
- promoting the efficiency and effectiveness of Woodard schools;
- promoting the use of the facilities of Woodard schools by the wider community

The Charitable Objects are given focus through the adoption of a Mission and Vision for Woodard, and by describing the intended impact. Woodard's Mission and Vision are being reviewed and revised and the current version, yet to be formally adopted, is:

Mission

As children of God, the flourishing of all is of paramount importance. High-quality education and pastoral care in a Christian environment are fundamental to the mission of Woodard schools.

Vision

Opening minds

- be active, compassionate, inquiring and life-long learners in search of truth
- develop character – with largeness of soul, personal dignity and integrity
- nurture creativity and a capacity for independent and critical thought and action

Raising expectations

- live life to the full and develop a positive self-awareness and self-confidence
- aim high, irrespective of our background
- have the confidence, aptitude and skills needed for life and for work

Transforming lives

- value the significance of the spiritual, moral, and cultural dimensions of life
- enable rewarding careers and strong relationships
- recognise our common humanity and shared guardianship of the planet, and help to create a better and more peaceful world

Intended impact

Woodard schools strive for the best all round education of every aspect of each individual; they ensure high standards of religious education; and they see themselves as communities working together for the benefit of all members, and of the Church and the nation. They are strong Christian foundations which adhere to Catholic belief as found in the Church, to Christian worship focused in the Eucharist, and to the care of each individual and the whole school community particularised in the ministry of the Chaplain.

Primary objectives

The Board is in the process of updating the strategic objectives. The new strategic plans will include the following primary objectives:

Leadership - Demonstrating outstanding leadership and governance

Christian Charity - Proclaiming and celebrating Christian faith

Being the Employer of Choice - Unlocking staff potential and allowing them to find fulfilment and give of their best

Being Responsive to Opportunities and Threats - Understanding and strategically responding to opportunity and risk

Providing Value – Promoting efficiency and effectiveness

THE WOODARD CORPORATION LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31st AUGUST 2020

Being the Educational Community of Choice - Promoting and extending quality education

Strategies to achieve the primary objectives

In 2019-20 the Board agreed to pursue a number of strategies in support of the primary objectives. The strategies placed emphasis on collaboration between Woodard and schools, and on ensuring the sustainability of Woodard, its schools and academies:

- Work on the strategic plan and present it to the relevant parts of Woodard for consultation.
- Work to design and specify a series of training programmes for all Woodard staff, with some being available online and some from external sources.
- To manage the development of a Woodard web-based platform for education, working towards making online courses available to a wide range of Woodard schools and academies.
- For Woodard and WAT to work together on matters associated with provision of education, leadership and financial stability including value for money.
- To work with partners on expanding the work on the 'Centre for Chaplaincy in Education' so that it can become self-supporting after the initial sponsorship period and to allow it to reach its potential.
- To continue working with the School Councils at Woodard schools to ensure that they are able to be financially stable, particularly in an environment where there is considerable pressure on fees and pupil numbers.
- Further improving the dialogue with individual schools to include more emphasis on areas where Woodard can assist them, and to identify issues of sustainability.
- Begin the roll out of the single finance system across Woodard incorporated schools and progress to development of the single chart of accounts and associated reporting including group consolidation.
- To work with the Board and individual schools on carrying out due diligence and assessing risk in potential international or national partnerships.
- Work with the school council at Abbots Bromley School to successfully close the school, meet liabilities and realise the site.
- Work to review the objectives and application of Woodard controlled restricted funds and propose practical routes by which the Woodard Board can apply them more widely.
- To improve systems appraisal of staff at the Woodard Head Office.

Details of activities in support of these objectives is provided in the 'Review of Achievements and Performance for the Year' on page 10.

Principal Activity

The principal activity of the group of schools that comprise the Woodard Corporation, as defined in the Articles of Association, is to promote and extend education, and with this as a focus, 2019-20 has been another successful year overall, showing a rise in pupil numbers at both the incorporated independent schools and at Woodard academies.

Pupil numbers in Woodard incorporated schools and Woodard academies were:

	Boys	Girls	Day	Boarding	2020 Total	2019 Total
Woodard incorporated schools	4,548	3,619	6,001	2,166	8,167	8,494
Woodard academies	3,173	3,151	6,324	-	6,324	6,076
TOTAL	7,721	6,770	12,325	2,166	14,491	14,570

Schools are academically strong, but the overall aim is to provide a holistic education and there is a full programme of activities in the fields of music, arts and sport with some notable results being achieved. Woodard also has formal links to independent and maintained sector schools through associated or affiliated status. With over 16,250 pupils in the associated and affiliated schools, Woodard schools educated over 30,700 children in the year to 31st August 2020.

Woodard and its schools provide a significant benefit to the public. The Board and each of the schools strive to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered by

THE WOODARD CORPORATION LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) **YEAR ENDED 31st AUGUST 2020**

Woodard schools due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, Woodard schools provide a wide range of opportunities for community benefit and their facilities and events are often open to all. Further detail of the public benefit offered by the schools is included in the financial statements of each school and in the section entitled 'Review of Achievements and Performance for the Year' below.

It is a key requirement of evidencing public benefit that any private benefit to individuals or elements of the charity will be incidental to the charity's objectives. An example of private benefit may be the reimbursement of travelling expenses for trustees attending training courses; any private benefit to individuals or elements of Woodard is incidental to delivery of the charitable objectives.

All Woodard schools seek to provide a very high standard of education, validated in the academic results, measurements of added value and through external inspection. The schools offer a broad curriculum and educate children with a wide range of ability. The aim of all Woodard schools is to support pupils to reach their potential in all areas of their activity. This may be in academic subjects but could just as easily be reflected in success in art, drama, sport, music or dance. Woodard schools produce well-rounded individuals who are able to make a positive contribution to society.

Parents of pupils at Woodard incorporated schools often make significant sacrifices to pay the fees. In educating over 7,464 UK based pupils in Woodard incorporated schools, parents help to relieve the state of the financial burden of paying for their children's education. The saving to the public purse is estimated to have a value in the last year of over £48.7 million (2019: £48.8 million).

Unlike schools in the maintained sector, Woodard incorporated schools are unable to recover the £8.0 million in VAT incurred on goods and services.

Bursaries & Scholarships

Woodard schools aim to provide opportunities for a wide range of people to access benefits from the charity. Woodard independent schools provide substantial means-tested bursaries in cases of hardship where a pupil's education and future prospects would otherwise be at risk or to those whose parents are on such low incomes that they would otherwise not be able to benefit from the educational opportunities provided. Bursary awards range from 1% to 100% remission of fees. Schools have hardship funds that supplement bursary awards to pay for co-curricular activities, equipment and school trips. The availability of all such awards for fee assistance is advertised on school websites and in prospectuses. In the past year Woodard incorporated schools provided means-tested bursaries to 968 children (2019: 1,008), the total value of which was over £7.4 million (2019: £8.3 million), representing 4.8% of gross fees (2019: 5.0%).

Scholarships are used to ensure that Woodard schools are able to maintain the high standards in all areas of provision. Woodard schools provide an excellent all-round education, adding value in educating children and providing pupils from all walks of life with an opportunity to benefit from a Woodard education.

The purpose of scholarship awards is to recognise high academic potential or the ability to excel in co-curricular activities. Some awards carry specific conditions imposed by the original donors. The progress of pupils receiving scholarships is reviewed at least annually to ensure their progress is in line with their abilities. In many Woodard incorporated schools it is the policy to reduce the financial value of these awards over time as compared to the value of means tested bursaries. Scholarships are mostly awarded with a fixed remission of fees of between 5% and 80%, though some are above this level. Where further assistance is required, scholarship awards may be supplemented by a means tested bursary. Parents making enquiries about possible entry are provided with a description of the criteria for bursaries and scholarships. The value of scholarships in the year was £6.9 million (2019: £7.8 million).

All Woodard schools also support education through targeting funding at specific need, either nationally or in their local community. A number of schools provide concessions that will cover all the costs of a pupil's education, including any 'extras' required. Woodard schools often launch campaigns to raise funds in order to provide scholarships and bursaries and they continue to assist a number of pupils both in the United Kingdom and overseas. Some schools apply their funds to attract and support pupils and parents, often in specialist areas of the curriculum. Such activity may include areas such as provision of scholarships for sports activities for example, rugby, tennis, athletics or golf. Schools often also subsidise the arts through provision of scholarships for music and art; one school subsidises the fees

THE WOODARD CORPORATION LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31st AUGUST 2020

by provision of scholarships for all the choristers for a cathedral.

In 2019-20 bursary funds took on particular significance due to a desire to support parents of pupils whose families were put under significant pressure due to the impact of the Coronavirus pandemic. All Woodard schools introduced a hardship bursary allowing for concessions on fees in circumstances where parents were significantly impacted by the Coronavirus crisis.

In aggregate, Woodard schools provided unfunded concessions, comprising the bursaries and scholarships discussed above and other remissions, totalling £25.6 million (2019: £24.1 million) or 16.7% (2019: 14.5%) of gross fees.

Woodard schools include details of the various concessions in their prospectuses and on their websites. All parents making enquiries about possible entry are provided with a description of the criteria for bursaries and scholarships. In most cases the budget for means tested bursaries is allocated using a 'needs blind' approach as far as possible, whilst giving priority to the continuity of education of those pupils already at the school. All criteria and policies relating to concessions are kept under review and are updated when necessary.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Impact of Coronavirus Pandemic

These accounts relate to the year to 31st August 2020, and therefore reflect the heavy financial and operational impact on the education sector, and all of society, of the Coronavirus pandemic. The impact has been to raise the level of uncertainty and risk for the whole education sector. Schools were ordered to close to all except the children of 'Key Workers' in March 2020 and much of the education was moved online. Woodard schools and academies adapted well to provision of online learning and the responses from parents were positive. Pupil numbers returning to independent schools in September 2020 were mostly positive with a number of schools seeing a rise in numbers, at least in part due to the success with which the independent sector had moved to online provision. Numbers in the academies were also up reflecting the trust now being placed in the provision at these schools.

In some independent schools, boarding numbers were under pressure as some international pupils did not return after the summer holidays due to restrictions in their own country. Some preparatory schools also saw a drop in numbers, but the reason for this was mainly an economic one, with parents being cautious about committing to the fees. Schools have furloughed staff where possible and have been careful to ensure that fees reflect the work being undertaken and education provided. Banks have been kept informed. In July 2020, Denstone College and Denstone College Preparatory School at Smallwood Manor (Smallwood) announced that, from September 2021, all provision would be delivered from the site at Denstone College. This announcement was not wholly due to Coronavirus, but the pandemic influenced the timing.

One aspect of the pandemic has been to have a direct impact on school financial health. The independent schools cut their fees for the summer term by between 10% and 33%. This was done to take account of the often severe disruption in teaching provision, and in recognition of financial pressures on parents. Most independent schools furloughed staff, and also decided not to raise the level of fees for 2020-21. Despite these measures, the financial impact on some schools has been severe, and a lot of work has been undertaken by Woodard to support schools that have come under particular financial pressure. This work has included commissioning reports, providing small amounts of funding to allow a school to manage its cash resources for 2020-21, supporting the merger of Denstone College and Smallwood mentioned above through provision of an initial project manager and potentially through loan funding, and appointing a manager to assist a school in considering its site, and the use made of the site.

Schools adapted and extended their provision to accommodate the changing needs of the pupils and their communities. To ensure that physical activity was not overlooked schools introduced online competitions for pupils and provided access to activities including Yoga, High Intensity Interval Training and Football sessions via Microsoft Teams. This activity was often supplemented with webinar talks from a range of different coaches and athletes. As with the rest of the country, quizzes and informal discussions were common across all schools.

Schools also offered the use of their facilities and some staffing provision to local primary schools, to allow them to have their pupils back in lessons in a safe environment, and also sought financial

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assistance from staff and pupils for efforts to make visors for local Hospitals, GP Surgeries, Care Homes and Hospices. One school made and distributed over 4,000 pieces of PPE equipment to the local community and in order to assist with this production, parents and alumni donated 15 new 3-D printers. Another school made surgical scrubs for medical workers at a local hospital, and the Design and Technology Department started to make and distribute visors. Schools also donated any equipment they could find that was likely to be helpful including screens from the health centres and protective eye-wear from science departments. During lockdown the catering departments also provided and delivered hundreds of meals those who were housebound.

The Director of Education also created a series of Coronavirus specific briefing papers for Heads, and all of the executive and trustees have hosted online meetings of governors, Heads, bursars and other staff to allow for a co-ordinated approach and information sharing. This work was difficult and time consuming at both school and Woodard level, and a great deal of praise must go to governors and all staff at schools and academies for coping so well with the challenges that have arisen. This work is ongoing and the dedication of staff to ensure the continuity of education has been an outstanding feature of the last year.

Abbots Bromley

At a meeting in late February 2019 the directors of Abbots Bromley School took the regrettable decision that, barring a significant change in circumstances, the company would cease trading as a school as from the end of the Summer Term. After exploring initial options, an announcement was made in March 2019 and with all viable alternatives having been explored, trading operations finished as at 31st August 2019.

In the period since December 2018, the school has entered into a series of new loan agreements with Woodard for provision of financial support. This financial support was initially provided to support school operations, and after the cessation announcement further funds were provided to allow for the orderly closure of school operations and settlement of contractual liabilities. With the continuing support of the Woodard Corporation the Abbots Bromley School Limited company, now renamed ABS Realisations Limited, will remain open allowing for an orderly closure of the school and repayment of contractual liabilities.

In January 2020, a sale of the land and buildings was agreed with a buyer based in China. The agreement was exchanged in April 2020, and the backstop date for completion was July 2020 but this did not take place as the proposed buyer requested, and was granted, an extension to the time for completion until January 2021. Shortly before the revised deadline, the buyer communicated, via their solicitors, to say that they were postponing completion of the deal, citing practical issues related to the pandemic. The request for a further extension was not agreed, as the reasons were not viewed as tenable, and there was no confidence that the contract would complete at the proposed extended date. The trustees of ABS Realisations retain the property and will seek an alternative buyer.

Merger of Schools

In June 2020, the school councils of Denstone College Preparatory School at Smallwood Manor and of Denstone College announced their intention to merge the two schools and move all operations to the site at Denstone College.

Progress in Primary Objectives

As identified earlier in the report, significant work has been undertaken to define the strategic priorities for Woodard for the period from 2020 onwards. This work has included consultation and workshops run with the Woodard Board and with Custodes of Woodard schools, discussion with heads and bursars and development of strategic proposals by the executive. The aim in 2019-20 had been to hold a series of events with interested parties in order to present the outcomes of the consultation work. Unfortunately, this exercise was not possible due to the restrictions brought about by the pandemic, but it did not stop the Board from progressing the planning work for Woodard Corporation and consulting various groups online. Further work is being undertaken to flesh out the main priorities and to develop realistic deliverable objectives that will allow Woodard to make progress in these areas. This will continue in 2020-21.

The WAT recruited a new Chief Executive, Hardip Begol, and this appointment has helped to ensure that matters of joint interest in education are addressed in a more structured manner. The Education Committees of Woodard and WAT now hold joint meetings, and the Woodard Director of Education and the WAT Chief Executive have been working with a technical consultancy to design and specify

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'Woodard Online' which will be an online resource eventually made available to all senior school and academy staff and governors to provide a series of training programmes for all Woodard staff, with some being available online and some from external sources. It is planned that the initial online offering will become the main online source of training for Woodard schools. The WAT Chief Executive has been undertaking an exercise looking at value for money and other opportunities for enhanced co-operation are emerging. With the efforts of the new executive team the financial stability and sustainability of the WAT has been much enhanced.

The Senior Provost has continued to take a lead in development of the 'Centre for Chaplaincy in Education'(CCE). The CCE will act as a focal point for all those involved in chaplaincy within an educational setting. In the initial phases this initiative is sponsored by Woodard and the Jesuits, with the aim that it will be self-sustaining after the initial sponsorship period. Work has been commissioned to specify, develop and provide a series of online and physical courses aimed at providing chaplains with a mechanism by which their work can be enhanced and developed. The Senior Provost has also worked through the pandemic to ensure that chaplains are able to continue their ministry and provide the pastoral support to pupils and staff, often at remote locations. Part of this work has involved regular Eucharistic services being provided online both by the Senior Provost and by others.

