

BEDALES SCHOOL

THE BOARD OF GOVERNORS OF BEDALES SCHOOL

ANNUAL REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

Company Registered No: 00276785
(Limited by Guarantee)

Registered Charity No: 307332

Principal Address and Registered Office
Bedales School, Church Road, Steep, Petersfield, Hampshire, GU32 2DG

Website
www.bedales.org.uk

BEDALES 



THE BOARD OF GOVERNORS OF BEDALES SCHOOL

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FOR THE YEAR ENDED 31 AUGUST 2019**

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GOVERNORS, PRINCIPAL OFFICERS AND PROFESSIONAL ADVISERS

The Board of Governors

The Governors that served during the year and to the date the accounts were signed are as follows:

M Rice (Chair)	(1,2,3,7,8,9)
T P Wise (Vice Chair)	(2,3,7,9)
C I Arney (appointed 4 February 2019)	(2,3,7)
C L Bradbury	(1)
F Grey	(1)
M Hanson (appointed 21 November 2019)	(2,3,7)
A F Hardie	(4)
J P M Johnson	(2,3,5,8)
O R Jonathan	(2,3,6,7)
A J Keay	(2,3,7)
R J Lippiett	(8)
S E Marks (appointed 1 September 2019)	(1)
S A Nokes	(1)
G C Ward (retired 31 August 2019)	(1)
C B L Watson	(2,3)

Membership of Governing Body Committees and Specific Responsibilities

(1) Education	(2) Finance and General Purposes	(3) External Relations
(4) Safeguarding	(5) Staff Liaison	(6) Strategic Risk
(7) Buildings and Landscapes	(8) Nominations	(9) Remuneration

Headmaster

M J L Bashaarat (1,2,3,5,7)

Bursar and Clerk to the Board of Governors

R D L Lushington (1,2,3,5,6,7)

Senior Deputy, Bedales School

L J Wilson (1,2,3,4)

Head of Bedales Preparatory School, Dunhurst

C R Baty (1,2,3)

Head of Bedales Pre-Preparatory School, Dunannie

V Homewood (1)

Other Current Members of Governing Body Committees

N Blanchard	(2,3)	R J Cross	(1)
R Reynolds	(2,3)	A McConville	(1)
A R Wiggins	(1)		

Professional Advisors

AUDITORS

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

BANKERS

National Westminster Bank Plc
4 High Street
Petersfield
Hampshire
GU32 3JF

SOLICITORS

Veale Wasborough Vizards
Orchard Court, Orchard Lane
Bristol
BS1 5WS

Farrer & Co
66 Lincoln's Inn Fields
London
WC2A 3LH

INSURANCE BROKERS

Marsh
Capital House
1-5 Perrymount Road
Haywards Heath
West Sussex
RH16 3SY

THE BOARD OF GOVERNORS OF BEDALES SCHOOL

ANNUAL REPORT

FOR THE YEAR ENDED 31 AUGUST 2019

The Board of Governors, who are the Trustees, present their Annual Report and the audited financial statements of Bedales School for the year ended 31 August 2019. The Board of Governors confirms that the financial statements comply with the charity's governing document, with current statutory requirements, with applicable accounting standards in the United Kingdom, with Charities Statement of Recommended Practice (The Charities SORP (FRS102)) and the Charities Act 2011.

The School's Objectives

The objects of the Charity are to provide education and training and in particular by carrying on a School in or near Petersfield. As such, the School promotes, sustains and increases individual and collective knowledge and understanding of specific area of study, skills and expertise. The Powers of the Charity are set out in the Articles of Association adopted on 25th October 2012. The governors give consideration to the Charity Commission's guidance on public benefit when setting objectives and formulating plans.

Aims of the School

Bedales started in 1893 with a determination to be different and to educate 'Head, Hand and Heart'. Today the school's vision is shaped partly by John Badley's founding ideals, but it also recognises the strong Badley view that schools like ours must evolve and re-define themselves. We must respond to the external environment in two distinct ways – the first is common to all schools, the second much less so: we must provide a suitable preparation for life after school and for the world of work; but also, if we are to keep faith with our tradition, we must also seek to overturn influences and tendencies in society that damage children's development and welfare. This approach is reflected in the school's five aims outlined below.

