

WARWICKSHIRE CATHOLIC INDEPENDENT SCHOOLS FOUNDATION

REPORT OF THE TRUSTEES

For the year ended 31 August 2007

CONSTITUTION

Warwickshire Catholic Independent Schools Foundation is a company limited by guarantee, registered number 4177718. It is a registered charity, number 1087124.

The governing instruments under which the charitable company operates comprise the memorandum and articles of association of the company and the instrument of government.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The Directors of the charitable company ('the Foundation') are its Trustees for the purpose of charity law and throughout this report are collectively referred to as the Trustees. The Trustees are also members of the company for the purpose of company law.

The Trustees who served throughout the period are as follows:

Trustees:

Prof B Ray (Chair)
Mr C A Christou
Rev P J Courtney
Mr M S Keeler
Mrs D Long
Ms P A O'Flanagan
Rev A R Whelan

Secretary:

Mr P E Shaw

Mrs L P Whiteman resigned as a trustee on 4 December 2006.

Rev P J Courtney, Ms P A O'Flanagan and Rev A R Whelan retire by rotation and, being eligible, offer themselves for reappointment.

Appointed by the Trustees, the Board of Governors is responsible for overall management of the Foundation in accordance with the instrument of government dated 1 September 2002. Day to day management of the Foundation is delegated by the Trustees to the following executives:

Mr J M Shinkwin (Senior Head of the Foundation)
Mrs J Le Poidevin (Head of the Junior School)
Mr P E Shaw (Foundation Bursar and Company Secretary)

The Board of Governors consists of not more than sixteen and not less than twelve persons including the heads of the schools, a parent representative and a teaching representative. Governors are appointed by the Trustees for an initial term of three years and are eligible for re-appointment. Exceptions are the parent and teaching representatives who serve for a period not exceeding three years. The parent representative is nominated by the parents' associations and the teaching representative is elected by the teaching staff from amongst their number.

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During the year a review of the Foundation's organisational structure was undertaken, with a view to streamlining its governance and methods of operation. As a result of this review, the Trustees have decided to move to a single Board structure as soon as legal formalities can be completed, including Charity Commission agreement.

The Governors who served during the year ended 31 August 2007 were as follows:

Mr E J K Tolcher (Chair)
Maj. G Beesley
Sister J Bogie
Mr J Chaplin
Mr C A Christou (Deputy Chair)
Mr Q Cornforth
Mr C Lee
Mrs J Le Poidevin (Head of Junior School)
Miss J Norris (Teacher Representative)
Mrs M O'Farrell
Ms P A O'Flanagan
Prof B Ray
Mr J M Shinkwin (Senior Head of the Foundation)
Mr B Thorogood
Rev C R Tranter

Ms P A O'Flanagan resigned as a Governor on 31 August 2007. On the same date Miss J Norris completed her term of office as a Governor.

Selection and induction of governors

Governors are selected by the Trustees with a view to maintaining on the Board a balance of skills in a range of disciplines including education, finance, law, religious and pastoral issues and general business acumen. Individual qualities such as motivation and availability are also important for what is an unpaid and time-consuming commitment. Suitable candidates are identified by personal recommendations from existing parents, Governors and Trustees.

New Governors receive a comprehensive information pack detailing the role of a governor, the Foundation and its structure, objectives and strategy. Statutory obligations are also explained and copies of relevant Charity Commission guidance are issued. In addition, each new Governor is briefed by the Heads and the Foundation Bursar and, subject to availability, offered places on bespoke training sessions organised by national bodies such as AGBIS (Association of Governing Bodies in Independent Schools).

Management structure

The Foundation consists of two schools: Princethorpe College, which is a co-educational senior school for pupils aged 11 to 18, and Crackley Hall School, which is a co-educational junior school for pupils aged 4 to 11. The junior school incorporates Little Crackers Nursery for pupils aged 2 to 4. The Governors meet as a full board each term and undertake the management of the Foundation through a structure of sub-committees. A finance and general purposes committee meets at least termly and monitors all aspects of the Foundation's finances including capital expenditure, making annual budgetary recommendations to the governing body and considering applications for bursaries. Other committees meet regularly to oversee such activities as staffing, marketing, health and safety.

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Day to day management of the Foundation is delegated to the Heads and Foundation Bursar who report to the Governors and to the various sub-committees relevant to their individual responsibilities. There is a weekly meeting of the Foundation's senior executives which comprise the Heads, the Foundation Bursar, the three Deputy Heads and the Assistant Head (Marketing and Operations).

Risk Management

The Trustees are responsible for the 'management of risk' to which the charity is exposed. The major risks to the Foundation as identified by the Trustees have been reviewed and systems or procedures have been established to manage those risks. An annual re-assessment of risks is conducted as part of the strategy and business review process.

OBJECTIVES AND ACTIVITIES

Charitable Objectives

The Foundation's objectives are to establish, conduct and carry on an independent school, college and nursery or any one or more thereof, for the education of boys, girls and young adults of all or no religious denominations and of such ages as the trustees may from time to time determine, and to do all things as are or may be incidental or conducive to the attainment of the above objects.