One impact of the pandemic has been to highlight how vulnerable the sector is to any uncertainty over prospective pupil numbers. Even schools that are financially stable and in areas where demand and numbers are high have seen an impact and have had to adapt to the short-term uncertainty of the current position. The immediate impact of the pandemic on Woodard school forecasts was to reduce the projected outcomes by millions of pounds. This was in part mitigated by furlough payments and other government schemes, but the sector as a whole went through a significant level of uncertainty that is still continuing. The Woodard executive had been working closely with a number of schools before the pandemic, and this work intensified as the financial impact and operational became more visible. Assistance provided by Woodard included commissioning of reports, conversations with banks, discussions with third parties about possible linkages and working with individual schools to address their individual issues. Woodard's ability to assist schools in such situations is limited by the resources available and the need to balance any possible assistance against the need to help a number of schools at once.

One outcome of the way in which schools have been forced to work has been that the push for school expansion abroad has slowed, and the sector as a whole has begun to look more seriously at remote working and learning. That is not to say that all physical expansion abroad has ceased, but schools are looking at ways to exploit their rapid expansion of the skills needed for successful teaching online, and at a distance. Woodard has been working with a number of schools looking at how a mixed approach to courses could be introduced with online tutoring supported by some element of physical activity, either in the United Kingdom or abroad. This work is in its infancy at present, but links have been forged with various organisations who are specialists in development of temporary accommodation, and with providers of online courses. This is likely to be the way in which various strands of education are delivered for an international audience, and work has been undertaken during the year where Woodard and Woodard schools are looking at ways to create potential new income streams.

Other work has been undertaken to improve internal structures to support the use of the restricted funds, though this has yet to be completed, and a system for staff appraisal is in development. We are also working on a method by which the successful implementation of group procurement could be extended to cover other support systems, and a review is also taking place on supporting the procurement system itself, with extra support and some improved software. The Articles of Association were also altered so that the Chair of the WAT, and one other WAT nominee, are members of the Woodard Board whilst they remain in place at the WAT.

Academic Results

In normal years the outstanding educational performance of Woodard schools is amply demonstrated by the public examination results. The impact of the country being locked down during the early stages of the pandemic meant that an early announcement was made that all GCSE and A Level exams would be cancelled and pupil performance assessed using an algorithm. As was well reported at the time, following numerous inconsistencies and a parliamentary and public outcry, this was replaced by the use of 'centre assessed grades', a process based on evidence and professional judgement. As a result of this, a significant proportion of schools have not published data on their overall exam performance, and the Department for Education has announced that it will not publish any educational performance

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data based on tests, assessment or exams for 2020. All pupils who had to endure the uncertainty surrounding the exam results process, the delay in confirmation of university and college places and the stress associated with being initially rejected by a chosen provider in many cases, deserve considerable credit for the way in which they coped.

From the data that are available, the final exam results for all Woodard incorporated schools were an improvement on previous years, with rates of success at A Level and GCSE being better than those for 2018-19. In Woodard academies, the final results were an improvement from the previous year in all schools though, as is consistent with many other maintained sector schools, no overall results have been published as they are not seen as comparable to other years. The same approach has been taken by many Woodard affiliated and associated schools, some of which are consistently the best state and independent schools in the country. It is difficult to say whether these results reflect an improvement in overall exam performance or are a result of the unusual way in which the assessments were undertaken.

Measures of success at Woodard preparatory and junior schools vary from school to school but all include some form of examination and ability assessment. All schools successfully prepare pupils for entry to senior independent schools with a significant number gaining academic awards at scholarship or exhibition level to major independent schools. Pupils performed well in Common Entrance examinations.

Improving Facilities

All Woodard schools spend considerable amounts on making sure that facilities are up to date and attractive to pupils and staff. Many projects were hampered due to the impact of the pandemic, with work ceasing and funding being tight, but work was completed on Burgess House, a new girls' day house at Ardingly College which opened in September 2020; new and refurbished humanities classrooms were also completed as part of the project. Queen Mary's School, Thirsk, began work to build a synthetic pitch designed to support hockey, tennis and netball, with an associated pavilion and parking; this work was completed in Autumn 2020. The balance within 'assets currently under construction' in note 13 includes £7.6 million that is being invested in a new boarding house at Hurstpierpoint College.

Lancing Chapel is of national significance, and it is where Nathaniel Woodard, the founder of The Woodard Corporation, is buried. In September 2019 the Friends of Lancing Chapel launched an appeal to fund the completion of the Chapel by building a porch at the west end. This attracted considerable public interest and sufficient funds were raised to enter a contract in November 2019 with the work expected to be completed by early spring 2021. The management of the fundraising and the contract has provided a model for dynamic cooperation between Lancing College and the Friends of Lancing Chapel.

Arts, Music, Dance and Drama

Woodard schools are outstanding places for the study of all forms of art, music, drama and dance. Groups are formed to support activity in a wide range of areas of music, not just in chapel. Woodard schools provide chamber choirs, men's choirs, brass, flute, saxophone and clarinet groups, percussion ensembles, string quartets, folk, rock, swing and jazz groups and school orchestras among many other musical activities. Pupils are also represented in a number of national musical groupings.

Sport

Woodard schools are recognised for their sporting excellence and have many talented individuals, in a diverse range of sports, achieving national and often international recognition. It is impossible to list all of the sports and sporting achievements at Woodard schools. Sports offered range from the more traditional football, cricket, hockey, tennis, lacrosse, netball, athletics and swimming, to sports as varied and exciting as triathlon, canoeing, kayaking, climbing, mountain biking and mountain walking, river swimming, wakeboarding, wind sailing and surfing. Other activities cover such sports as golf, horse riding, judo, croquet and table tennis and pupils take part in cross fit, and 'jazzercise' to keep them fit for all.

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Education

Academic success is key for all Woodard schools. Pupils' academic progress is supported in a wide range of different ways, and Woodard schools offer an extensive array of opportunities for educational extension. Woodard schools are often recognised for their commitment to education with many Woodard schools recognised as centres for teacher training, having links to local universities and taking a number of trainees on placement before they teach in the maintained and independent sectors. Sharing expertise is also a feature of Woodard Schools, and they develop links to their local maintained schools and academies. In some cases, pupils from non-Woodard schools are able to access or share the facilities at Woodard schools, and this activity provides an opportunity for teachers and pupils to learn from each other.

There is an international element in most independent schools, but UK based schools have for some years looked for opportunities to develop abroad. This has included opening schools in the Middle East and looking for opportunities in Asia.

Community

Woodard schools are at the heart of their communities. They are often the largest local employer; they provide sports facilities for those in their local areas; halls and studios for performances; rooms for meetings; musical and theatrical productions; venues for community events including weddings; opportunities for education and training and a host of other activities. Much activity has been curtailed during the course of the Coronavirus pandemic, but schools will keep the situation under review and will reopen facilities as soon as it is both safe and legal to do so.

Woodard schools act as centres for diverse activities within their communities. Typical examples of community support include schemes for pupils to take part in 'service activities' and most schools devote a specific part of the timetable each week where pupils are given the opportunity to undertake community service. This work typically includes such activities as provision of IT support for local elderly residents, visiting and helping in care homes, working with pupils from local maintained sector schools assisting in supporting the teaching of subjects including Maths and modern languages, gardening in the community and running clubs for local schoolchildren.

As significant local centres for education, Woodard schools provide and support making staff available to act as examiners for GCSE, A-level, and the International Baccalaureate Diploma programme, with roles ranging from Examiner to Chief Examiner at A-level. Woodard schools act as hosts for community education with local schools and other groups making use of classrooms, art and science blocks and often the teaching resources of the Woodard school. Music facilities are made available to a wide range of local music societies, groups and choirs and the local community are invited to take part in, or attend, events run at or by Woodard schools including carol services, chapel services, drama and musical performances. Our schools also often act as venues for wedding ceremonies and receptions.

Woodard schools act as sporting hubs for the local community often making their facilities available to their local communities. Many schools allow access to their swimming pools and many run or host swimming schools with a focus on pupils at their local maintained schools. Sports halls are opened for local groups to take part in various sports and leisure activities and the outdoor facilities, particularly the all-weather and floodlit pitches are used by the local communities, clubs and sports teams from all areas. With their exceptional facilities and experienced coaches, Woodard schools also often act as the centre for sports coaching for local school children and on behalf of regional and national teams, and support extends to management of county cricket, rugby and hockey squads. A number of staff and pupils also referee club games in all parts of the country, with matches often taking place at Woodard schools.

Woodard schools recognise the need to ensure that all pupils are aware of matters affecting their wider communities. Pupils often attend activities which seek to celebrate and remember significant events from a wide range of cultures and nationalities. A particular focus in the last year has been the Black Lives Matter movement, with pupils engaging in online discussion with their teachers about the importance of inclusion, equality and equity and writing essays on the topic.

Charitable Activities

Charitable activity at Woodard stretches far beyond the school gates. Schools support projects in countries in Africa, Asia and South America as well as national charities in this country, and those in

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their local community. Projects have usually taken place in Uganda, Gambia, Ghana, Kenya, Tanzania, Malawi, Nepal, India, Madagascar, South Korea, and Bolivia among many others, though this year schools have not been able to visit.

Pupils at Woodard schools often raise money for activities such as sponsoring three Malawian pupils to study at university and supporting educational projects in Tanzania. Activity is also often focused on pupils raising funds, and then making their own choice as to the chosen charity to be supported.

Closer to home, schools support a vast range of national charities including The British Heart Foundation, Orphans in Need, Prostate Cancer UK Mind, World Vision, Sponsored Children, The Teenage Cancer Trust, the Children's Society, Guide Dogs, Race for Life, the Royal British Legion Poppy Appeal, Macmillan, Help for Heroes and the RNLI, amongst many others. Given the current economic climate, many Woodard schools support their local food banks.

Fundraising Performance

Grants and donations totalled £9.6m (2019: £3.7m), including restricted income donations of £2.0m (2019: £3.1m). In their fundraising, Woodard and Woodard schools apply the principles of the fundraising code paying close attention to the rights of the donor, and the intended use to be made of the funds donated, ensuring that appropriate beneficiaries are identified. The balance includes a number of donations for which all of Woodard is very grateful.

In 2019-20, grants totalling £6.9m were received under the Coronavirus Job Protection Scheme (CJRS), with amounts being claimed to support the furloughing of staff during the times when schools were unable to operate at full capacity (see note 7).

Investment Performance Against Objectives

During the year to 31st August 2020, Woodard's investments were managed by UBS Wealth Management and, in the opinion of the advisers, the portfolio has produced an acceptable level of absolute return in the year. The investment performance is measured against targets agreed with the investment advisers and performance has been slightly below the benchmark, in a cautious mix of investments. The majority of the investments are held for the long-term and represent amounts yet to be spent on education. From February 2021, management of the investments has been passed to Cazenove Capital.

Statement on Brexit

Following the outcome of the UK referendum on European Union membership, the UK left the European Union on 31st January 2020. In preparation for this date, and in anticipation of the transition period, Woodard and Woodard schools reviewed operations to understand and plan for the initial impact from Brexit. Guidance was also available from a number of sources including the Independent Schools Bursars Association. At this stage it is not possible to implement comprehensive policies for all possible changes as the future trade, visa and travel agreements are not yet in place. Schools will continue to work with relevant authorities, staff, parents and suppliers to fully understand the impact in all areas including particularly visa requirements, the supply chain and data handling and protection, in order to minimise risk and potential disruption.

Engagement with Suppliers, Customers and Others in a Business Relationship with Woodard

Woodard seeks to engage actively and positively with all stakeholders in the local community and in the wider educational landscape. Collaborative relationships with suppliers, parents, educational partners and community leaders are seen as key enablers to achieving success in all of the group's operations.

During the year the group has further promoted this engagement through specific initiatives including:

- Regular communication and engagement with parents and prospective parents of pupils attending the Woodard schools and academies to enhance the understanding of the provision to each pupil and to fully coordinate support to pupils from parents and schools.
- Engagement with other educational organisations and partners at local and national levels to share best practice and to provide peer support.

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- Active dialogues with local councils on matters which impact children and families in the community as well as relate to operation of each school.
- Engaging with local businesses to promote career and educational opportunities for pupils for their mutual benefit.
- Seeking all possible opportunities to engage with local and national suppliers in each Woodard school area.
- Seeking regular communication with all suppliers and ensuring good commercial practices of prompt payment and clear communication to optimise arrangements for supply of goods and services to each school and academy.
- In particular, the Woodard schools have fully adopted the government's policies and guidance during the Coronavirus pandemic and sought to maximise its support to all suppliers through the crisis in order to sustain their support and services in the future.
- Promoting and encouraging pupil and staff opportunities to engage in local voluntary and other projects to support the community.
- Providing community access to schools and academies and, in many cases, adopting a role that puts the school or academy at the heart of a community.

How the Board Complies with Section 172 of the Companies Act

Promoting the success of the charitable group

Section 172 of the Companies Act 2006 requires the directors to act in the way they consider, in good faith, would be most likely to promote the success of the charitable company to achieve its charitable purposes. The Act states that in doing so, the directors should have regard, amongst other matters, to:

The likely consequence of any decision in the long term

Woodard Corporation makes all key decisions through reference to its long-term strategic plan and after projecting the timing and impact of such decisions. This strategy is primarily designed around the objective to improve the educational outcome for pupils. Every decision and strategy or policy adopted is regularly reviewed for its impact on stakeholders, and the need for any change is identified and implemented.

The interests of the charitable group's employees

Our employees are vital to Woodard and we regard ongoing, regular engagement with them as a top priority. Woodard and its schools and academies seek employee engagement through regular feedback and meetings, including formal appraisals. We address any issues raised by our employees as quickly as possible and communicate back to them what we have done. Staff are offered access to support, and all parts of Woodard seek to ensure that staff welfare is actively considered and addressed. Through application of up-to-date health and safety policies, and regular meetings and consultations, we also actively seek to ensure that the working environment meets necessary high standards of safety and security.

The need to foster the charitable group's business relationships with suppliers, customers, and others

Our relationships with partners and suppliers are key to our effectiveness. Woodard schools and academies actively seeks to engage in service reviews with key suppliers, and the Woodard procurement manager assists in this process for business-critical activities. These reviews are focussed on a two-way relationship with Woodard, its schools and academies based with an aim of helping one another to achieve an optimum service as efficiently as possible, achieving best value for money. Where Woodard schools and academies have procured outsourced services, we seek to ensure that staff and management from that contractor are supported as an equal member of the school community, and as stakeholders.

The impact of the charitable group's operations on the community and the environment

We recognise our responsibility to care for the environment and aim to minimise our environmental impact in all our activities. As well as covering environmental issues in our schools' curriculums, Woodard schools and academies encourage staff and pupils to participate in initiatives to reduce negative environmental impacts. Schools and academies promote recycling of waste and are involved in actions to maximise efficiency in energy consumption.

The desirability of the group maintaining a reputation for high standards of business conduct

Our reputation and public trust in Woodard schools and academies is fundamental to our future

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success. Our ethos and values are a fundamental part of employee recruitment and training to ensure that we maintain high standards; the same basis is used in appraisal processes. We apply similar values and procedures in choosing school and academy partners and suppliers both in the UK and abroad.

Funds held as custodian trustee on behalf of others

Woodard does not hold funds or act as custodian trustee on behalf of others.

FINANCIAL REVIEW

Results for the Year

The results for the year are set out in the attached statements of financial activities on pages 28 to 29.

As stated earlier in this report, Woodard incorporated schools faced a significant drop in their revenue as a result of the pandemic. This came after employer rates of contribution to the Teachers' Pension Scheme (TPS) had been significantly increased, forcing many independent schools to consider alternative pension offerings for teachers (note 27). The consultations on future pension provision are continuing and these financial statements incorporate results from a number of schools where the impact of the increased rates, plus the revenue lost in the pandemic, and the increased costs of provision meant that a prospective surplus became a deficit outcome. This has impacted the consolidated outcome for the year.

As reflected in this report, when aggregated, the net outgoing resources were £(3.5) million (2019: net incoming resources of £1.7 million), as shown on page 28. The result for the year to 31st August 2020 reflects the significant financial impact of the Coronavirus pandemic. Excluding the impact of the closure of Abbots Bromley at 31st August 2019, the overall reduction in fee income was £(10.5) million. A primary driver of the reduction was the need to discount fees to parents at the incorporated schools to reflect the reduced scope of the provision available. Coupled to that reduction was the fact that the independent schools were mostly unable to undertake any lettings or similar after March 2020. This had an impact on ancillary and non-ancillary trading income which fell from a total of £16.9 million in 2018-19, to £10.3 million in 2019-20. As described earlier in this report, the impact on income was partially mitigated through the use of the CJRS or furlough scheme, leading to an overall drop in total consolidated income of £(12.6) million.