BEDALES AIMS

- Aim 1: To develop inquisitive thinkers with a love of learning who cherish independent thought*
- Aim 2: To enable students' talents to develop through doing and making*
- Aim 3: To foster individuality and encourage initiative, creativity and the appreciation of the beautiful*
- Aim 4: To enable students, former students, parents and staff to take pride in the community's distinctiveness and to feel valued and nourished by the community*
- Aim 5: To foster interest beyond the school: engaging with the local community and developing a national and international awareness.*

GROUP STRUCTURE

Status and Administration

Bedales School is a Public Benefit Entity registered as a charity in England and Wales, number 307332. Its registered company number is 276785. The School is governed by its Memorandum and Articles of Association last amended in August 2012; the Board of Governors ensure that the Articles of Association remain current by reviewing them annually.

Group Structure and Connected Charities

The School has a wholly owned trading subsidiary, Bedales Services Limited (BSL) responsible for non-charitable operations.

The Bedales Grants Trust Fund, charity number 1036179, was set up to provide grants to parents of pupils at Bedales in need of financial aid to pay their tuition fees with a preference towards those parents who were themselves at Bedales School. During the year the Bedales Grants Trust Fund supported 22 students with grants with a total value of £232,873.

The John Badley Foundation, charity number 1138332, was set up to support and promote the activities of the school and advance the education of its pupils primarily through 100% Bursaries. The John Badley Foundation provided half of the funding for each of the 9 pupils supported with a total value of £129,259.

Governors

The Governors act both as Trustees and Directors and have overall responsibility for matters in relation to the charitable company. A Governor nominations sub-committee proposes any new Governors for the full Board to appoint.

Governors may be elected at any general meeting and may stay in office until the conclusion of the annual general meeting in the eighth calendar year following the year of their election. Under special circumstances a Governor may be asked to serve an additional term of up to 4 years.

The Governors determine the general policy of the School and the Board of Governors meets at least three times in each academic year. The day to day management of the School is delegated to the Headmaster and the Bursar. The Governors' principal responsibilities are to:

- Ensure that the School is run in accordance with its charitable objects and that all the functions of the school are authorised by the powers, as set out in the Articles of Association, and by Charity Law;
- Act in the best interests of the School and current and future beneficiaries at all times;
- Appoint the Head and the Bursar and advise on the appointment of Deputy Heads and the Heads of Dunhurst and Dunannie as necessary;
- In consultation with the Head and his management team, set the strategy and policies by which the School will be run;
- Approve the financial reinvestment plan under the aim of maintaining and developing the School;
- Control finance by approving realistic budgets and longer term plans and by monitoring these documents;
- Ensure the effective and efficient administration of the School and its resources, striving for best practice in good governance;
- Ensure that the School is compliant with appropriate statutory and advisory regulations and aims for best practice in this area;
- Understand risk management and legal compliance and be satisfied that there are appropriate measures in place to reduce risk and achieve compliance;
- Ensure competent professional advice is taken when necessary;
- Appoint a Chair and Vice Chair;
- Review and approve the terms of reference of its committees and appoint members to these committees.

Organisational Management

The sub committees of the Board and the Governors with special responsibilities are listed on page 2. The Finance & General Purposes Committee is chaired by T P Wise, the External Relations Committee is chaired by C B L Watson, the Buildings and Landscapes Committee is chaired by A J Keay, and the Education Committee is chaired by S A Nokes. In addition to these committees: A F Hardie has special responsibility for Safeguarding; J P M Johnson is the Governor Representative on the Staff Liaison Group and oversees Nominations; and O R Jonathan has responsibility for Strategic Risk.

The key management personnel include the governors, who are not paid, and members of the 3 school's Senior Team who for the year are the Head, Bedales School, the Bursar, Director of External Relations, the Senior Deputy Head of Bedales, the Head of Dunhurst and the Head of Dunannie. The pay and remuneration of the key management personnel is considered by the Governors' Remuneration Committee and in view of the market rates for each post and the performance of the individuals fulfilling the roles. The Committee considers recommendations from the Head.

Recruitment and Training of Governors

A Governors' nominations committee has been set up to recommend and oversee the appointment of Governors, it meets when necessary to plan the future membership of Governors in light of likely retirements. The Governors have a wealth of experience and many have been professionally trained through their employers; it is vital that the Board of Governors as a whole covers the full spectrum of specialisms that are required to oversee the school and the appointment of new Governors is carefully managed to ensure that this requirement is met. We continue however to fill in any training gaps by making the most of opportunities provided by AGBIS and other organisations. The Governors receive an update on Safeguarding and Child Protection at each Board meeting and carried out a full annual review of Safeguarding at the June Board meeting. Governors appointed during the year complete an induction process.