Aims

The Foundation aims to provide a caring Christian environment to children with a broad range of ability wherein their needs can be met and their talents developed. The Foundation pursues these objectives by creating a healthy balance between freedom and structure with an emphasis on self-discipline through responsibility and trust, supported by a high level of pastoral care.

Current Year's Objectives

The main objectives for the year were:

- to continue to improve on the high levels of academic achievement, especially when assessed in terms of value-added;
- as a whole community, to follow faithfully the ethos of the school, creating an environment where each child will flourish;
- to continue to enhance the wide range of extra-curricular activities that are so enjoyed by the pupils;
- to continue the programme of refurbishment and expansion of facilities.

Current Year's Strategies To Achieve Aims

Strategies employed to achieve these objectives include:

- attracting and recruiting high calibre staff;
- optimising pupil/teacher ratios;
- improving training and staff development;
- providing scholarships and bursaries to allow talented pupils from less well-off backgrounds to enrol;
- managing finances so as to retain competitive fees whilst maximising funds available to improve quality of education and facilities for pupils.

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Current Year's Principal Activities

The Foundation successfully provided education to 849 pupils and a total of 293 pupils received help with fees to the total value of £417,276. The Trustees increased the scholarships and bursaries fund to a level equivalent to 7% of fee income.

The Governors are indebted to the parents' associations of both schools whose organisation of events bring together the wider school communities and whose support of school events is invaluable as well as raising significant sums of money to support the schools.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Achievements Against Objectives

- We continue to sustain high levels of achievement in both A-level and GCSE - it is students' performance relative to their ability which is particularly pleasing.
- Pupil numbers have risen by 100 over the last two years – an ambitious programme of developing the teaching accommodation has been accomplished to facilitate this including a new science laboratory, a reconfiguration of the ICT Centre, enlarged Food Technology room, new Textiles area and several new classrooms.
- A new Sixth Form Centre, at a cost of £2.7m has been built and has been in full use since 29 October 2007.
- Participation in extra-curricular sport is at an all time high, we are very successful across a range of boys' and girls' sports including several county titles and representative honours.
- The students have had great range of cultural and sporting trips abroad including a rugby and hockey tour of South Africa.
- The Chaplaincy has been very active including a very successful Sixth Form Alpha Course.
- There have been a large number of fund-raising activities for charitable causes.
- Around 100 students are working toward Gold, Silver or Bronze Duke of Edinburgh Awards.
- Music and drama are thriving - there have been nine drama productions and ten music concerts.

FINANCIAL REVIEW

Summary

The results for the year are shown on page 9. The overall results reflect an operating surplus for the year of £273,862 (2006: £231,763).

Reserves Policy

The Trustees have approved a reserves policy to help protect the Foundation against uninsurable risks and future uncertainties, and to establish a level of reserves which satisfies operating prudence, bearing in mind the impact of potential changes in the economic, political and legislative environment within which the charity functions.

The independent sector is competitive and an increase in fees requires a minimum of one term's notice. The consequence of an adverse change in the economic climate might well have a more immediate effect however, and the Foundation could be contractually obliged to carry some costs, particularly staff costs, through a period of declining income, until adjustments could be made.

The Trustees are of the view that an appropriate level of free reserves should equate to between 50% and 75% of one term's operating costs with a minimum of £1m. The Trustees have established this reserve and will review and monitor this policy annually as part of the budgetary process.

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FUTURE PLANS

The Foundation's strategy and business plan looks forward five years and is reviewed and revised annually. Strategic objectives for the period are:

- to attract and recruit high calibre teaching and support staff
- to maintain and improve the academic performance of the schools
- to maintain optimum staff/pupil ratios;
- to grant scholarships and bursaries thereby enabling talented pupils from less well-off backgrounds to enrol.
- to manage finances such that fees are kept at competitive levels commensurate with the maintenance and improvement of a high quality learning and working environment.

RELATED PARTIES

Two Trustees are members of the Society of The Missionaries of the Sacred Heart of Jesus, a voluntary association of men formed in Ireland for the promotion of the Catholic Faith. They are also Trustees of MSC Charity Trust, a registered charity (number: 801900). The purpose of that charity is to promote the objects of the Society of the Missionaries of the Sacred Heart of Jesus. A summary of transactions with those parties is disclosed in note 18 to the financial statements

INVESTMENT POWERS

Under the memorandum and articles of association, the Foundation has the power to invest monies not immediately required for the furtherance of its objects in such manner as the Trustees may from time to time determine.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The purpose of this statement is to distinguish the Trustees' responsibilities for the financial statements from those of the auditors as stated in their report.

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of the affairs of the Foundation and of its surplus or deficit for that period. In preparing those financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on a going concern basis unless it is inappropriate to presume that the company will continue in business.

The Trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Foundation and to enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the Foundation and hence for taking reasonable steps for the prevention and detection of fraud or other irregularities.

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AUDITORS

Grant Thornton UK LLP offer themselves for reappointment as auditors in accordance with Section 385 of the Companies Act 1985.

On behalf of the Trustees:

Prof B Ray
Chair of Trustees
3 December 2007