All schools had to take significant steps to try to mitigate as much of the loss of income as possible, whilst continuing to incur all of the costs associated with providing online teaching. Very few teachers were furloughed and there were no mass redundancy programmes. Total expenditure was reduced by over £(7.7) million, with expenditure on 'Education and grant making' reducing by the largest amount, being £(5.55) million. Almost all areas of income and expenditure reduced, but it was not possible to mitigate the significant impact on income with a similar saving in expenditure. This was compounded by an additional charge to the provision for pensions of £(923,000).

At 31st August 2020 a lower value of fees were paid in advance of 2020-21 and significant movements in other balances, including fee debtors, resulted in a notable increase in the group net current liabilities balance (2020: £(7.9) million (2019: £(2.8) million)). This movement represents an important, but hopefully short-term trend and will be monitored in future years.

Woodard looks to all schools to make an operational surplus sufficient to allow appropriate re-investment in their facilities. In common with other independent schools, some Woodard independent schools are finding it difficult to achieve a level of surplus necessary to fund all development, and significant sums are borrowed. Much progress has been made in addressing the financial success of the WAT and identifying a route by which all academies can be returned to a surplus; significant progress was made in the year and the WAT achieved break-even or better in all bar one academy, and the WAT itself made a small operational surplus. The Woodard Board has continued to provide funding to ABS Realisations Limited (formerly Abbots Bromley School Limited) following closure of the school and future disposal of the site.

The overall financial performance of Woodard is satisfactory, given the impact of the pandemic. The Board has reviewed financial information for the parent charitable company and is confident in its assessment that it will be able to meet its debts for a period of at least 12 months from the date of signing the financial statements. The assessment for individual Woodard schools and the WAT is contained within their financial statements.

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As outlined earlier in this report, the independent school sector has not seen the anticipated drop off in pupil numbers as a result of the pandemic. Conditions in the independent sector continue to be subject to changing trends but pupil numbers and demand appear to have stabilised in most areas, though there is still pressure in preparatory schools. Individual schools continue to struggle financially, and this has been compounded by the pandemic and by the increases in TPS contributions. There is no common trend emerging, other than a small decline in pupil numbers in preparatory schools. Boarding numbers have steadied and have been most impacted by the pandemic as international pupils have been slow to return in many cases, not least due to national and international restrictions on travel.

Pupil numbers in WAT academies have risen by over 250 in the last two years, and the WAT saw a significant uplift in revenue as the previous lag between growth in pupil numbers and funding for those pupils began to be addressed. This rise in pupil numbers coincided with the closure of the sixth form at Polam Hall School, though this did not prevent the school increasing its total pupil numbers.

All Woodard schools and academies are aware of the market conditions and are planning to maintain their standards and pupil numbers in the coming years. Any surpluses in charitable schools are re-invested in education either directly through employment of teaching or support staff, or indirectly through capital development, provision of technology or investment to create bursaries. For schools and academies there is a balance between surpluses, movements in cash and investments in assets, including particularly buildings.

A number of schools and academies are investing cash into new buildings so as to ensure that the best facilities for teaching and learning are available to pupils and staff. Significant investment in capital assets is still taking place across Woodard and more is planned. Schools continued their significant investment in fixed assets with £14.9 million being invested in a range of projects (2019: £17.7 million). In response to the pandemic, schools have had to use their cash reserves. The cash flow statement on page 31 shows a decrease in cash and cash equivalents in the year of £(6.6) million (2019: increase of £3.2 million). More detail is given in the cash flow statement and in note 28.

Woodard and many Woodard independent schools provide a pension to support staff under the terms of the TPT Retirement Solutions - The Growth Plan. As a result of this pension scheme being under funded, Woodard and the participating schools are committed to contributing to a recovery plan. During the course of the year a total of £250,000 (2019: £290,000) was contributed to the recovery plan and the recognised liability under the plan decreased by £226,000 (2019: decrease of £744,000) in aggregate, with this value being recognised in the Statement of Financial Activity (SOFA). Further details can be found in note 27. This reduction contrasts with the continued increase in liabilities to Local Government Pension Schemes on behalf of non-teaching staff at the WAT and Ardingly College. This resulted in a charge to the SOFA of £(923,000) (2019: charge of £(3.3)m) in the year.

The Impact of the Coronavirus Pandemic

The Woodard Board reviewed the impact of the global pandemic in 2020 on all Woodard schools and academies. In summer term of 2019-20 the financial impact on Woodard schools and the WAT was mitigated through use of the various elements of support provided by the Government including the furlough scheme. Though not directly as a result of the pandemic, an indirect impact has been the announcement in June 2020 by the school councils of Denstone College Preparatory School at Smallwood Manor and of Denstone College of their intention to merge the two schools and move all operations to the site at Denstone College from September 2021. As stated above, Woodard will provide loan funding to support this merger, pending the sale of the site at Smallwood Manor. Other schools have had to seek assistance from their banks to revise the terms on which overdraft and loan funding is provided. The financial implications in 2019-20 brought about as a result of the pandemic will continue into 2020-21, and possibly beyond. Pupil numbers returning to independent schools in September 2020 were mostly positive with a number of schools seeing a rise in numbers, at least in part due to the success with which the independent sector had moved to online provision, led by teaching staff. Numbers in the academies were also up reflecting the trust now being placed in the provision at these schools. Following closures during the course of the year to 31st August 2020, schools were again ordered to close to all but the children of 'Key Workers' on 4th January 2021 when the country entered a further period of 'lockdown'.

For some years Woodard has provided a loan to St James School, Grimsby and a further minor loan of £300,000 was arranged and drawn down in the summer of 2020. The loan is on commercial terms and is coupled with a plan for recovery of amounts loaned. It is possible that Woodard will be asked to provide financial support to other individual Woodard schools as a result of the impact of the pandemic

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and the ability to do so will be considered at that time, taking into account the resources available and the likely impact on going concern in providing such support.

Reserves Level and Policy, and Financial Viability

Reserves held at school level, or by the WAT, are for the benefit of the individual incorporated schools or the academy group. The reserves policy is therefore dictated by the needs of the schools and academy group with a general guideline that schools should be looking to generate reserves backed by liquid assets equivalent to between a half and a whole term's expenditure. Schools and academies will also hold reserves that are designated as being essential for future capital development or which are tied up in the fixed assets and working capital of the schools themselves. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the school or academy group without the need to have recourse to sales of tangible fixed assets. Woodard central reserves are only generated through sales of assets from schools that have ceased operations. Group consolidated net assets fell from £231.6 million to £227.2 million at 31st August 2020, as shown in note 24. The primary driver of this movement has been the impact of the pandemic. This has touched all aspects of the charity but particularly the reduction in net fees (note 2), the inability to mitigate all of this through cost savings and use of the furlough scheme (notes 7 and 9), the reduction in current assets and smaller decrease in current liabilities (notes 16 and 17), and the increase in the provision for pensions liabilities (note 27).

The consolidated unrestricted reserves are invested primarily in tangible fixed assets which are all used for direct charitable activities. The funds available are, in the opinion of the Board, adequate to meet future obligations on a fund-by-fund basis. Wherever possible advance fee funds are segregated from the other funds. Tangible fixed assets are controlled by the school companies, the WAT and Woodard for their own use. Impairment reviews have been undertaken and, in the directors' view, properties are not impaired below their recorded cost in the financial statements. Tangible fixed assets are recorded in the financial statements at book value; the aggregate market value of the assets would be higher. Investments (other than endowment assets) are held to create income and capital growth pending utilisation.

Woodard schools and academies have invested substantial sums into new school buildings in recent years and have a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for pupils. In common with most charity groups involved in independent and maintained sector education, and due to current and previous investment in fixed assets and support for education, the free reserves are at a negative balance of £(46.2) million (2019: £(38.8) million). Free reserves describe a charity's ability to meet short- to medium-term charitable commitments from 'liquid' net assets. Calculation per the SORP definition excludes fixed assets used in the operation of the charity whilst including the liabilities associated with long-term borrowing to fund their purchase. The Board keeps the level of the free reserves under review and, at the balance sheet date, the Board considers that the strength of Woodard's balance sheet, the stable cash flow from pupil rolls and government grants, the ongoing popularity of the schools and the available banking facilities that can be called upon if need arises mitigate the risk of a shortage of liquid funds.

PRINCIPAL RISKS AND UNCERTAINTIES

Coronavirus Pandemic

It should be noted that these financial statements were compiled during the course of the Coronavirus pandemic, and the impact on schools and academies is reflected elsewhere in this report. In considering the principal risks and uncertainties for this report, we have tried to reflect those that pertain to a more normal mode of operation, as all would be dominated by factors relating to the pandemic, if this were not the case, and the risks associated with the pandemic are well understood.

The Board is responsible for the identification and management of risks. The major risks to which the company is exposed, as identified by the directors, have been reviewed and systems or procedures have been established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the executive officers and the process is overseen by the Audit Committee on behalf of the Board. A formal review of the risk management processes is undertaken annually.

The principal risks to which Woodard is exposed include those affecting protection of pupils and security and preservation of charitable assets both now and in the future. In this section references to 'schools' should be read as applying to independent and academy schools. Significant risk areas and their

THE WOODARD CORPORATION LIMITED

DIRECTORS' REPORT *(incorporating the Strategic Report)* YEAR ENDED 31st AUGUST 2020

mitigation are:

- the market in which Woodard and the schools operate is highly competitive and developments in education are monitored to ensure that pupils always receive a first class, holistic and varied educational experience in Woodard schools
- Woodard strives to ensure that all staff are able to work in a safe and supportive environment and policies, procedures and training in human resource management and health and safety help to ensure that Woodard meets expectations
- Woodard and its schools operate in a highly regulated sector, including in matters of child protection, and this exposes all to reputational risks and potential legal challenges. Woodard and its schools appoint appropriate professional advisers to ensure that trustees and staff can keep up to date with all requirements; school or individual membership of bodies such as the constituent members of the Independent Schools Council (ISC) also ensure that we have access to up to date information and support and monitoring of communications from DfE and others, coupled with regular updates to policies, ensures all schools are able to be compliant
- Woodard and its schools operate in an increasingly litigious environment and appropriate professional advisers are appointed and insurance purchased using specialist brokers and advisers to ensure that Woodard can keep up to date with all requirements and meet all challenges
- all organisations face difficult economic conditions and directors and senior managers in Woodard and all schools keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues
- as identified in this report, there is an ongoing risk to the group from the sudden loss of schools either through catastrophic closure or external intervention; this is addressed through the financial monitoring by the Woodard and WAT Boards of the academic and financial position of schools and academies.

The key controls used by Woodard and Woodard schools include:

- formal agendas and minutes for all meetings of the Board and committees
- terms of reference for all committees
- comprehensive risk management, strategic planning, financial forecasting, budgeting and management accounting
- established and identifiable organisational structures and reporting lines which are regularly reviewed
- formal and informal links between the individual elements of the Woodard group including regular meetings, involvement in committees and executive liaison
- use of key performance indicators and appraisals for individual staff members
- comprehensive formal written policies
- clear authorisation limits
- vetting procedures, as required by law, for protection of the vulnerable
- appointment of appropriately qualified professional advisers

Under the relationships established between Woodard and its schools, each school is required to plan strategically having regard for risk. Schools provide the Woodard Board with regular updates including details of their principal strategic objectives and the activity to achieve those objectives. Schools also record their significant achievements and update Woodard on their short-term plans. All of this is discussed at the regular meetings with schools, and with the Woodard Board.

The strategy for the development of academies under the WAT is discussed between the Woodard Board and that of the WAT, and the WAT is able to nominate two members of the Woodard Board. The WAT Board is directly responsible for management of risk in the WAT and in its constituent academies. WAT trustees are assigned to individual academies, and the WAT Board and executive have reporting structures in place to allow them to assess risk at a group and academy level.

Financial Risk Management Objectives and Policies

Woodard and its schools use financial instruments, other than derivatives, comprising loans, cash and other liquid resources and various other items such as trade debtors, creditors and finance lease arrangements that arise directly from their operations. The main purpose of these financial instruments is to provide working capital and raise finance for Woodard's operations.

The main issues arising from Woodard's financial instruments are liquidity risk and interest rate risk. Woodard directors and those in the individual schools adopt policies for managing each of the risks and

THE WOODARD CORPORATION LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31st AUGUST 2020

these are summarised below:

- Liquidity risk – Woodard and its schools seek to manage financial risk by ensuring sufficient liquidity is available to meet foreseeable needs by negotiating adequate facilities from banks and other lenders
- Interest rate risk – Woodard and its schools finance their operations through a mixture of retained surpluses and bank and other borrowings; the exposure to interest rate fluctuations is managed by the use of both fixed and floating facilities

GOING CONCERN

As stated above, with minimal formal financial links between Woodard and its schools and the WAT, only in circumstances where Woodard has pledged specific support would the closure of any individual Woodard school potentially have an impact on Woodard's ability to continue. The Board has reviewed financial information for the parent charitable company and is confident in its assessment that it will be able to meet its debts for a period of at least 12 months from the date of signing the financial statements. After review of evidence, the Woodard Corporation Board has a reasonable expectation that the parent charitable company will be able to continue operating for the foreseeable future and the financial statements have been prepared on a going concern basis. Further details related to the adoption of the going concern basis can be found in the accounting policies on page 32.

The inclusion at the financial year end of significant amounts of fees in advance often leads to a negative balance on net current liabilities at subsidiary schools and for the group. At 31st August 2020 a lower value of fees was paid in advance of 2020-21 and significant movements in other balances, including fee debtors, resulted in a notable increase in the group net current liabilities balance. This movement represents an important, but hopefully short-term trend and will be monitored in future years.

There has been significant disruption to individual independent schools, and to the sector as a whole as a result of the Coronavirus outbreak, which really began taking effect in March 2020. Woodard schools and academies within the group were quick to move to working in line with the Government's advice, providing continuity of education to pupils by remote means, thereby allowing staff to work from home wherever possible, whilst continuing to provide support to key workers. Pupil numbers returning to independent schools in September 2020 were mostly positive with a number of schools seeing a rise in numbers, at least in part due to the success with which the independent sector had moved to online provision, led by teaching staff. Numbers in the academies were also up reflecting the trust now being placed in the provision at these schools.

The Woodard Corporation Board has reviewed the impact of the global pandemic on all Woodard schools. In summer term of 2019-20 the financial impact on Woodard schools and the WAT was mitigated through use of the various elements of support provided by the Government including the Coronavirus Job Support Scheme (CJRS or furlough scheme). Woodard has provided support in specific circumstances to assist schools in coping with the impact of the pandemic. This support has included loans, provision of extra staffing and expertise, and strategic assistance to bring about merger. Following closures during the course of the year to 31st August 2020, schools were again ordered to close to all but the children of 'Key Workers' on 4th January 2021 when the country entered a further period of 'lockdown'. The Woodard Corporation Board recognise that the financial implications in 2019-20 brought about as a result of the pandemic will continue into 2020-21, and possibly beyond, and continues to rework plans for the coming year, to ensure the financial impact on Woodard schools continues to be mitigated in the most appropriate way. Having considered the above factors, the Woodard Corporation Board do not consider that there are any material going concern uncertainties for the group for a period of at least twelve months from the date of signing the financial statements. Further details related to the adoption of the going concern basis can be found in the accounting policies on page 32.