PRIORITIES FOR THE YEAR

This year, the focus has been on:

- To develop student achievement within a distinctive ethos;
- To increase revenue, control costs and maintain the School's ability to invest;
- To develop social engagement and breadth of access.

FINANCIAL INSTRUMENTS

The Group's principal financial instruments comprise bank balances, other debtors, other creditors and bank loans. The main purpose of these instruments is to finance the Group's operations.

The nature of the financial instruments used by the Group is such that their market value does not fluctuate as a result of changes in market prices. The Group's approach to managing other risks applicable to the financial instruments concerned is shown below.

The interest rate on bank loans is variable and the Governors have managed the interest rate risk as detailed above. The bank loans are secured by charges over some of the School's property and repayment terms are linked to those secured assets. Other debtors are managed in respect of credit and cash flow risk by the regular monitoring of amounts outstanding. Other creditors liquidity risk is managed by ensuring sufficient funds are available to meet amounts due.

STRATEGIC REPORT

ACHIEVEMENTS AND PERFORMANCE

Operational performance

Total pupil numbers at the three Bedales schools continued to be strong: Bedales 464, Dunhurst 217 and Dunannie 86 (total pupils across the three schools: 767). The School's discipline over costs and containment of fee increases have ensured that the School's finances are robust enough to help with the continuing uncertain challenges of the current economic and political climate, including the effect of the vote to leave the EU. The School will continue to exercise prudence in the planning and execution of all its future capital commitments.

Turning to the academic life of the school, Sixth Form leavers secured places at some of the most prestigious educational institutions in the world following release of A Level results including Oxford, Cambridge, UCL, Edinburgh, Manchester, King's College and New York University – 76% of applicants achieved their firm university offer, with another 8% getting into their insurance offer, including QS Top 100 universities (43% of applicants), Music & Dance conservatoires and Art Colleges. Alongside their A Levels, Sixth Form students benefit from a programme of termly Enrichment Courses which enable them to broaden and develop their interests, go beyond their courses, work independently and to love learning.

In Block 5 (year 11), nearly half (45%) of GCSE/Bedales Assessed Course students achieved an average grade 7 (A equivalent) or above. Bedales retains a compulsory core of five IGCSEs (English, Mathematics, Double or Triple Award Science and a Modern Foreign Language) while also offering BACs as an alternative to GCSE to offer increased depth, more active learning and stimulating material, less prescriptive syllabuses and a wider range of assessment methods.

Students can choose from the following BAC options: Ancient Civilisation; Art; Classical Music; Dance; Design; Digital Game Design (new in 2019); English Literature; Geography; Global Awareness; History; Philosophy, Religion and Ethics; Outdoor Work; Sports Science and Theatre Studies. BACs are graded according to their own assessment criteria and this year followed the new numerical GCSE grading convention for the first time. Internally assessed and moderated externally by experts in each field, the level of attainment is at least as difficult as the corresponding GCSE grade, and in many cases the demand goes beyond GCSE.

2019 headline exam result statistics were:

A Level: A*: 11%; A*-A: 32%; A*-B: 61%
Combined BAC/GCSE/IGCSE: A*/9/8: 36%; A*/A/9/8/7: 60%

Strategic Goals 2018-2021

Although student numbers remain strong, the need for a particularly prudent approach in response to continuing global economic uncertainty remains valid. The Trustees of the School continue to take a sensible and cautious approach and will continue the focus on upgrading of existing facilities and buildings (with a view to reducing running costs and ensuring that they are fit for the needs of a Bedales education), before it considers embarking on any further major projects.

The strategic goals for the next three years fall under three themes:

- Academic achievement within a distinctive ethos;
- Maintaining the capacity to reinvest through increasing income and controlling cost;
- Wider engagement and breadth of access.

BEDALES IN THE WORLD

Bedales founder John Badley encouraged a strong communitarian ethic, and the school motto 'Work of Each for Weal of All' challenges the individual to realise themselves whilst also serving the greater good.

Today, the aims of the school underpin the importance of partnership and philanthropy to the everyday experience of students. Formal activities at the whole school level include the provision of scholarships and bursaries with a value of more than £1.5m, the staging of charity events, partnerships with other schools at home and abroad, and making school facilities available to the local public. On an educational level, we encourage our students to engage generously with the world, to collaborate, and to appreciate their own positions and those of others. This presents opportunities for powerful and rounded student learning.