FUTURE PLANS

The Board is in the process of updating the strategic objectives. The new strategic plans will include the following primary objectives, and we have documented where we will focus in 2020-21:

Leadership - Demonstrating outstanding leadership and governance

- Developing courses for governors including ones on accountability and leadership
- Introducing induction courses for Heads, bursars and middle leaders

THE WOODARD CORPORATION LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) YEAR ENDED 31st AUGUST 2020

Christian Charity - Proclaiming and celebrating Christian faith

- Enhancing resources supporting 'service learning'
- Developing support mechanisms for SIAMS inspections

Being the Employer of Choice - Unlocking staff potential and allowing them to find fulfilment and give of their best

- Developing a recruitment platform, and management development programmes
- Supporting development of networks and exchange of ideas
- Looking to introduce support for Human Resources as a group activity

Being Responsive to Opportunities and Threats - Understanding and strategically responding to opportunity and risk

- Commissioning reports on demand in the independent schools sector and developing criteria for sustainable schools
- Updating a strategy for development of the schools' group

Providing Value – Promoting efficiency and effectiveness

- Further development of shared resources in common areas
- Analysing alternative legal structures
- Research on future education and online provision

Being the Educational Community of Choice - Promoting and extending quality education

- Concentrating work on school improvement and inspection
- Developing systems to promote from within, and for supporting networks of subject specialists

Group Streamlined Energy and Carbon Reporting

Energy consumption used to calculate emissions (kWh)	21,113,613
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Energy consumption break down (kWh):

• gas	13,476,856
• oil	937,026
• electricity	6,080,655
• transport fuel	619,077

Scope 1 emissions in metric tonnes CO₂e

Gas consumption	2,477.98
Oil consumption	245.22
Owned transport – mini-buses	157.72
Owned transport - maintenance machinery	0.92

Total Scope 1	2,881.84
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Scope 2 emissions in metric tonnes CO₂e

Purchased electricity	1,417.65
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Scope 3 emissions in metric tonnes CO₂e

Business travel in employee-owned vehicles	12.45
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Total gross emissions in metric tonnes CO₂e	4,311.94
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Intensity ratio Tonnes CO₂e per pupil	0.51
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Group reporting requires us to include all subsidiaries and related companies that qualify. The numbers above include all qualifying subsidiaries and related companies, being Woodard Academies Trust, King's Schools, Taunton and Hurstpierpoint College.

THE WOODARD CORPORATION LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) **YEAR ENDED 31st AUGUST 2020**

Quantification and reporting methodology

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the Greenhouse Gas (GHG) Reporting Protocol – Corporate Standard and the 2020 UK Government's Conversion Factors for Company Reporting.

Intensity measurement

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil.

Measures taken to improve efficiency

During the year, schools and academies implemented a number of initiatives to improve the efficiency of energy use. These included:

- Reviews of light fittings across to seek alternatives, and installation of LED lighting where possible;
- Encouraging staff, through communication and signage, to turn off lights when exiting rooms or installing motion sensors so that lighting is only on when rooms are being used;
- Replacement of old inefficient gas boilers with more efficient condensing boilers;
- Adjusting timers on lighting and heating systems to minimise the energy demand when not required or to minimise the time delays on switch off timers to minimum practical levels; and
- Initiatives through reviews of school travel plans to encourage pupils and to travel from home to school by walking or cycling or on school provided transport.

Going forward schools and academies are engaging in a number of projects to improve energy efficiency in future years as follows:

- Engagement with the Energy Saving Opportunities Scheme (ESOS) to identify possible areas for energy saving;
- Creation of long-term energy efficiency plans;
- Including energy efficiency as a high priority item in construction of new buildings with consideration of underfloor heating, energy controls, solar panels and battery storage;
- Ongoing review of settings and the operation of building management systems to ensure that energy use is minimised according to the need of pupils and staff;
- Installation of campus-wide building management systems to optimise energy usage;
- Replacement of diesel-powered equipment with electric items;
- Encouraging staff to use school provided transport, public transport, bicycles and walking as an alternative mode of transport including promotion of the Cycle to Work Scheme; and
- Encouraging staff to minimise travel and promoting the use of technology for meetings and other communications.

DIRECTORS

The directors who served during the year, and the committees of which they are members, are shown on page 1. None of the directors has any beneficial interest in the company. Under the terms of the Articles, and as disclosed in note 11, the President and the Chairman are eligible to be remunerated for their work on Woodard matters and are trustees of Woodard. The remuneration of the President and Chairman reflects their contribution to the continuing successful delivery of the Woodard strategic plan and is decided by an independent Remuneration Committee.

Exemptions from disclosure

Woodard has not taken advantage of any exemption from disclosure in relation to trustee details.

AUDITORS

RSM UK Audit LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

THE WOODARD CORPORATION LIMITED

DIRECTORS' REPORT (*incorporating the Strategic Report*) **YEAR ENDED 31st AUGUST 2020**

DIRECTORS' RESPONSIBILITIES STATEMENT

The directors are responsible for preparing the director's 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. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law) including FRS 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- 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 and group will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's and group's transactions and disclose with reasonable accuracy at any time the financial position of the company and group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors confirm that:

- so far as each director is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- the directors have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Approved by the Board of Directors of The Woodard Corporation on 19th April 2021, including, in their capacity as company directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:



R S Morse
CHAIRMAN
19th April 2021

THE WOODARD CORPORATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WOODARD CORPORATION LIMITED YEAR ENDED 31st AUGUST 2020

Opinion

We have audited the financial statements of The Woodard Corporation (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31st August 2020 which comprise the Consolidated and Charity Statements of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Cash Flow Statement and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31st August 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We have been appointed auditors under the Companies Act 2006 and section 151 of the Charities Act 2011 and report in accordance with those Acts.

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 directors' 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 group's or parent 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 Directors are responsible for the other information. The other information comprises the information included in the Annual Report other than the financial statements and our auditor's report 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.

THE WOODARD CORPORATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WOODARD CORPORATION LIMITED *YEAR ENDED 31st AUGUST 2020*

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 Directors' Report and the incorporated Strategic Report prepared for the purpose of company law for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the incorporated Strategic Report have 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 group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report and the incorporated Strategic Report.

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' 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 Directors' responsibilities set out on page 24, 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 Directors are responsible for assessing the group's and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

THE WOODARD CORPORATION LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF THE WOODARD CORPORATION LIMITED *YEAR ENDED 31st AUGUST 2020*

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Dale Thorpe

Senior Statutory Auditor
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Manchester

19 April 2021

THE WOODARD CORPORATION LIMITED

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31st AUGUST 2020

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	Total 2020 £'000	Total 2019 £'000
Income and endowments from:						
Charitable Activities						
School fees receivable	2	128,734	(16)	-	128,718	142,575
Funding for academies' educational operations		355	34,405	-	34,760	32,532
Ancillary trading income	3	8,028	44	-	8,072	10,330
Other trading activities						
Non-ancillary trading income	4	2,163	-	-	2,163	6,570
Investments						
Investment income	5	49	13	23	85	147
Bank and other interest	6	170	18	51	239	248
Voluntary sources						
Grants and donations	7	7,638	2,009	-	9,647	3,741
Other incoming resources	8	155	-	-	155	269
TOTAL INCOMING RESOURCES	24	147,292	36,473	74	183,839	196,412
Expenditure on:						
Raising funds						
Non-ancillary trading		3,019	-	-	3,019	4,304
Other income generating activities		761	-	-	761	1,272
Financing costs	10	2,062	-	-	2,062	2,402
Investment management		42	4	2	48	51
Fundraising and development		504	-	-	504	529
TOTAL DEDUCTIBLE COSTS		6,388	4	2	6,394	8,558
Charitable Activities						
Education and grant making		141,616	39,151	57	180,824	186,376
TOTAL EXPENDITURE	9	148,004	39,155	59	187,218	194,934
Net gain/(losses) on investment assets	14	(56)	(48)	7	(97)	236
Net income/(expenditure)		(768)	(2,730)	22	(3,476)	1,714
Transfers between funds	24	20	-	(20)	-	-
Other recognised gains/(losses)						
Pension scheme actuarial (losses)/gains	27	406	(1,329)	-	(923)	(3,329)
Net Movement in funds for the year		(342)	(4,059)	2	(4,399)	(1,615)
Fund balances at 1 st September		134,601	93,597	3,372	231,570	233,185
FUND BALANCES AS AT 31st AUGUST		134,259	89,538	3,374	227,171	231,570

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities.

The notes on pages 32 to 76 form part of these financial statements.

THE WOODARD CORPORATION LIMITED

COMPANY STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income and Expenditure Account) YEAR ENDED 31st AUGUST 2020

	Notes	Unrestricted Funds £'000	Restricted Funds £'000	Endowed Funds £'000	2020 £'000	2019 £'000
Income and endowments from:						
Charitable Activities						
Ancillary trading income	3	19	-	-	19	16
Investments						
Investment income	5	1	1	-	2	2
Bank and other interest	6	289	-	1	290	104
Other incoming resources	8	694	-	-	694	1,160
TOTAL INCOMING RESOURCES	24	1,003	1	1	1,005	1,282
Expenditure on:						
Raising funds						
Financing costs	10	19	-	-	19	25
Investment management		11	-	-	11	11
TOTAL DEDUCTIBLE COSTS		30	-	-	30	36
Charitable Activities						
Education and grant making		1,432	-	-	1,432	1,472
TOTAL EXPENDITURE	9	1,462	-	-	1,462	1,508
Net gains on investment assets	14	17	(27)	-	(10)	54
Net income/(expenditure)		(442)	(26)	1	(467)	(172)
Transfers between funds	24	-	-	-	-	-
Net Movement in funds for the year		(442)	(26)	1	(467)	(172)
Fund balances at 1 st September		12,069	388	18	12,475	12,647
FUND BALANCES AS AT 31st AUGUST		11,627	362	19	12,008	12,475

All amounts relate to continuing activities. All recognised gains and losses in the current and prior year are included in the statement of financial activities. The notes on pages 32 to 76 form part of these financial statements.

THE WOODARD CORPORATION LIMITED

CONSOLIDATED AND COMPANY BALANCE SHEETS AS AT 31st AUGUST 2020

	Note	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
FIXED ASSETS					
Tangible assets	13	275,092	270,207	744	749
Investments	14	9,459	9,826	193	220
Fees in Advance scheme investments	14	1,267	1,250	1,267	1,250
Investment in subsidiaries	15	-	-	2	2
		285,818	281,283	2,206	2,221
CURRENT ASSETS					
Stock		626	696	-	-
Debtors due within one year	16	10,529	16,317	6,587	6,487
Cash at bank and in hand		36,926	39,797	4,362	5,464
		48,081	56,810	10,949	11,951
CURRENT LIABILITIES					
Creditors payable within one year	17	(55,947)	(59,660)	(577)	(910)
NET CURRENT ASSETS/(LIABILITIES)		(7,866)	(2,850)	10,372	11,041
TOTAL ASSETS LESS CURRENT LIABILITIES		277,952	278,433	12,578	13,262
LONG TERM LIABILITIES					
Creditors payable after one year	18	(35,639)	(33,983)	(564)	(779)
Provisions for liabilities	27	(1,246)	(1,477)	(6)	(8)
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY		241,067	242,973	12,008	12,475
Net pension liability	27	(13,896)	(11,403)	-	-
NET ASSETS		227,171	231,570	12,008	12,475
REPRESENTED BY:					
UNRESTRICTED FUNDS	24	134,259	134,601	11,627	12,069
RESTRICTED FUNDS	24	89,538	93,597	362	388
ENDOWED FUNDS	24	3,374	3,372	19	18
		227,171	231,570	12,008	12,475

The financial statements were approved and authorised for issue by the Board on 19th April 2021 and signed on its behalf by:



R S Morse

CHAIRMAN

19th April 2021

Company registration number 4659710

The notes on pages 32 to 76 form part of these financial statements.

THE WOODARD CORPORATION LIMITED

CONSOLIDATED CASH FLOW STATEMENT YEAR ENDED 31st AUGUST 2020

	Notes	2020 £'000	2019 £'000
Cash flows from operating activities:			
Net cash provided by operating activities	28	10,748	22,185
Cash flows from investing activities:			
Dividends, interest and rents from investments		324	395
Proceeds from the sale of property, plant and equipment		45	3,422
Purchase of property, plant and equipment		(14,957)	(17,708)
Proceeds from sale of investments		374	741
Purchase of investments		(121)	(3,486)
Net cash (used in) investing activities		(14,335)	(16,636)
Cash flows from financing activities:			
Repayments of borrowing		(1,740)	(2,367)
Cash inflows from new borrowing		5,457	63
Financing costs		(2,062)	(2,402)
Fees in advance – new contracts		3,342	4,727
Fees in advance – repayment of deposits		(347)	(127)
Fees in advance – payment of fees		(3,879)	(4,335)
Net cash (used in) financing activities		771	(4,441)
Change in cash and cash equivalents in the year		(2,816)	1,108
Cash and cash equivalents at the beginning of the year		37,626	36,518
Cash and cash equivalents at the end of the year	29	34,810	37,626

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

1. ACCOUNTING POLICIES

The principal accounting policies, all of which have been applied consistently throughout the year and in the preceding year are:

a) Basis of Accounting

The financial statements of the group have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK Accounting Standards. They are drawn up on the historical cost accounting basis except that property and share investments held as fixed assets are carried at fair value.

The Woodard Corporation (incorporated in England and Wales) meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in note 35, and in the accounting policies for depreciation of fixed assets, and for bad debts. The financial statements are presented in sterling (£) and the functional currency is sterling (£), rounded to the nearest £'000.

b) Going Concern

The financial statements have been prepared on a going concern basis.

Whilst there are many links between Woodard and its schools and academies for educational, ethos and pastoral purposes, the legal organisation of Woodard is such that there are few structural financial linkages between Woodard and the individual schools, other than through the holding of shares. As a result of the lack of formal financial links, only in circumstances where Woodard had pledged specific support would the closure of any individual Woodard school potentially have an impact on Woodard's ability to maintain the group and challenge its ability to continue. The Woodard Corporation Board has reviewed forecast monthly income, expenditure and cash flows for the year to 31st August 2022 for the parent charitable company and is confident in its assessment that it will be able to meet its debts for a period of at least 12 months from the date of signing the financial statements. The directors have a reasonable expectation that the parent charitable company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the Annual Report and financial statements.

The eventual impact of the Coronavirus pandemic cannot presently be estimated with any certainty, but from the regular reviews undertaken by the Woodard Corporation Board of each school's updated performance and position, plus that of the parent charitable entity, and having given due consideration to the factors above, the Woodard Board are satisfied the group has adequate reserves and mitigation strategies available to deal with the impact of the outbreak. Accordingly, the directors do not consider that there are any material going concern uncertainties for the group for a period of at least twelve months from the date of signing the financial statements.

The Woodard Corporation Board reviewed the impact of the global pandemic in 2020 on all Woodard schools. In summer term of 2019-20 the financial impact on Woodard schools and the WAT was mitigated through use of the various elements of support provided by the Government including the furlough scheme. Woodard has provided support in specific circumstances to assist schools in coping with the impact of the pandemic. This support has included loans, provision of extra staffing and expertise, and strategic assistance to bring about merger.

The inclusion at the financial year end of significant amounts of fees in advance often leads to

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

a negative balance on net current liabilities at subsidiary schools and for the group. At 31st August 2020 a lower value of fees was paid in advance of 2020-21 and significant movements in other balances, including fee debtors, resulted in a notable increase in the group net current liabilities balance. This movement represents an important, but hopefully short-term trend and will be monitored in future years.

Pupil numbers returning to independent schools in September 2020 were mostly positive with a number of schools seeing a rise in numbers, at least in part due to the success with which the independent sector had moved to online provision, led by teaching staff. Numbers in the academies were also up reflecting the trust now being placed in the provision at these schools. The ongoing impact on the ability of individual parents to continue to afford independent education is similarly unclear, as the financial support put in place by the Government has not yet been fully withdrawn. Following closures during the course of the year to 31st August 2020, schools were again ordered to close to all bar the children of 'Key Workers' on 4th January 2021 when the country entered a further period of 'lockdown'. It is possible that Woodard will be asked to provide financial support to other individual Woodard schools as a result of the ongoing impact of the pandemic and the ability to do so will be considered at that time, taking into account the resources available and the likely impact in providing such support.

c) **Group Financial Statements**

The financial statements consolidate the financial statements of the company and all its subsidiary companies, charitable trusts and funds with all inter-company balances being eliminated. Entities are consolidated where Woodard exercises overall control either through ownership of shares or through having the right to appoint and remove directors at schools and the WAT. Accounting policies are consistently applied between group companies. Reduced disclosure – as a qualifying entity within the meaning of FRS102, the charitable company has chosen to take advantage in its individual financial statements of the following disclosure exemption: Section 7: presentation of a statement of cashflows and related notes and disclosures.

d) **School Fees Receivable and Similar Income**

Fees receivable and other educational income are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants.

Fees in Advance Scheme Contracts are those fees received in advance of education to be provided in future years under a specific contract. The fees are either held as investments in interest bearing assets until taken to income to match liabilities in the term when used, or refunded, or they are held within the unrestricted reserves of the school. Any surplus of assets over liabilities is held within the fund as a buffer.

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

e) **Ancillary and Non-Ancillary Trading Income**

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the SOFA when the goods are sold, or services provided.

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

f) **Voluntary sources, Grants and Donations**

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can reliably be quantified, and the economic benefit is considered probable.

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention to be permanent or not.

Gifts in kind are valued at estimated open market value at the date of gift, in the case of assets for retention or consumption, or at the value to the school in case of donated services or facilities.

g) **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy.

The cost of refurbishing and converting existing buildings is written-off in the year in which it is incurred except where the useful life has been extended.

h) **Finance and Other Costs**

Bank interest payable is accounted for on an accruals basis. Other costs include amounts accrued in accordance with the terms of Fees in Advance Scheme Contracts.

i) **Pension Costs**

Woodard, its schools and the WAT participate in the Teachers' Pension scheme, which is an unfunded government scheme. Woodard and its schools participate in the Pensions Trust scheme and the Independent Schools' Pensions scheme, both of which provide benefits based on final pensionable pay. The WAT also participates in the Local Government Pension Scheme (LGPS). The funds of the schemes are separate from those of Woodard, its school companies and the WAT, although the companies' shares of the schemes cannot be identified as the schemes are multi-employer schemes, and so the pension costs are accounted for as defined contribution schemes. Woodard and some school companies also contribute to other defined contribution pension schemes for non-teaching staff.

Woodard and some Woodard schools offer membership of the TPT Retirement Solutions - The Growth Plan or to the Independent Schools' Pensions Scheme to employees other than the full-time academic staff. The TPT Retirement Solutions - The Growth Plan and the Independent Schools' Pensions Scheme are multi-employer pension schemes where the scheme assets are pooled for investment purposes and cannot be attributed to individual employers. Benefits are paid from the total scheme assets. They are in most respects money purchase arrangements but have some guarantees. As a result, it is not possible or appropriate to identify the assets and liabilities of the schemes which are attributable to group companies, though, due to the guarantees inherent in the scheme, the companies remain potentially liable for a debt on withdrawal from the scheme. In accordance with Financial Reporting Standard (FRS) 102 (section 28) therefore, the scheme is accounted for in a fashion which is similar to a defined contribution scheme.

The companies must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises. More detail is given in notes 27 and 32.

The LGPS is a funded multi-employer scheme, and the assets are held separately from those of the WAT in separate trustee administered funds. Pension scheme assets are measured at fair value and liabilities are measured on an actuarial basis using the projected unit credit method and discounted at a rate equivalent to the current rate of return on a high-quality corporate bond of equivalent term and currency to the liabilities. The actuarial valuations are

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

obtained at least triennially and are updated at each reporting date. The amounts charged to net income are the current service costs and the costs of scheme introductions, benefit changes, settlements and curtailments. They are included as part of staff costs as incurred. Net interest on the net defined benefit liability/asset is also recognised in the Statement of Financial Activities and comprises the interest cost on the defined benefit obligation and interest income on the scheme assets, calculated by multiplying the fair value of the scheme assets at the beginning of the period by the rate used to discount the benefit obligations. The difference between the interest income on the scheme assets and the actual return on the scheme assets is recognised in other recognised gains and losses. Actuarial gains and losses are recognised immediately in other recognised gains and losses.

j) **Tangible Fixed Assets and Depreciation**

In accordance with Section 35.10 (d) of FRS102, Woodard and its schools have elected to use the carrying value of any of the freehold land and buildings previously carried at a valuation, as their deemed cost at the date of transition to FRS102, 1st September 2014.

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £10,000 are capitalised. Assets in the course of construction are stated at cost less any provision for impairment. They are transferred to completed assets when substantially all of the activities necessary to get the asset ready for use are complete. Where appropriate, cost includes our own labour costs in relation to construction, and directly attributable overheads.

Where tangible fixed assets have been acquired with the aid of specific grants, they are included in the balance sheet at cost and depreciated over their expected useful economic life. The related grants are credited to a restricted fixed asset fund (in the statement of financial activities and carried forward in the balance sheet). The depreciation on such assets is charged in the statement of financial activities over the expected useful economic life of the related asset on a basis consistent with the depreciation policy.

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

Freehold Buildings:	- Variable according to the building and written off over the expected useful life (see paragraph below)
Freehold improvements	- Over the useful economic life of the improvement
Leasehold land	- Over the shorter of the economic life of the asset or the life of the lease
Leasehold enhancement	- Over the economic life of the asset
Computer equipment	- 25% on cost
Telephone system	- 10% on cost
Fixtures and fittings	- 25% on cost
Motor vehicles	- 25% on cost

Freehold land is not depreciated.

Woodard and Woodard schools have reviewed their tangible assets, which comprise land, buildings and initial fixtures and fittings. All companies undertake an annual review of all buildings assessing their useful economic life. In some cases, the useful economic life of a building is anticipated to be of considerable length, often in excess of 100 years, up to a maximum of 300 years. The buildings are capitalised in the financial statements at historic cost as this was the basis for the carrying value at the date of transition to FRS102, 1st September 2014. Where the calculated depreciation charge is a material figure, it is charged in these financial statements.

When a group company undertakes a significant refurbishment project that will have an economic benefit, the cost of the refurbishment is capitalised, recorded separately under 'Freehold Improvements', its useful life is estimated, and it is depreciated over that useful life.

No depreciation is provided for in respect of investment properties in accordance with Section 16 of FRS102. Such properties are held for their investment potential and not for consumption within the business. Investment properties are stated at their fair value at the balance sheet date.

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

Woodard and Woodard schools exercise judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

k) **Financial Instruments**

Woodard and Woodard schools only have financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

l) **Investments and Fees in Advance Investments**

Investments and Fees in Advance investments are carried at fair value, which is deemed to be market value as at the balance sheet date.

Realised and unrealised investment gains and losses are recognised as 'net gains/(losses) on investment assets' in the Statement of Financial Activities and are allocated to the appropriate fund according to the 'ownership' of the underlying assets.

m) **Stocks**

Stocks comprise raw materials, consumable stores and goods held for resale: they are valued at the lower of cost and net realisable value.

n) **Leasing Commitments**

Assets held under finance leases and hire purchase contracts are capitalised in the balance sheet and are depreciated over their useful lives or the period of the lease whichever is the shorter. The interest element of the obligations is charged to the statement of financial activities over the period of the lease. Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the statement of financial activities on a straight-line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

o) **Fund Accounts**

Endowment funds are subject to specific conditions by donors that the capital must be maintained by the charity. Endowment funds are further sub-divided into permanent and expendable, where required by the terms of the trust.

Restricted funds are subject to specific conditions by donors as to how they may be used. The purposes and uses of the restricted funds are set out in the notes to the financial statements.

Designated funds comprise funds which have been set aside at the discretion of the directors for specific purposes. The purposes and uses of the designated funds are set out in the notes to the financial statements.

p) **Taxation**

Woodard and Woodard schools are registered charities and as such are exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010. There is no similar exemption for VAT, which is included in expenditure or in the cost of assets as appropriate.

Many Woodard schools have a subsidiary company that is subject to taxes including corporation tax and VAT in the same way as any commercial organisation. Tax charged to the profit and loss account is based on the subsidiary company's profit for the year and takes into account tax arising because of timing differences between the treatment of certain items for tax and accounting purposes. The subsidiary companies distribute the majority of their profits to their parent school company under Gift Aid and tax liabilities are kept to a minimum.

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

q) **Discontinued Operations**

Where the primary activity of a subsidiary, such as the education of children in a school, ceases, we record all activity to realise assets or other 'wind-down' activity under a separate note in the financial statements, and in the SOFA.

r) **Fee Deposits**

Refundable fee deposits are currently classified between long term and short term in the financial statements. These deposits are refundable in the event that the pupils leave a school on one term's notice and as such the deposit would be refunded to the parents at that point. However, the financial statements are prepared on a going concern basis and it is assumed that the majority of children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school. Short term deposits reflect those pupils that will be leaving a school within one year, and the longer-term element reflects those pupils that will be leaving a school after 12 months from the balance sheet date.

s) **Coronavirus Job Retention Scheme (CJRS) income**

The CJRS grant is receivable as compensation for staff costs incurred and for the purpose of giving immediate financial support to the schools and academies with no future related costs. It is recognised as income in the period in which it becomes receivable within 'Grants and donations' (note 7).

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

2. CHARITABLE ACTIVITIES - SCHOOL FEES RECEIVABLE

	2020 £'000	2019 £'000
Group		
The school fees income comprises		
Gross fees	153,984	166,413
Less: Total scholarships, bursaries, etc	(25,644)	(24,114)
Add back: Scholarships, Grants etc paid for by Restricted Funds	378	276
	128,718	142,575

Scholarships, bursaries and other awards were paid to 4,158 pupils (2019: 3,870 pupils). Within this, means-tested bursaries totalling £7,375,000 were paid to 968 pupils (2019: £8,257,000 were paid to 1,008 pupils).

3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME

	2020 £'000	2019 £'000
Group		
Extras	3,171	3,906
Entrance fees and registration fees	452	412
Pupil transport	941	1,380
Rent receivable and related income	106	214
Commissions and related income	313	188
Sundry other income	3,089	4,230
	8,072	10,330
Company		
Sundry other income	19	16
	19	16

4. OTHER TRADING ACTIVITIES

	2020 £'000	2019 £'000
Group		
Non-ancillary trading income		
Enterprise company trading turnover	1,705	5,419
Lettings income	87	539
Rents receivable	252	308
Interest receivable - pupil bills	54	99
Other non-ancillary trading income	65	205
	2,163	6,570

The company had no 'other trading' activities.

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

5. INVESTMENTS - INVESTMENT INCOME

Group	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2020 £'000	Total 2019 £'000
Securities					
Equities	46	8	13	67	105
Fixed interest	3	5	10	18	41
Other	-	-	-	-	1
	<u>49</u>	<u>13</u>	<u>23</u>	<u>85</u>	<u>147</u>
Company					
Securities					
Equities	1	1	-	2	2
	<u>1</u>	<u>1</u>	<u>-</u>	<u>2</u>	<u>2</u>

6. INVESTMENTS - BANK AND OTHER INTEREST RECEIVABLE

Group	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2020 £'000	Total 2019 £'000
Bank interest	115	4	1	120	167
Other interest	55	14	50	119	81
	<u>170</u>	<u>18</u>	<u>51</u>	<u>239</u>	<u>248</u>
Company					Total 2019 £'000
Bank interest	21	-	1	22	37
Other interest	268	-	-	268	67
	<u>289</u>	<u>-</u>	<u>1</u>	<u>290</u>	<u>104</u>

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

7. VOLUNTARY SOURCES - GRANTS AND DONATIONS

Group	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2020 £'000	Total 2019 £'000
Grants and donations	783	2,009	-	2,792	3,741
Government grants: CJRS	6,855	-	-	6,855	-
	<u>7,638</u>	<u>2,009</u>	<u>-</u>	<u>9,647</u>	<u>3,741</u>

Restricted donations include £1.099m (2019: £1.125m) of DfE capital grants to the WAT.

Company	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2020 £'000	Total 2019 £'000
Grants and donations	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

8. OTHER INCOMING RESOURCES

Group	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2020 £'000	Total 2019 £'000
Other incoming resources	155	-	-	155	269
	<u>155</u>	<u>-</u>	<u>-</u>	<u>155</u>	<u>269</u>

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

8. OTHER INCOMING RESOURCES (Continued)

Company	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2020 £'000	Total 2019 £'000
Corporation levy	694	-	-	694	1,034
Other incoming resources	-	-	-	-	126
	694	-	-	694	1,160

9. ANALYSIS OF EXPENDITURE

a) Total expenditure

Group	Staff costs (note 11) £'000	Support Costs £'000	Depreciation (note 13) £'000	Total 2020 £'000	Total 2019 £'000
Costs of raising funds					
Non ancillary trading	1,276	1,581	162	3,019	4,304
Other income generating activities	511	250	-	761	1,272
Financing cost (note 10)	-	2,062	-	2,062	2,402
Investment management	-	48	-	48	51
Fundraising and development	355	149	-	504	529
Total cost of generating funds	2,142	4,090	162	6,394	8,558
Charitable expenditure					
Teaching	90,561	8,905	1,361	100,827	100,287
Welfare	6,946	7,032	1,651	15,629	19,355
Premises	8,208	18,971	3,744	30,923	33,294
School administration	20,064	9,665	3,102	32,831	33,055
Donations	-	77	-	77	110
Grants awards and prizes (note 9b)	-	68	-	68	74
Governance	-	469	-	469	201
Total charitable expenditure	125,779	45,187	9,858	180,824	186,376
Total Expenditure	127,921	49,277	10,020	187,218	194,934

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

9. ANALYSIS OF EXPENDITURE (Continued)

Company	Staff costs (note 11) £'000	Support Costs £'000	Depreciation (note 13) £'000	Total 2020 £'000	Total 2019 £'000
Costs of raising funds					
Financing cost (note 10)	-	19	-	19	25
Investment management	-	11	-	11	11
Total cost of generating funds	-	30	-	30	36
Charitable expenditure					
School administration	782	562	-	1,344	1,204
Premises	-	-	5	5	6
Donations	-	79	-	79	257
Grants awards and prizes (note 9b)	-	2	-	2	1
Governance	-	2	-	2	4
Total charitable expenditure	782	645	5	1,432	1,472
Total Expenditure	782	675	5	1,462	1,508

b) Grants, awards and prizes

Group

Woodard schools make awards to individual families to support schooling.

	2020 £'000	2019 £'000
From Endowed Funds:		
Bursaries and other grants and awards	10	9
From Restricted Funds:		
Other grants and awards	8	16
Prizes and leaving awards	4	17
From Unrestricted Funds:		
Other grants and awards	11	13
Prizes and leaving awards	35	19
	68	74

Company

From Unrestricted Funds:		
Prizes and leaving awards	1	1
From Endowed Funds:		
Prizes and leaving awards	1	-
	2	1

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

9. ANALYSIS OF EXPENDITURE (Continued)

c) Total resources expended include:

Group - Woodard reimburses directors for out-of-pocket expenses including travel subsistence and accommodation, where a claim is made. 24 directors were reimbursed during the year (2019: 42).

	2020 £'000	2019 £'000
Remuneration paid to auditor for audit services	378	306
Remuneration paid to auditor for prior year	19	14
Remuneration paid to auditor for non-audit services	-	34
Depreciation of tangible fixed assets:		
- owned by the Charitable Company	9,830	9,244
- held under finance leases and hire purchase contracts	191	141
(Profit) on disposal of fixed assets	(7)	(57)
Operating lease rentals:		
- land and buildings	247	108
- other assets	653	448
Reimbursement of personal expenses to directors	13	22

Company - Woodard reimburse directors for out-of-pocket expenses including travel subsistence and accommodation, where a claim is made. 4 directors (2019: 5 directors) were reimbursed during the year.

Remuneration paid to auditor for audit services	100	97
Remuneration paid to auditor for prior year	19	14
Depreciation of tangible fixed assets:		
- owned by the Charitable Company	5	5
Operating lease rentals:		
- other assets	2	2
Reimbursement of personal expenses to directors	2	3

10. FINANCING COSTS

	2020 £'000	2019 £'000
Group		
Bank interest payable	768	812
Other interest payable	150	186
Fees In Advance debt financing costs	132	130
Lease finance costs	14	16
Pension Scheme financing cost	186	27
Bank charges	267	224
Other finance costs	53	65
Provision for bad and doubtful debts	492	942
	2,062	2,402
Company		
Fees In Advance debt financing costs	18	17
Bank charges	1	3
Other finance costs	-	5
	19	25

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

11. STAFF COSTS

Group	2020 £'000	2019 £'000
The aggregate payroll costs for the year were:		
Wages and salaries	100,554	101,857
Social security costs	9,444	9,513
Other pension costs	17,813	13,195
Private medical insurance	110	142
	127,921	124,707
Company		
The aggregate payroll costs for the year were:		
Wages and salaries	646	595
Social security costs	75	72
Other pension costs	60	50
Private medical insurance	1	1
	782	718

Included in staff costs are redundancy or termination payments totalling £367,000 (2019: £892,000). The amount outstanding at the year-end was £41,000 (2019: £546,000). All are group costs.

Company	2020 £'000	2019 £'000
The following trustees were paid emoluments:		
Chairman	-	-
President	5	5

The Articles of Association permit the President and Chairman to be paid honoraria allowing them to undertake their roles in ensuring the delivery of the Woodard charitable objects. The Board is grateful to the Chairman who has decided to forgo his honorarium, in favour of Woodard. Minor amounts of travel expenses were reimbursed to certain trustees and directors' liability insurance is provided. No other directors at Woodard schools received remuneration or other benefits from the school or from any connected body.