Profile of John Badley Foundation fully funded bursary student

I am Esme Allman and attended Bedales from 2013-2015 as a recipient of a John Badley Foundation full bursary award. At 16 I was about to sit my GCSEs at a school called Pimlico Academy. Throughout my time at this 1,200 strong school I witnessed a lot of change take place. The school was put into special measures by OFSTED and taken over by a sponsor who turned it into an Academy. Despite this, I was adamant that I was not changing school. I wanted to be with my friends, I wanted to have the same teachers, and I wanted to be comfortable.

So, when one of my teachers suggested I visit Bedales I reluctantly got on the train with my mum and headed out to a town called Petersfield to look around the school. I was blown away. This felt like an environment I was supposed to be educated in. I thought wow, this is what happens when time, care and money is poured into young people.

It was a blessing to have been funded to attend Bedales. I loved my time at the school. I was able to grace the Bedales Olivier Theatre for a variety of productions as well as the Rock Show. I was elected Deputy Head Girl, and was able to visit Russia on the annual History trip which inspired me to read History at Edinburgh University.

As I enter a transitional period in my life as a recent graduate, I have been able to reflect on the person I have become and what's made that possible. I have been met with an incredible amount of luck as well as a solid foundation of people who have believed in me throughout my education.

I can't escape that everyone should be able to access an education like the one Bedales gave me. The JBF is a practical and impactful way of making that happen, so that kids like me, sitting restless in a school that wanted to do better for me, but didn't have the means to, don't have to rely on luck in order to allow them to go to a wonderful school like Bedales.

Scholarships and bursaries

Pupils can benefit from the award of a bursary, a scholarship, or both. Bursaries range from part-fee contributions up to more than 100% support, and enable pupils for whom the fee would otherwise be prohibitive to attend our schools. There were 80 bursary holders in the School during the year. Bedales partners with other education charities to maximise the scope of its bursary provision, including the Royal National Children's Springboard Foundation and Buttle UK. We also work to increase the reach of our own Bedales Grants Trust Fund and John Badley Foundation (JBF). The school launched the JBF to extend the transformational effect of full bursaries for young people whose financial circumstances preclude an independent school education. Since the first student on the scheme entered the school in 2011, the JBF has helped many who have joined from difficult home or school situations in both the UK and from countries abroad, including those suffering from the results of armed conflict.

The awarding of scholarships is aligned closely with the school's aim of developing 'inquisitive thinkers with a love of learning who cherish independent thought'. Scholarships are available to pupils with particular talents in Art, Design, Music, Drama, Sport and other academic subjects, and offer access to a research fund to support scholarly projects (£500 per pupil per year).

Collaboration and partnerships

Collaboration with local schools is a priority. Notable during 2018-19 was the development of an independent/state school partnership between Bedales and Bohunt Education Trust.

Bedales and Bohunt

Bedales and Bohunt School (part of the Bohunt Education Trust) decided to work together to enhance learning and development at the schools – initially through staff training, and then student initiatives:

Leaders and staff members – from five Bohunt Education Trust schools and Bedales – took part in a Continuing Professional Development session on wellbeing and exam management. The first session, delivered by The Children's Society, exploring student voice and its role in wellbeing and development in schools. The second, led by a Cognitive Behavioural Psychotherapist, covered strategies for students to manage exam stress.

Two Student Voice events saw head students liaise on what each school does best. The first event focused on student leadership, and the second on dealing with mental health concerns.

In February 2019, students from Bohunt, Churcher's College and Bedales took part in a 'Question Time' style event, with Damian Hinds MP, Secretary of State for Education, one of the panel.

Two Expressive Arts collaborations saw Bohunt musicians join in a Bedales jazz evening, and the Bedales theatre made available for performances of Bohunt's summer production, *Beauty and the Beast*.

A trainee teacher from Bedales underwent a placement at Bohunt as part of the Bohunt TESLA teachers school alliance, which has links with the Winchester Science Centre, Mathematics and Science Learning Centre at the University of Southampton, as well as the universities of Chichester, Sussex, Winchester and Portsmouth.

Bedales librarians hosted their Bohunt counterparts, and taught 20 students more about the Dewey Decimal System, and book-binding.