Key Management Personnel within the schools are typically defined as the Head, Bursar and other senior management staff, although this may differ between individual schools and academies. The Senior Provost, Director of Education, the Director of Finance are classed as being the Key Management Personnel of the company.

	2020 £'000	2019 £'000
Group - Aggregate employee benefits of key management personnel	6,192	6,581
Company - Aggregate employee benefits of key management personnel	414	401

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

11. STAFF COSTS (Continued)

The average number of employees during the year was:

	2020 Group No.	2020 Company No.	2019 Group No.	2019 Company No.
Teaching	1,674	-	1,733	-
Other activities	2,249	9	2,276	8
	3,923	9	4,009	8

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

	2020 Group No.	2020 Company No.	2019 Group No.	2019 Company No.
£60,001 - £70,000	52	-	58	-
£70,001 - £80,000	25	1	24	1
£80,001 - £90,000	11	-	12	-
£90,001 - £100,000	7	-	9	-
£100,001 - £110,000	7	-	7	-
£110,001 - £120,000	5	1	5	1
£120,001 - £130,000	3	-	4	1
£130,001 - £140,000	-	-	1	-
£140,001 - £150,000	2	1	-	-
£150,001 - £160,000	1	1	-	-
£160,001 - £170,000	-	-	2	1
£170,001 - £180,000	2	-	1	-
£190,001 - £200,000	1	-	1	-
£200,001 - £210,000	-	-	-	-
£240,001 - £250,000	-	-	-	-
£250,001 - £260,000	1	-	1	-

- in Defined Contribution schemes was	27	3	35	3
Of which the contributions amounted to:	£216,000	£23,000	£213,000	£22,000
- in Defined Benefit schemes was	87	1	87	1
Of which the contributions amounted to:	£1,557,000	£29,000	£921,000	£20,000

There are 3 (2019: 3) employees over earning over £60,000 that have chosen not to participate in a pension scheme.

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS *YEAR ENDED 31st AUGUST 2020*

12. TAXATION

Woodard and Woodard schools are registered charities and as such are exempt from income tax and corporation tax under the provisions of Section 478 of the Corporation Tax Act 2010.

Many Woodard schools have a subsidiary company that is subject to taxes including corporation tax and VAT in the same way as any commercial organisation. Tax charged to the profit and loss account is based on the subsidiary company's profit for the year and takes into account tax arising because of timing differences between the treatment of certain items for tax and accounting purposes. The subsidiary companies distribute the majority of their profits to their parent school company under Gift Aid and tax liabilities are kept to a minimum.

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

13. TANGIBLE FIXED ASSETS

Group	Freehold Land & Buildings £'000	Leasehold Land & Buildings £'000	Under Construction £'000	Plant & Equipment £'000	Fixtures & Fittings £'000	Motor Vehicles £'000	Total £'000
Cost							
At 1 st September 2019	171,136	112,608	3,910	32,978	18,246	1,844	340,722
Additions	1,911	106	10,934	790	1,155	61	14,957
Disposals	-	-	-	(592)	(1,104)	(104)	(1,800)
Transfers	4,683	20	(4,703)	-	-	-	-
At 31st August 2020	177,730	112,734	10,141	33,176	18,297	1,801	353,879
Depreciation							
At 1 st September 2019	18,383	13,383	-	23,229	14,161	1,359	70,515
Charge for the year	3,339	2,358	261	2,047	1,799	216	10,020
Disposals	-	-	-	(555)	(1,089)	(104)	(1,748)
At 31st August 2020	21,722	15,741	261	24,721	14,871	1,471	78,787
Net book value at 31st August 2020	156,008	96,993	9,880	8,455	3,426	330	275,092
Net book value at 31 st August 2019	152,753	99,225	3,910	9,749	4,085	485	270,207

All assets are used for charitable purposes.

Included in Leasehold Land and Buildings are the depreciated values of the buildings occupied by Sir Robert Woodard Academy, The Littlehampton Academy and Kings Priory School. For The Littlehampton Academy and Sir Robert Woodard Academy the schools have been in occupation of their buildings for a number of years and are thus included, although the issue of 125 year leases is still awaiting final completion of works for West Sussex County Council by the contractors.

Included in fixed assets is the gain on revaluing the freehold land and buildings at the King's School Tynemouth that were transferred to Woodard in 2013-14 and subsequently leased to the WAT on a 125 year lease. The land and buildings were valued at £10,585,000 when transferred and were revalued by a professional valuer at £14,635,000 when leased to the WAT. The lease is a peppercorn lease.

Included in fixed assets are assets held under finance leases which have net book values of £488,000 (2019: £524,000) at the year end.

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

13. TANGIBLE FIXED ASSETS (Continued)

Company	Freehold Land & Buildings £'000	Total 2020 £'000
Cost		
At 1 st September 2019 and at 31 st August 2020	775	775
Depreciation		
At 1 st September 2019	26	26
Charge for the year	5	5
At 31 st August 2020	31	31
Net book value at 31 st August 2020	744	744
Net book value at 31 st August 2019	749	749

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

14. INVESTMENTS

Group	Fees in Advance Investments		Investments		Total Investments	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Group investments						
At 1 st September	1,250	1,202	9,826	6,893	11,076	8,095
New money invested	-	1	157	2,068	157	2,069
Reinvested income	-	-	93	1,417	93	1,417
Amounts extracted	-	-	(374)	(639)	(374)	(639)
Investment management fees	-	(4)	(45)	(39)	(45)	(43)
Realised gains/(losses) on investments	-	-	(3)	71	(3)	71
Unrealised gains/(losses) on investments	17	51	(111)	114	(94)	165
Movement in uninvested cash	-	-	(84)	(59)	(84)	(59)
Group investments at 31st August	1,267	1,250	9,459	9,826	10,726	11,076

Group	Fees in Advance Investments		Investments		Total Investments	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Investments comprise:						
Listed investments						
Fixed Interest	-	-	1,008	1,028	1,008	1,028
Equities	-	-	6,864	5,946	6,864	5,946
Unlisted investments						
Land and buildings	-	-	645	645	645	645
Other	1,267	1,250	852	2,101	2,119	3,351
Cash	-	-	90	106	90	106
Group investments at 31st August	1,267	1,250	9,459	9,826	10,726	11,076

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

The main Investments and Fees in Advance Scheme Investments are managed for Woodard schools by professional advisers. All investments are managed and held in the UK.

Holdings at the year-end comprising more than 5% of the total are:

	£'000
TM UBS (UK) Global Yield FD CL F NET	1,267
Property investments held by Denstone College Preparatory School Limited	645

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

14. INVESTMENTS (Continued)

Company	Fees in Advance Investments		Investments		Total Investments	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Company investments						
At 1 st September	1,250	1,202	220	216	1,470	1,418
New money invested	-	1	-	-	-	1
Reinvested income	-	-	-	1	-	1
Amounts extracted	-	-	-	-	-	-
Investment management fees	-	(4)	-	-	-	(4)
Realised gains/(losses) on investments	-	-	-	-	-	-
Unrealised gains/(losses) on investments	17	51	(27)	3	(10)	54
Movement in uninvested cash	-	-	-	-	-	-
Company investments at 31st August	1,267	1,250	193	220	1,460	1,470

Company	Fees in Advance Investments		Investments		Total Investments	
	2020 £'000	2019 £'000	2020 £'000	2019 £'000	2020 £'000	2019 £'000
Investments comprise:						
Listed investments						
Equities	-	-	180	205	180	205
Unlisted investments						
Other	1,267	1,250	13	15	1,280	1,265
Cash	-	-	-	-	-	-
Company investments at 31st August	1,267	1,250	193	220	1,460	1,470

Woodard owns all of the share capital of the subsidiary schools listed in note 15.

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits.

During the year to 31st August 2020, the main Investments and Fees in Advance Scheme Investments are managed for Woodard by UBS Wealth Management. All investments are managed and held in the UK. From February 2021, management changed to Cazenove Capital.

Holdings at the year-end comprising more than 5% of the total are:

	£'000
TM UBS (UK) Global Yield FD CL F NET	1,267
M&G Charifund Accumulation units	133

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

15. GROUP UNDERTAKINGS

Woodard holds directly or indirectly 100% of the share capital of the following companies (all of which are incorporated and registered in England) at a cost of £1,800 (2019: £2,000) and also controls a number of unincorporated charities:

Owned Companies

Name	Charity Number	Company Number
Woodard Corporation Trustee Company Limited (former holding company)		380961
Woodard Endowment Fund	288472	

Educational Charitable Companies

ABS Realisations Limited (formerly Abbots Bromley School Limited) ¹	1103321	5018628
Ardingly College Limited ²	1076456	3779971
Bloxham School Limited ³	1076484	3779976
The Cathedral School (Llandaff) Limited ⁴	1103522	5091977
Denstone College Limited ⁵	1102588	5010957
Ellesmere College Limited ⁶	1103049	5066406
Hurstpierpoint College Limited ⁷	1076498	3779893
King's Schools Taunton Limited ⁸	1103346	5084301
The King's School Tynemouth Limited	269665	1182631
Lancing College Limited ⁹	1076483	3779985
The Peterborough School Limited ¹⁰	269667	1182629
Prestfelde School Limited ¹¹	1102931	5023969
Queen Mary's School (Baldersby) Limited ¹²	1098410	4806128
St James' School, Grimsby Limited ¹³	1099060	4788370
Smallwood Manor Preparatory School Limited ¹⁴	1102929	5035260
Woodard Schools (Midland Division) Limited	269671	1182630
Woodard Schools (Nottinghamshire) Limited ¹⁵	1103326	5011039
Woodard Schools (Western Division) Limited	269669	1182633

School Subsidiary Companies

Dandelion Enterprises Limited (formerly Abbots Bromley School Enterprises Limited)	5181898
Ardingly Projects Limited	1931797
Bloxham School Library Services Limited	5174043
Buxbrass Limited	1570797
Denstone College Enterprises Limited	5181951
Ellesmere College Enterprises Limited	5181897
Ellesmere College International Limited	8512074
Hurst Facilities Limited	1320729
Hurst Transport Limited	7914424
Lancing College Preparatory School at Worthing Limited	8808550
Newdom Developments (Holdings) Limited	7290437
Prestfelde School Enterprises Limited	5181895
Smallwood Manor Enterprises Limited	5181896
Spiralhome Limited	2095047
WST Enterprises Limited	5181894
Woodard Facilities (Southern Division) Limited	1320729
Woodard Lettings (Yorkshire Schools) Limited	1746376
Woodard Schools (Nottinghamshire) Enterprises Limited	5181900

Subsidiary Fund Raising Charities

Ellesmere College Endowment Fund	506533
Lancing College Development Fund	310896

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

15. GROUP UNDERTAKINGS (Continued)

Included in Consolidation on Grounds of Dominant Influence

Woodard has a dominant influence over the following company on the grounds that the Memorandum and Articles of the company allow Woodard to appoint and remove the majority of the directors (the 'sponsor directors') and the two companies follow a common strategy. On 1st August 2013, academy trusts automatically became exempt charities under section 12(4) of the Academies Act 2010 (previously charity number 1122096).

Woodard Academies Trust ¹⁶	Exempt	6415729
Woodard Academies Trust (Trading) Limited		08434771

Superscript number denotes school company per page 2

16. DEBTORS

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Amounts due within one year				
School fees receivable	4,102	5,633	-	-
Trade debtors	848	1,484	-	-
Amounts outstanding from the sale of Harrogate land	-	4,284	-	2,142
Other debtors	1,186	1,104	47	206
Prepayments and accrued income	4,084	3,505	21	15
Tax recoverable	309	307	-	-
Amounts due from subsidiary companies	-	-	6,519	4,124
	10,529	16,317	6,587	6,487

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

17. CREDITORS: amounts falling due within one year

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
Bank loans and overdrafts	8,603	6,881	-	-
Net obligations under finance leases	182	208	-	-
Deposits from parents	3,786	3,896	-	-
Fees received from parents in advance of term	15,495	23,680	-	-
Trade creditors	6,745	6,272	36	180
Taxation and social security	2,582	1,823	16	16
Other creditors	2,614	3,724	28	220
Fees in Advance Scheme (note 20)	3,994	4,062	314	349
Accruals	4,686	4,119	130	101
Deferred income	7,260	4,995	-	2
Amounts due to subsidiary companies	-	-	53	42
	55,947	59,660	577	910

Bank loans and overdrafts are secured either by an unlimited all monies guarantee as part of an overdraft facility under a pooled banking arrangement organised by Woodard or by charges over property. Woodard and two school companies subscribed to a pooled banking arrangement and overdraft facility with Lloyds Bank plc which has a gross limit of £2.0 million. As a result of this arrangement Woodard and the subscribers are able to obtain borrowings at an advantageous rate of interest.

Summary of movements in deferred income

	Group £'000
Balance at 1 st September 2019	4,995
Amounts arising in year	10,321
Amounts transferred to SOFA	(8,056)
Balance at 31st August 2020	7,260

Deferred income arises due to school fee invoices for the autumn term being issued and applied to the fees ledger prior to the year end. The income that relates to the following term is deferred until the term to which the income relates.

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

18. CREDITORS: amounts falling due after one year

	Group		Company	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Bank loans and overdrafts	20,902	18,880	-	-
Other loans	1,000	1,000	-	-
Unsecured credit facility	1,050	1,050	-	-
Net obligations under finance leases	158	214	-	-
Deposits from parents	8,338	7,757	-	-
Other creditors	198	273	-	-
Fees in Advance Scheme (note 20)	3,993	4,809	564	779
	35,639	33,983	564	779

On 18th June 2015 Abbots Bromley School entered into an agreement with the APB Group for a loan facility of £1 million. The school used the amount borrowed by it under the facility to meet its cash flow needs. The rate of interest on the loan is 4.5% per annum above the Bank of England's base rate.

Abbots Bromley has also entered into an unsecured credit facility with APB Group which has been drawn down on various dates from August 2016 to December 2016. The total unsecured credit facility owed to APB Group Limited at 31st August 2020 is £1,050,000.

Deposits are split between those payable within one year and those falling due after one year. The financial statements are prepared on a going concern basis and so there is a fair expectation that the majority of pupils will remain in the school for their full education.

19. BANK LOANS

	Group	Group
	2020	2019
	£'000	£'000
The bank loans are repayable in instalments		
Due after 5 years	9,126	10,227
Due within 2 to 5 years	9,546	7,382
Due within 1 to 2 years	2,230	1,271
Due after more than one year	20,902	18,880
Due within 1 year	6,487	4,710
	27,389	23,590

Bank loans shown above are secured by charges over group property.

The company has no bank loans.

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

20. FEES IN ADVANCE SCHEME

Parents and others may enter into a contract to pay for fixed contributions towards pupil tuition fees for a number of years in advance. The money may be returned subject to specific conditions on the receipt of notice. Assuming pupils remain in the school, fees in advance will be applied as follows:

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
After 5 years	420	293	20	-
Within 2 to 5 years	1,533	2,446	308	495
Within 1 to 2 years	2,040	2,070	236	284
	3,993	4,809	564	779
Within 1 year	3,994	4,062	314	349
	7,987	8,871	878	1,128

Summary of movements in liability

	Group £'000	Company £'000
Balance at 1 st September 2019	8,871	1,128
New contracts	3,342	93
Repayments	(347)	-
Amounts used to pay fees	(3,915)	(357)
Amount accrued to contract as debt financing cost	36	14
Balance at 31st August 2020	7,987	878

21. FINANCE LEASE OBLIGATIONS

	Group 2020 £'000	Group 2019 £'000
The total future minimum lease payments are payable:		
After 5 years	-	-
Within 2 to 5 years	31	52
Within 1 to 2 years	127	162
	158	214
Due after more than one year	182	208
Within 1 year	340	422

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

22. FUNDS

Woodard and Woodard school funds are analysed under the following headings:

a) ENDOWED FUNDS

Group

Woodard and Woodard schools have a number of endowed funds. An endowed fund is created to be one of two types:

Permanent Endowment - where the donor wishes to preserve the capital of the fund, whilst making the income generated from that capital available for use by the charity.

Expendable Endowment – where both the capital and income may be expended in pursuit of the objects of the fund.

Most endowed funds held by Woodard and Woodard schools are for provision of scholarship, bursary and prize trust funds. Transfers from the endowed funds mainly arise when income relating to the funds is used to support education through provision of scholarships and bursaries. Details of individual school funds can be found in the financial statements of the individual school companies, details of which can be found in note 15.

Company

The company endowment fund comprises the Talbot Prize where the capital is permanently endowed and the income generated may fund prizes for science, mathematics or computer studies at the fifth or sixth form level to pupils in any incorporated or affiliated school previously forming part of the Midlands Division of Woodard prior to 2003.

b) RESTRICTED FUNDS

Group

Restricted Funds represent amounts collected, donated or otherwise generated for a specific purpose and the funds are expended on that purpose, or held against that purpose. The restricted funds held by Woodard and Woodard schools tend to be of the following types:

The scholarship, bursary and prize funds consist of a number of separate trust funds set up by individual donors. The income arising, when distributed, is primarily to fund remissions and prizes at schools within Woodard.

Building and development funds are funds raised by various schools where the use is restricted to a particular fixed asset or similar development.

Other educational funds have been set up by individual donors, the funds can be used for a range of purposes, but the use is restricted to particular Woodard schools.

Consolidated funds include The Lancing Chapel Maintenance Fund which is a fund set up for the day-to-day maintenance of the chapel. The fund receives £44,100 per annum equally from the Friends of Lancing Chapel and Lancing College. Lancing College also undertakes appeals, and the funds are held for the specific purposes for which the appeal was held.

The Special Endowment Funds are an accumulation of funds which were given to individual schools for purposes which would be in support of specific classes of pupils, or former pupils, or to support other purposes relating to the particular school.

The funds received from the DfE in support of development and operation of academies are restricted in their use and are shown as such. The majority of amounts transferred from the restricted funds are in relation to the General Annual Grant and represent mainly timing differences. Other transfers occur when the terms of the fund are met, and amounts are used for the purposes for which they were donated. Restricted funds include a specific reserve for the deficit in pensions for staff who are members of relevant local government pension schemes.

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

22. FUNDS (Continued)

Upon conversion to academy status and future operation by the WAT, The King's School, Tynemouth donated its land and buildings to Woodard and, following revaluation, the economic value was donated to the WAT via creation of a lease at a peppercorn rent. See note 13.

Company

Woodard restricted funds comprise scholarship, bursary and prize funds which have been held on behalf of former Woodard schools. Included is the Wilkes Prize Fund held by Woodard to commemorate a former Divisional Provost.

In 2018-19 Woodard was grateful to receive funds from the legacy of Eugenie Clare-Wallis. These funds will support a scholarship to be known as the 'Herbert Clare-Wallis Scholarship'.

c) UNRESTRICTED FUNDS

Unrestricted funds represent accumulated income from Woodard and the schools' activities and other sources that are available for the general purposes of Woodard and the schools.

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group 31st August 2020

	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2020 £'000	Total 2019 £'000
Tangible fixed assets	180,417	94,385	290	275,092	270,207
Investments	6,741	395	2,323	9,459	9,826
Fees in Advance Scheme investments	1,267	-	-	1,267	1,250
Net current assets/(liabilities)	(15,956)	7,329	761	(7,866)	(2,850)
Long term liabilities	(38,210)	(12,571)	-	(50,781)	(46,863)
	134,259	89,538	3,374	227,171	231,570

Group 31st August 2019

	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2019 £'000	Total 2018 £'000
Tangible fixed assets	173,409	96,509	289	270,207	265,248
Investments	6,980	631	2,215	9,826	6,893
Fees in Advance Scheme investments	1,250	-	-	1,250	1,202
Net current assets/(liabilities)	(9,842)	6,124	868	(2,850)	7,197
Long term liabilities	(37,196)	(9,667)	-	(46,863)	(47,355)
	134,601	93,597	3,372	231,570	233,185

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

23. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

Company 31st August 2020

	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2020 £'000	Total 2019 £'000
Tangible fixed assets	744	-	-	744	749
Investments	25	157	13	195	222
Fees in Advance Scheme investments	1,267	-	-	1,267	1,250
Net current assets	10,161	205	6	10,372	11,041
Long term liabilities	(570)	-	-	(570)	(787)
	<u>11,627</u>	<u>362</u>	<u>19</u>	<u>12,008</u>	<u>12,475</u>

Company 31st August 2019

	Unrestricted £'000	Restricted £'000	Endowed £'000	Total 2019 £'000	Total 2018 £'000
Tangible fixed assets	749	-	-	749	754
Investments	23	186	13	222	218
Fees in Advance Scheme investments	1,250	-	-	1,250	1,202
Net current assets	10,834	202	5	11,041	11,198
Long term liabilities	(787)	-	-	(787)	(725)
	<u>12,069</u>	<u>388</u>	<u>18</u>	<u>12,475</u>	<u>12,647</u>

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

24. SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	At 1 st Sept 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 st August 2020 £'000
Unrestricted Funds						
Pension Funds	(1,736)	5	-	-	406	(1,325)
Appeal Funds	1,539	436	(21)	-	(71)	1,883
Scholarship, bursary and prize trust funds	149	38	(36)	(81)	(69)	1
Advance Fees Fund	726	188	(154)	-	17	777
Other Funds	3,831	2,904	(2,915)	-	(35)	3,785
General Reserve	130,118	142,810	(143,612)	101	102	129,519
	<u>134,627</u>	<u>146,381</u>	<u>(146,738)</u>	<u>20</u>	<u>350</u>	<u>134,640</u>
Trading companies' assets	(26)	911	(1,266)	-	-	(381)
Total Unrestricted	<u>134,601</u>	<u>147,292</u>	<u>(148,004)</u>	<u>20</u>	<u>350</u>	<u>134,259</u>
Restricted Funds						
Scholarship, bursary and prize trust funds	1,143	20	1	(9)	(51)	1,104
Building and Development Funds	96,760	35,630	(37,082)	-	-	95,308
Pension Funds	(9,667)	-	(1,575)	-	(1,329)	(12,571)
Other Restricted Funds	5,361	823	(499)	9	3	5,697
Total Restricted	<u>93,597</u>	<u>36,473</u>	<u>(39,155)</u>	<u>-</u>	<u>(1,377)</u>	<u>89,538</u>
Endowed						
Scholarship, bursary and prize funds	3,094	64	(59)	-	(13)	3,086
Other funds	278	10	-	(20)	20	288
Total Endowment	<u>3,372</u>	<u>74</u>	<u>(59)</u>	<u>(20)</u>	<u>7</u>	<u>3,374</u>
Total Funds	<u>231,570</u>	<u>183,839</u>	<u>(187,218)</u>	<u>-</u>	<u>(1,020)</u>	<u>227,171</u>

Note 22 provides more details on the funds.

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

24. SUMMARY OF MOVEMENTS ON MAJOR FUNDS (Continued)

Company	At 1 st Sept 2019 £'000	Incoming resources £'000	Resources expended £'000	Transfers £'000	Gains/ (losses) £'000	At 31 st August 2020 £'000
Unrestricted Funds						
Advance Fee						
Contracts	455	1	(29)	-	17	444
Festival Fund	20	1	(2)	-	-	19
Wilkes Prize Fund	1			-	-	1
General Reserve	11,593	1,001	(1,431)	-	-	11,163
Total Unrestricted	12,069	1,003	(1,462)	-	17	11,627
Restricted Funds						
Scholarship, bursary and prize trust funds	388	1	-	-	(27)	362
Total Restricted	388	1	-	-	(27)	362
Endowed - Expendable						
Trust funds	18	1	-	-	-	19
Total Endowment	18	1	-	-	-	19
Total Funds	12,475	1,005	(1,462)	-	(10)	12,008

Note 22 provides more details on the funds.

25. COMMITMENTS UNDER OPERATING LEASES

The future minimum commitments under non-cancellable operating leases are:

Group	Land and buildings		Other	
	2020	2019	2020	2019
	£'000	£'000	£'000	£'000
Expiry date:				
Within 1 year	215	241	813	554
Between 1 and 5 years	578	815	1,543	1,068
After 5 years	2,427	2,515	77	186
	3,220	3,571	2,433	1,808
Company		2020		2020
		£'000		£'000
Expiry date:				
Within 1 year	-	-	2	2
Between 1 and 5 years	-	-	-	2
After 5 years	-	-	-	-
	-	-	2	4

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

26. CAPITAL COMMITMENTS

At 31st August 2020, the group had capital commitments as follows:

	2020	2019
	£'000	£'000
Expenditure contracted for but not provided in the accounts	1,402	4,648

27. PENSION SCHEMES

Summary

Woodard and Woodard schools have staff in a number of different pension schemes. These schemes are:

The Ardingly College Scheme – this is defined benefit scheme for non-teaching staff at Ardingly College. It is closed to new members.

Local Government Pension Schemes – there are a series of defined benefit schemes for non-teaching staff at Woodard academies. The schemes were previously for local authority staff.

TPT Retirement Solutions Growth Plan – a series of defined contribution schemes for non-teaching staff which, due to previous commitments, have some elements of defined benefit for members and are thus subject to a recovery plan.

TPT Retirement Solutions Independent Schools' Pension Scheme – a similar scheme to the growth plan described above and offered to non-teaching staff in some independent schools.

The Teachers' Pension Scheme – a defined benefit scheme for teachers in schools. This is a multi-employer scheme which is accounted for on a contribution basis in line with accounting policy 1(i).

Defined Benefit Pension Schemes

Allocation of the Pension Deficit for the Year

	2020	2019
	£'000	£'000
The deficit for the year arises from the following schemes:		
Ardingly College	(1,325)	(1,736)
Local Government Pension Scheme Liability	(12,571)	(9,667)
Per Balance Sheet	(13,896)	(11,403)

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

27. PENSION SCHEMES (Continued)

Ardingly College Defined Benefit Scheme

The Ardingly College Retirement Benefit Scheme for support staff is a defined benefit scheme whereby retirement benefits are based upon the employee's final remuneration and length of service and is funded through a separate trustee administered scheme. The Scheme is a Registered Pension Scheme under Chapter 2 of Part IV of the Finance Act 2004. Contributions to the scheme are made good in accordance with the recommendations of independent actuaries who value the scheme at regular intervals, usually triennially. The scheme is closed to new members.

A full FRS102 valuation was carried out for the Ardingly College Retirement Benefit Scheme as at 31st August 2020 by a qualified independent actuary. The assets of the scheme are held separately from those of the Employer. The major assumptions used by the actuary to value the assets and liabilities at the balance sheet date are:

	2020	2019
Inflation assumption	3.2%	3.5%
Rate of increase in salaries	4.2%	4.5%
The assumed rate of increase to pensions in deferment	3.2%	3.4%
The assumed rate of interest to pensions in payment	3.1%	3.5%
Assumed rate used to discount scheme liabilities	1.7%	1.9%
Average life expectancy	90.4	90.3

The life expectancy shown is the average of the figures for men and women aged 45 and 65 at the effective date.

Assumptions

The assumptions have been determined as follows:

- the discount rate is based on a yield curve constructed from the iBoxx sterling AA Corporate Bond Index at the effective date, at the duration of the liabilities.
- the rate of increase in the Retail Price Index (RPI) is derived from the difference in the yields on fixed and index-linked UK government bonds (gilts) at the effective date published by the Bank of England.
- future pay increases are assumed to be in line with the increase in the Retail Price Index plus 1% per annum.
- demographic assumptions are those used for the funding valuation as at 1st September 2017. They are described in the report on the valuation dated 10th October 2018.

Assets and Liabilities at each year end in accordance with FRS102 were:

	2020 £'000	2019 £'000
Total market value of assets	3,279	3,146
Present value of liabilities	(4,604)	(4,882)
Deficit	(1,325)	(1,736)

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

27. PENSION SCHEMES (Continued)

Ardingly College Defined Benefit Scheme (Continued)

Analysis of amount recognised in Statement of Financial Activities

	2020 £'000	2019 £'000
Current service cost	47	44
Net interest	33	34
Expenses paid from the scheme	8	8
Closing value of liabilities	88	86

Analysis of amount recognised in other comprehensive income:

	2020 £'000	2019 £'000
Actual return on assets	136	269
Return on assets included in net interest	(60)	(81)
Asset gain/(loss)	76	187
Liability experience gain/(loss)	220	(96)
Change of assumptions gain/(loss)	118	(654)
Remeasurement gain/(loss) in comprehensive income	414	(562)

Changes in the present value of the defined benefit liabilities are:

	2020 £'000	2019 £'000
Opening value of liabilities	4,882	4,099
Interest cost	92	115
Service cost (including member contributions)	54	50
Experience (gain)/loss	(220)	95
Change of assumptions (gain)/loss	(118)	654
Benefits paid	(86)	(131)
Closing value of liabilities	4,604	4,882

Changes in the fair value of the assets are as follows:

	2020 £'000	2019 £'000
Opening value of assets	3,146	2,891
Expected return	60	81
Asset gain	76	187
Contributions by employer	84	120
Contributions by members	7	6
Benefits paid	(86)	(131)
Expenses paid from the scheme	(8)	(8)
Closing value of assets	3,279	3,146

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

27. PENSION SCHEMES (Continued)

Ardingly College Defined Benefit Scheme (Continued)

The total value of the assets is divided between the main asset classes as follows:

	At 31 st Aug 2020	At 31 st Aug 2019
Equities	31.6%	31.8%
Gilts	12.4%	13.9%
Bonds	29.5%	27.7%
Property	8.1%	7.5%
Cash	0.3%	0.1%
Annuities	18.1%	19.1%
Total	100%	100%

Amounts for the current and previous four periods:

	2020 £'000	2019 £'000	2018 £'000	2017 £'000	2016 £'000
Present value of liabilities	(4,604)	(4,882)	(4,099)	(4,398)	(4,677)
Total market value of assets	3,279	3,146	2,891	2,817	2,694
Deficit	(1,325)	(1,736)	(1,208)	(1,581)	(1,983)
Experience gain/(loss) on assets	76	187	75	97	349
Experience loss/(gain) on liabilities	220	(95)	97	80	83

The actual return on assets over the period was a gain of £136,000 (2019: gain £268,000). The total actuarial gain/loss for the period (being the sum of the liability experience gain/loss, the change of assumptions gain/loss and the asset gain/loss) was a loss of £414,000 (2019: loss £562,000). The employer expects to contribute £74,000 to the scheme in the year from the end of the period.

Local Government Pension Schemes (LPGS)

The LGPS is a funded defined benefit scheme, with the assets held in separate trustee-administered funds. The total contributions are as noted below. The agreed contribution rates for future years for employees are 5.50% to 12.5%. The agreed contribution rates for future years for employers are as follows::

Sir Robert Woodard Academy and The Littlehampton Academy - West Sussex County Council Scheme (20.8% - 21.5%)
 St Augustine Academy - Kent County Council Scheme (20.0% - 22.5%)
 St Peter's Academy - Stoke City Council Scheme (25.2 - 27.2%)
 King's Priory School - South Tyneside Council Scheme (19.9%)
 Polam Hall School – Durham County Council Scheme (19.2%)

Parliament has agreed, at the request of the Secretary of State for Education, to a guarantee that, in the event of academy trust closure, outstanding Local Government Pension Scheme liabilities would be met by the Department for Education. The guarantee came into force on 18th July 2013.

The current valuation reflects the implications of the McCloud judgement. A past service cost of £54,000 (2019: £184,000) has been recognised in the year as a result of this.

Assets and Liabilities at each year end in accordance with FRS102 were:

	2020 £'000	2019 £'000
Total market value of assets	25,917	22,832
Present value of liabilities	(38,488)	(32,499)
Deficit	(12,571)	(9,667)

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

27. PENSION SCHEMES (Continued)

Local Government Pension Scheme (Continued)

The assumption for increases on GMP is that full pension increases on the GMP element of a member's pension are paid for by the Fund and therefore the Academy Trust does not expect the liabilities in the scheme to be affected by the outcome of the indexation and equalisation of GMP in public service pension scheme consultation. The Lloyds ruling does not currently affect the LGPS and so the Academy Trust does not believe any further adjustment is required.