Bedales has also developed a partnership with The Key Education Centre, Gosport, which caters for children who are temporarily unable to attend school because they are at risk or have been permanently excluded from school, have emotional vulnerability, or face an extended absence from school due to ill health.

Bedales and The Key Education Centre

Introduced by the TES newspaper (Times Educational Supplement), the two schools have found educational common ground for an interesting collaboration.

This is a partnership between two very different schools, from which students in each institution have learned about their counterparts' distinctive contexts and perspectives. For Bedales students, the aim has been to broaden their understanding of significantly different social and economic circumstances to their own, and associated educational challenges. For students at The

Key, the intention has been to give them experiences to which they would not ordinarily have access – raising their aspirations and awareness of other contexts and possibilities.

The impact has been very positive for those Key students who have visited regularly. The Outdoor Work department at Bedales has been the site of weekly visits, with students engaging in traditional rural and craft activities – for example, blacksmithing, animal husbandry, pizza baking, and woodwork. They look forward to it, and it has improved attendance in a number of cases.

The teacher responsible for their outreach explains: “Pupils involved have exhibited improvement in confidence in social situations, built closer relationships with staff, and developed not only their skills but also their world view. We have also seen improvements beyond the visit days such as improved attendance, and some parents have said that has been brilliant in terms of getting them out of the house and doing something practical.”

Bedales in the community

Volunteering and fundraising remain a powerful component of life at Bedales. Students get involved in outreach projects, bringing their practical skills to bear in voluntary capacities both locally and internationally – often assessed as part of their formal education. Examples include students volunteering with the Rural Refugee Network charity, and an overseas immersive project in Eswatini (formerly Swaziland). Collaborative learning is both encouraged and recognised in assessment on Bedales Assessed Courses (BACs), which are pursued as an alternative to non-core GCSE programmes.

The programme of Bedales Events invites local people and schools to Bedales for poetry, music, drama, dance and more. The events are drawn from around the world, cater for all ages, and focus on a range of social issues. More widely, we continue to make school facilities such as the theatre and swimming pool available to community organisations (such as the Petersfield Youth Theatre) and local schools.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The net income for the year amounted to £548,140 (2018: net expenditure £344,944). Additions to fixed assets during the year are outlined in note 10 of the accounts. These amounted to £1,477,601 (2018: £1,648,600) and consisted mainly of improving the facilities at Lupton Hall, a Grade I listed building, building a new sixth form centre and upgrading the swimming pool.

A total of £1,213,117 was provided in the form of means tested bursaries, scholarships and free music lessons; this was supplemented by further grants from the Bedales Grants Trust Fund, the John Badley Foundation, Rank Foundation and Royal National Children's Springboard Foundation. As a total the bursary support represents 5.8% of fee income.

The Schools' subsidiary trading company, Bedales Services Limited, has continued its activities in support of the School. The covenant paid to the School amounted to £nil compared to £58,212 in the previous year.

Resources

The School's assets are sufficient to meet its obligations and are all held for use by the School. The unrestricted School funds are being held to finance current and future capital projects.

Reserves

At 31 July 2019, the total funds of the Group were £18,829,921 (2018: £19,418,346) after taking into account the pension funding deficit. Of these £13,317 (2018: 13,367) are restricted funds. Of the remaining reserves, £30,349,549 (2018: £30,458,788) is represented by fixed assets. Therefore, the group has currently allocated all of its free reserves, supplemented by borrowings, on fixed assets.

The Group has a 10 year plan which sets out its expected expenditure on fixed assets which will continue to improve the facilities of the School. This plan is managed in detail over the first 5 years with expenditure approved by the Board for the first 2 years.

The Group believes that it is able to operate without free reserves and wishes to continue upgrading the facilities of the School through steady surpluses supplemented by borrowings.

Total unrestricted funds include a funding deficit of £4,007,000 (2018: £2,829,000) calculated under FRS 102 in respect of the Schools defined benefit pension scheme for support staff. The Governors believe that this notional funding calculation, which can vary between surplus and deficit according to the assumptions made at the year end, does not have a significant effect on the School's cash flow in the short term and that in the longer term its effects are sustainable out of future income.

The reserves policy of the Group is reviewed on an annual basis by the Governors.

Fundraising

The role of the school's Head of Development is to work with colleagues and volunteer parents and alumni to create and manage a fundraising programme. The long term aim is to raise sufficient donor income to build an endowment fund whilst also providing direct bursary support from donations. In 2018/19 the focus was fundraising for full bursary support via the John Badley Foundation and the target of raising £250,000 of donations was successfully met. Activities included events, an auction and individual approaches. The school has a range of donor clubs to encourage support, and donors choose a variety of ways to support the school, such as through single donations, sponsoring events, offering auction prizes, regular donations, and making legacy commitments. There were no complaints received during the year relating to the school's fundraising activities. The School has robust policies in place regarding vulnerable people and treating donors fairly.

PRINCIPAL RISKS AND UNCERTAINTIES

The governing body is responsible for the identification and management of risks. The major risks to which the School is exposed, as identified by the Governors, have been reviewed and systems and procedures established to manage those risks. Detailed examination of the risks and establishment of controls to mitigate them is delegated to the 3 Schools' Senior Team and the process is overseen by the lead Governor for Strategic Risk in close liaison with the Finance & General Purposes Committee on behalf of the governing body. A formal review of the risk management processes is undertaken annually at the March Board meeting. The focus is primarily on where risk is either increasing or decreasing and this then allows for the direction of resources.

The principal risks to which the School is exposed include those affecting protection of pupils and the security and preservation of charitable assets both now and in the future. Significant risk areas are:

- **The Political Environment**

The Board of governors regularly considers the political environment and how this impacts on the school and how to best prepare for challenges that may come about through changes. The vote to leave the EU is significant as is the potential threat to independent schools from any changes in government policies surrounding charities and in particular fee charging schools. The possibility of a Labour administration and therefore the threat to all independent schools in the form of VAT on fees or even the closure or takeover of all independent school is of concern. These are risks outside of the control of the Governors, but the possible impact of these is being considered regularly by the Governors.

- **Competitive Market**

The market in which the School operates is highly competitive and developments in education are monitored to ensure that pupils always receive a first class, holistic and varied educational experience in the School. Maintenance of strong pupil numbers in all three schools is imperative and a strong and target focussed External Relations team market the School effectively.

- **Safe Environment**

The School strives to ensure that all staff and students are able to work in a safe and supportive environment. Safeguarding procedures are tightly managed with clear policies and procedures in place supplemented by appropriate training for staff. Appropriate employment policies and procedures are in place under the management of the Bursar and the Human Resources team. Health and Safety procedures are clear and under regular review by the Health and Safety Manager and the Health and Safety Strategy and Policy Committee chaired by the Headmaster. There are separate Health and Safety committees for: Bedales; Support Staff; and one covering Dunhurst and Dunannie. The Health and Safety Policy and Strategy group is chaired by the Head, Bedales School and this sets the tone for a culture of safety throughout the School.

- **Compliance**

The School operates in a highly regulated sector and the 3 Schools' Senior Team of the School ensure that the School is up to date with all requirements; School or individual membership of bodies being the constituent associations of the Independent Schools Council also ensure that it has access to up to date information and support.

- **Legal & Financial**

The School operates in an increasingly litigious environment and appoints appropriate professional advisers and purchases insurance using specialist brokers and advisers to ensure that it can keep up to date with all requirements and meet all potential challenges.

- **External Economic Conditions**

All organisations face difficult economic conditions and senior managers in the School keep abreast of economic conditions locally, nationally and internationally to identify trends and develop plans to address issues. The Board of governors regularly considers the economic impacts on the school and how to best prepare for challenges that may come about through changes.

Key controls used by the School include:

- formal agendas and minutes for all meetings of the governing body and committees;
- terms of reference for all committees;
- comprehensive strategic planning, financial forecasting, budgeting and management accounting;
- established and identifiable organisational structures and reporting lines which are regularly reviewed;
- comprehensive formal written policies;
- clear authorisation limits;
- vetting procedures, as required by law, for protection of the vulnerable;
- comprehensive crisis management procedures involving governors right from the outset.

The School plans strategically; having regard for risk. The 3 Schools' Senior Team provide the governing body with regular reports which include details of principal strategic objectives and the activity being undertaken to achieve those objectives. The School also records significant achievements and updates the governing body on short-term plans.

EMPLOYMENT POLICY

Equal Opportunities

The School aims to be an equal opportunity employer and is determined to ensure that no applicant or employee receives less favourable treatment on the grounds of gender, age, disability, religion, belief, sexual orientation, marital status, or race, or is disadvantaged by conditions or requirements which cannot be shown to be justifiable.