Total contributions made

	2020 £'000	2019 £'000
Employer's contributions	1,219	1,117
Employees' contributions	346	327
Total	1,585	1,444

Principal actuarial assumptions

The following information is based on a full actuarial valuation of the fund at 31st March 2019, updated to 31st August 2020 by a qualified independent actuary

	2020 £'000	2019 £'000
Rate of increase in salaries	2.6% - 3.7%	2.7% - 3.8%
Rate of increase for pensions in payment/inflation	2.2% - 2.3%	2.0% - 2.3%
Discount rate for scheme liabilities	1.6% - 1.7%	1.8% - 1.9%

Mortality assumptions

The current mortality assumptions include sufficient allowance for future improvements in mortality rates. The assumed life expectations on retirement age 65 are:

	At 31 st August 2020	At 31 st August 2019
<i>Retiring today</i>		
Males	21.2 – 22.2 years	21.1 – 22.2 years
Females	23.6 – 25.0 years	23.0 – 24.0 years
<i>Retiring in 20 years</i>		
Males	22.1 – 23.5 years	22.2 – 25.1 years
Females	25.0 – 26.8 years	24.8 – 26.9 years

The trust's share of the assets in the scheme

	2020 £'000	2019 £'000
Equities	14,998	13,049
Bonds	7,531	6,942
Property	2,027	1,906
Cash	1,125	935
Other	236	-
Total fair value of assets	25,917	22,832

The actual return on scheme assets was £1,946,000 (2019: £1,569,000)

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

27. PENSION SCHEMES (Continued)

Local Government Pension Scheme (Continued)

Amounts recognised in the Statement of Financial Activities

	2020 £'000	2019 £'000
Current service cost	2,557	1,951
Net interest cost	183	162
Past service cost	54	184
Total operating charge	2,794	2,297

Changes in the present value of defined benefit obligations were as follows:

	2020 £'000
At 1 st September 2019	32,499
Current service cost	2,557
Interest cost	622
Employee contributions	346
Actuarial (gain)/loss	2,836
Benefits paid	(426)
Past service cost	54
At 31 st August 2020	38,488

Changes in the fair value of the academy's share of scheme assets:

	2020 £'000
At 1 st September 2019	22,832
Interest income	439
Return on plan assets (excluding net interest on the net defined pension liability)	1,507
Employer contributions	1,219
Employee contributions	346
Benefits paid	(426)
At 31 st August	25,917

On review of the actuary's report for Sir Robert Woodard Academy and The Littlehampton Academy, it was noted that the reports for the year ended 31st August 2019 understated benefits paid by a total of £47k and £68k, respectively. Therefore, the gross scheme assets and liabilities as at 31st August 2019 were both overstated by £115k. The net reported scheme liabilities are not affected. This error is not material in the view of the Trustees and as such has been recognised in the current year disclosure above.

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

27. PENSION SCHEMES (Continued)

TPT Retirement Solutions Growth Plan and TPT Retirement Solutions Independent Schools' Pension Plan

Woodard and Woodard schools participate in the TPT Retirement Solutions Growth Plan and the TPT Retirement Solutions Independent Schools' Pension Scheme, which are multi-employer schemes providing benefits to over 950 non-associated participating employers. The schemes are defined benefit schemes in the UK. It is not possible for Woodard or Woodard schools to obtain sufficient information to enable them to account for the schemes as defined benefit schemes. Therefore, they account for them as defined contribution schemes.

The schemes are subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30th December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The schemes are classified as 'last-man standing arrangements'. Therefore, Woodard and Woodard schools are potentially liable for other participating employers' obligations if those employers are unable to meet their share of scheme deficits following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficits on an annuity purchase basis on withdrawal from the scheme.

Summary of provision for pension deficit recovery plan

	Group 2020 £'000	2019 £'000	Company 2020 £'000	2019 £'000
TPT Retirement Solutions Growth Plan	1,180	1,407	6	8
TPT Retirement Solutions Independent Schools Pension Scheme	65	70	-	-
	1,245	1,477	6	8

TPT Retirement Solutions Growth Plan - Deficit Contributions

A full actuarial valuation for the scheme was carried out at 30th September 2017. This valuation showed assets of £795m, liabilities of £926m and a deficit of £132m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

From 1 st April 2019 to 31 st January 2025:	£11.243m per annum (payable monthly and increasing by 3% each on 1 st April)
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Unless a concession has been agreed with the Trustee the term to 31st January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30th September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 st April 2016 to 30 th September 2025:	£12.945m per annum (payable monthly and increasing by 3% each on 1 st April)
From 1 st April 2016 to 31 st September 2028:	£54,450 per annum (payable monthly and increasing by 3% each on 1 st April)

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

27. PENSION SCHEMES (Continued)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the employer has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present Values of Provision	2020 £'000	2019 £'000
Present value of provision	1,180	1,407

Reconciliation of opening and closing provisions	2020 £'000	2019 £'000
Provision at 1 st September	1,407	2,153
Unwinding of the discount factor	12	35
Deficit contribution paid	(250)	(284)
Remeasurements - impact of any change in assumptions	11	26
Remeasurements - amendments to the contribution schedule	-	(523)
Provision at 31st August	1,180	1,407

Income and expenditure impact	2020 £'000	2019 £'000
Interest expense	10	32
Unwinding of the discount factor	12	35
Remeasurements - impact of any change in assumptions	11	26
Remeasurements - amendments to the contribution schedule	-	(524)
Contributions paid in respect of future service	-	-
Costs recognised in income and expenditure account	(16)	-

Assumptions	2020 % per annum	2019 % per annum	2018 % per annum
Rate of discount	0.55	0.97	1.68

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

27. PENSION SCHEMES (Continued)

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Deficit Contributions Schedule

The following schedule shows the deficit contributions agreed between Woodard and Woodard schools, and the scheme, at each year end period:

	2020 £'000	2019 £'000
Year 1	257	247
Year 2	265	255
Year 3	272	263
Year 4	281	270
Year 5	119	278
Year 6	-	130
Year 7	-	21
Year 8	-	2
Year 9	-	-
Year10	-	-

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

TPT Retirement Solutions Independent Schools' Pension Scheme - Deficit Contributions

A full actuarial valuation for the scheme was carried out at 30th September 2017. This valuation was certified on 27th December 2018 and showed assets of £149.4m, liabilities of £186.6m and a deficit of £38.2m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 st September 2016 to 30 th April 2030:	£2.387m per annum (payable monthly and increasing by 3% on each 1 st September)
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Note that the scheme's previous valuation was carried out with an effective date of 30th September 2014. This valuation showed assets of £110.0m, liabilities of £147.4m and a deficit of £37.4m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 st September 2016 to 31 st August 2029:	£2.341m per annum (payable monthly and increasing by 3% on each 1 st September)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

27. PENSION SCHEMES (Continued)

Present Values of Provision	2020 £'000	2019 £'000	
Present value of provision	65	70	
Reconciliation of opening and closing provisions	2020 £	2019 £	
Provision at 1 st September	70	67	
Unwinding of the discount factor	1	1	
Deficit contribution paid	(6)	(5)	
Remeasurements - impact of any change in assumptions	-	3	
Remeasurements - amendments to the contribution schedule	-	4	
Provision at 31 st August	65	70	
Income and expenditure impact	2020 £	2019 £	
Interest expense	1	1	
Unwinding of the discount factor	1	1	
Remeasurements - impact of any change in assumptions	1	3	
Remeasurements - amendments to the contribution schedule	-	4	
Contributions paid in respect of future service *	1	1	
Costs recognised in income and expenditure account	-	-	
Assumptions	2020 % per annum	2019 % per annum	2017 % per annum
Rate of discount	0.90	1.10	1.96

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

Deficit Contributions Schedule

The following schedule shows the deficit contributions agreed between the school company and the scheme at each year end period:

	2020 £'000	2019 £'000	2018 £'000
Year 1	6	6	6
Year 2	6	6	6
Year 3	7	6	6
Year 4	7	6	6
Year 5	7	6	7
Year 6	7	6	7
Year 7	7	7	7
Year 8	8	7	7
Year 9	8	7	7
Year 10	5	7	8
Year 11	-	-	8

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

27. PENSION SCHEMES (Continued)

The school group must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account, i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive school companies' balance sheet liability.

See note 32 for further details

Teachers' Pension Scheme

Woodard schools and academies participate in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to Woodard schools and academies. As required by Section 28.11 of FRS102, the scheme is accounted for as if it were a defined contribution scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31st March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1st September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

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

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

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

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

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

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

28. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	2020 £'000	2019 £'000
Net income for the period (as per the Statement of Financial Activities)	(3,476)	1,714
Adjustments for:		
Depreciation charges	10,020	9,384
Losses/(gains) on investments	97	(236)
Dividends, interest, and rents from investments	(324)	(395)
Financing costs	2,062	2,402
Loss on the sale of fixed assets	7	(57)
Defined benefit pension scheme	(923)	(3,329)
Decrease/(increase) in stocks	70	(16)
Decrease in debtors	5,788	7,051
(Decrease)/increase in creditors	(2,573)	5,667
Net cash provided by operating activities	10,748	22,185

29. ANALYSIS OF CASH AND CASH EQUIVALENTS

	At 31 st Aug 2020 £'000	At 31 st Aug 2019 £'000
Cash in hand and at bank	36,926	39,797
Overdraft facilities repayable on demand	(2,116)	(2,171)
	34,810	37,626

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

30. ANALYSIS OF CHANGES IN NET DEBT

	At 1 st Sept 2019	Cash flows	Other non- cash changes	At 31 st Aug 2020
	£'000	£'000	£'000	£'000
Cash and cash equivalents				
Cash	39,797	(2,871)	-	36,926
Overdraft facility repayable on demand	(2,171)	55	-	(2,116)
	<u>37,626</u>	<u>(2,816)</u>	<u>-</u>	<u>34,810</u>
Borrowings				
Loans falling due within one year	(4,710)	(1,777)	-	(6,487)
Loans falling due after more than one year	(20,930)	(2,022)	-	(22,952)
Finance lease obligations	(214)	32	-	(182)
	<u>(25,854)</u>	<u>(3,767)</u>	<u>-</u>	<u>(29,621)</u>
Total	<u>11,772</u>	<u>(6,583)</u>	<u>-</u>	<u>5,189</u>

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

31. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – Comparative figures by fund type

Year Ended 31 st August 2019	Unrestricted £'000	Restricted £'000	Endowed £'000	Total £'000
Income and endowments from Charitable activities				
School fees receivable	142,589	(14)	-	142,575
Funding for academies educational operations	328	32,204	-	32,532
Ancillary trading income	10,288	42	-	10,330
Other trading activities				
Non-ancillary trading income	6,570	-	-	6,570
Investments				
Investment income	103	21	23	147
Bank and other interest	177	19	52	248
Voluntary sources				
Grants and donations	632	3,109	-	3,741
Other incoming resources	269	-	-	269
Total Incoming Resources	160,956	35,381	75	196,412
Expenditure on:				
Raising funds				
Non ancillary trading	4,304	-	-	4,304
Other income generating activities	1,272	-	-	1,272
Financing costs	2,402	-	-	2,402
Investment management	31	6	14	51
Fundraising and development	529	-	-	529
Total Deductible Costs	8,538	6	14	8,558
Charitable activities				
Education and grant making	148,532	37,796	48	186,376
Total expenditure	157,070	37,802	62	194,934
Net gains on investment assets	137	(5)	104	236
Net income/(expenditure)	4,023	(2,426)	117	1,714
Transfers between funds	(626)	650	(24)	-
Other recognised gains/(losses)				
Pension scheme actuarial losses)	(570)	(2,759)	-	(3,329)
Net movement in funds for the year	2,827	(4,535)	93	(1,615)
Fund balances at 1 st September	131,774	98,132	3,279	233,185
Fund Balances as at 31st August	134,601	93,597	3,372	231,570

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

32. CONTINGENT LIABILITIES

Pooled Banking Arrangements

Woodard and two subsidiary school companies subscribe to a pooled banking arrangement and overdraft facility with Lloyds Bank plc which has a gross limit of £2.0 million. This facility is secured by an unlimited all moneys guarantee from Woodard and the subscribers to the facility. This facility includes an omnibus letter of set-off covering all monies due both present and future from Woodard and the subscribers to the facility.

TPT Retirement Solutions - The Growth Plan (the Growth Plan)

When an employer withdraws from a multi-employer defined benefit pension scheme which is in deficit, the employer is required by law to pay its share of the deficit, calculated on a statutory basis (known as the buy-out basis). Due to a change in the definition of money purchase contained in the Pensions Act 2011 the calculation basis that applies to the Growth Plan will be amended to include Series 3 liabilities in the calculation of an employer's debt on withdrawal.

Group

Participating schools and Woodard itself have been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan, as outlined in note 27, based on the financial position of the Growth Plan as at 30th September 2016. The estimated employer debt on withdrawal for the group at 31st August was £3.3 million (2019: £3.4 million).

Company

Woodard has been notified by the Pensions Trust of the estimated employer debt on withdrawal from the Growth Plan, as outlined in note 27, based on the financial position of the Growth Plan as at 30th September 2016. The estimated employer debt for Woodard at 31st August was £6,366 (2019: £6,887).

TPT Retirement Solutions – Independent Schools' Pension Scheme (the Plan)

The participating schools have been notified by The Pensions Trust of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30th September 2016. The estimated employer debt for the schools at 31st August was £387,016 (2019: £342,173).

33. RELATED PARTIES

Woodard holds directly or indirectly 100% of the share capital of the companies and unincorporated charities listed in note 15. An amount of £684,000 (2019: £1,022,000) was paid during the year to Woodard by way of a levy to meet the running costs. An amount of £36,000 was outstanding at the year-end (2019: £Nil).

An honorarium of £5,000 (2019: £5,000) was paid to the President during the year for his services to Woodard. There were no amounts outstanding at the year-end (2019: nil). School fee payments of £9,885 (2019: £20,777) were paid on behalf of Woodard key management personnel during the year. There were no amounts outstanding at the year-end (2019: £Nil).

THE WOODARD CORPORATION LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31st AUGUST 2020

34. POST BALANCE SHEET EVENTS

The Woodard Board and that of the WAT and all Woodard schools have had to respond to the effect of the Coronavirus global pandemic. Following closures during the course of the year to 31st August 2020, schools were again ordered to close to all bar the children of 'Key Workers' on 4th January 2021 when the country entered a further period of 'lockdown'. The financial impact on Woodard schools and the WAT was mitigated through use of the various elements of support provided by the Government including the furlough scheme. The main effect of the pandemic has been to raise the level of uncertainty and risk for the whole education sector, and in particular independent education where the charging of fees is fundamental. At the time of signing these financial statements the full financial impact is still unclear; schools do not know how many pupils will be able to return to full-time education in 2020-21, and numbers for September 2021 remain uncertain. The impact on the ability of individual parents to continue to afford independent education is similarly unclear as the financial support put in place by the Government has not yet been fully withdrawn. The financial implications in 2019-20 brought about as a result of the pandemic will continue into 2020-21, and possibly beyond.

In the previous year's financial statements, we reported the cessation of education at Abbots Bromley School at 31st August 2019. Despite agreeing a deal for the sale of the land and buildings, the contracted purchaser was unable to make the payments to complete the agreement and, as a result, the contract was rescinded. The deposits under the contract were forfeited in January 2021 and received by ABS Realisations Limited (formerly Abbots Bromley School Limited).

35. ACCOUNTING ESTIMATES AND JUDGEMENTS

In preparing the financial statements, the directors are required to make estimates and judgements. The matters detailed below are considered to be the most important in understanding the judgements that are involved in preparing the financial statements and the uncertainties that could impact the amounts reported in the results of operations, financial position and cashflows. Accounting policies are shown at note 1 to the financial statements.

Pension scheme deficit reduction payments

As explained at note 27, there is a deficit reduction plan in place in respect of Woodard and Woodard schools' membership of the TPT Retirement Solutions - The Growth Plan (the Growth Plan) and TPT Retirement Solutions - Independent Schools Pension Scheme. FRS 102 requires a liability to be recognised in respect of the present value of future contributions payable under the terms of the deficit recovery plan. The incorporation of this liability in the financial statements involves the exercise of judgement in a number of areas, including the selection of an appropriate discount rate.

Pension scheme contingent liability

As explained at note 32, there is a contingent liability in the event that Woodard and Woodard schools were to withdraw their membership of the Pension Trust's Growth Plan or the Independent Schools Pension Scheme. The independent qualified actuaries advising the Pensions Trust in respect of the contingent withdrawal liability exercise significant judgement in determining the amount of that liability. Judgement is exercised in a number of areas, including future changes in salaries and inflation, mortality rates and the selection of appropriate discount rates.

Provision for bad debts

Debts are provided for if not recovered within one term. Estimating amounts to provide against recovery of debts is a matter of judgement.

Depreciation, impairment and residual values of fixed assets

Woodard and Woodard schools exercise judgement in estimating the residual values of fixed assets, the selection of appropriate rates for depreciation, and for matters of impairment.