Consultation and Employee Voice

Consultation with staff is central to the Bedales ethos as a community and the school aims to take the views of its employees into account when decisions are made that are likely to affect their interests. The Staff Liaison Group formed during the year provides a route for consultation and for employee voice direct to senior management and Governors through the governor representative on the Group.

The staff of the School are made aware of the financial performance of the School and are able to talk to the Bursar about this performance. A number of major initiatives are on-going, with thorough consultation at each stage, and have the aim of ensuring that the right decisions are made and understood.

The school encourages a questioning staff body and provides as many routes as possible for this. There are opportunities for staff to suggest improvements and finding better ways to meet requirements is actively encouraged.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

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

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors 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 company and of its financial position for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP;
- make judgments and accounting 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company 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 company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Governors is aware at the time the report is approved:

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

This report, which incorporates the Strategic Report, was approved by the Board of Governors on 22 November 2019 and signed on their behalf by:

Bedales School
Petersfield
Hampshire

On behalf of the Board



M Rice
Chairman

Opinion

We have audited the financial statements of Bedales School for the year ended 31 August 2019 which comprise the Consolidated Statement of Financial Activities, the Charity and Group Balance Sheet, the Consolidated Cash Flow Statement, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 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 parent charitable company's affairs as at 31 August 2019 and of the state of the group's and parent charitable company's net movement in funds, 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 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 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.

Responsibilities of trustees for the financial statements

As explained more fully in the governors' responsibilities statement set out in the Governors' Report, the governors (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 governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the 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 the 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 located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEDALES SCHOOL

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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the 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 governors are responsible for the other information. The other information comprises the information included in the Governors' Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report (which incorporates the strategic report and the directors' report) for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the Governors' Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report (which incorporates the strategic report and the directors' report).

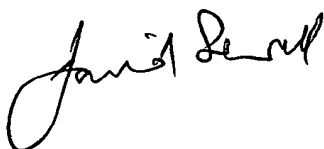
We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent charitable company, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BEDALES SCHOOL

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.



David Sewell (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP (Statutory Auditor)

10 Queen Street Place
London
EC4R 1AG

 November 2019

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

BEDALES SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2019

INCOME AND EXPENDITURE		Unrestricted Funds	Restricted Funds	Year 2019	13 Month Period 2018
	Notes	£	£	£	£
INCOME FROM:					
Charitable Activities					
Fees receivable	1	18,881,394	-	18,881,394	18,517,876
Other educational income	3	62,207	-	62,207	51,807
Other trading activities					
Trading income		106,995	-	106,995	191,393
Other ancillary activities	3	165,702	-	165,702	289,496
Interest receivable	6	29,172	-	29,172	43,237
Other income	3	33,334	-	33,334	6,718
Total Income		<u>19,278,804</u>	<u>-</u>	<u>19,278,804</u>	<u>19,100,527</u>
EXPENDITURE ON:					
Raising Funds					
Trading expenditure		114,225	-	114,225	190,759
Charitable Activities:					
School operating costs:					
- Teaching costs		10,265,930	50	10,265,980	10,427,006
- Welfare		2,309,535	-	2,309,535	2,343,432
- Premises		3,881,196	-	3,881,196	4,066,071
- Support costs		1,896,766	-	1,896,766	2,205,924
Bank loan and other finance costs	5	262,962	-	262,962	212,279
Total Expenditure	8	<u>18,730,614</u>	<u>50</u>	<u>18,730,664</u>	<u>19,445,471</u>
Net Income/(Expenditure)		<u>548,190</u>	<u>(50)</u>	<u>548,140</u>	<u>(344,944)</u>
Transfers between funds	15&16	-	-	-	-
Other gains and losses					
Pension scheme actuarial					
Gains/(losses)	23	(1,138,000)	-	(1,138,000)	552,000
Interest rate swap surplus	13	1,435	-	1,435	32,659
Net movements in funds		<u>(588,375)</u>	<u>(50)</u>	<u>(588,425)</u>	<u>239,715</u>
Reconciliation of funds					
Total funds brought forward at 1 August 2018		<u>19,404,979</u>	<u>13,367</u>	<u>19,418,346</u>	<u>19,178,631</u>
Total funds carried forward at 31 August 2019		<u><u>18,816,604</u></u>	<u><u>13,317</u></u>	<u><u>18,829,921</u></u>	<u><u>19,418,346</u></u>

No summary income and expenditure account has been prepared because this information is clearly identified in the above statement.

All gains and losses recognised in the period are included in the Statement of Financial Activities.

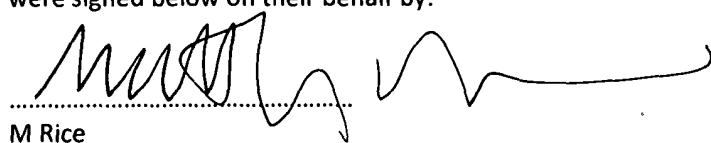
The accompanying notes form part of these accounts.

CONSOLIDATED AND CHARITY BALANCE SHEETS

AT 31 AUGUST 2019

FIXED ASSETS	Notes	2019		2018	
		Group £	School £	Group £	School £
Tangible fixed assets	10	30,349,549	30,349,549	30,458,788	30,458,788
Investment in subsidiary	2	-	2	-	2
		<u>30,349,549</u>	<u>30,349,551</u>	<u>30,458,788</u>	<u>30,458,790</u>
CURRENT ASSETS					
Debtors	11	905,559	907,796	989,576	940,954
Cash, bank and building society balances		5029,168	5,016,749	5,544,558	5,540,999
		<u>5,934,727</u>	<u>5,924,545</u>	<u>6,534,134</u>	<u>6,481,953</u>
Creditors – Amounts falling due within one year	12	(6,335,862)	(6,318,452)	(6,639,097)	(6,586,918)
Net Current Liabilities		<u>(401,135)</u>	<u>(393,907)</u>	<u>(104,963)</u>	<u>(104,965)</u>
Total assets less current liabilities		29,948,414	29,955,644	30,353,825	30,353,825
CREDITORS: amounts falling due after one year	13	(7,111,493)	(7,111,493)	(8,106,479)	(8,106,479)
NET ASSETS before pension deficit		<u>22,836,921</u>	<u>22,844,151</u>	<u>22,247,346</u>	<u>22,247,346</u>
Pension scheme funding deficit	23	(4,007,000)	(4,007,000)	(2,829,000)	(2,829,000)
NET ASSETS after pension deficit		<u>18,829,921</u>	<u>18,837,151</u>	<u>19,418,346</u>	<u>19,418,346</u>
FUNDS					
Restricted Funds	15	<u>13,317</u>	<u>13,317</u>	<u>13,367</u>	<u>13,367</u>
Unrestricted Funds					
- School		22,830,834	22,830,834	22,233,979	22,233,979
- Non charitable trading funds		(7,230)	-	-	-
- Pension reserve	23	<u>(4,007,000)</u>	<u>(4,007,000)</u>	<u>(2,829,000)</u>	<u>(2,829,000)</u>
Unrestricted funds	16	<u>18,816,604</u>	<u>18,823,834</u>	<u>19,404,979</u>	<u>19,404,979</u>
	17	<u>18,829,921</u>	<u>18,837,151</u>	<u>19,418,346</u>	<u>19,418,346</u>

The financial statements were approved and authorised for issue by the Governors on 22 November 2019 and were signed below on their behalf by:



M Rice
Chairman

The accompanying notes form part of these accounts.

BEDALES SCHOOL

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2019

	2019		2018	
	£	£	£	£
Net cash flow from operating activities				
Net income/(expenditure) for the reporting period	548,140		(344,944)	
Depreciation	1,548,704		1,548,384	
Interest paid	195,345		227,818	
Interest received	(29,172)		(43,237)	
Surplus on sale of fixed assets	(27,400)		(1,100)	
Decrease/(increase) in debtors	84,017		(144,384)	
(Decrease)/increase in creditors	(542,119)		2,642,300	
Other pension scheme movements	250,000		353,000	
Pension contributions	(210,000)		(262,000)	
		1,817,515		3,975,837
Cash flows from investing activities				
Interest paid	(195,345)		(227,818)	
Interest received	29,172		43,237	
Sale of tangible fixed assets	65,536		1,100	
Purchase of tangible fixed assets	(1,477,601)		(1,648,600)	
		(1,578,238)		(1,832,081)
Cash flows from financing activities				
New bank loan	-		-	
Bank loan repayments	(754,667)		(795,332)	
		(754,667)		(795,332)
Net change in cash and cash equivalents in the reporting period		(515,390)		1,348,424
Cash and cash equivalents at the beginning of the reporting period		5,544,558		4,196,134
Cash and cash equivalents at the end of the reporting period		5,029,168		5,544,558

STATEMENT OF ACCOUNTING POLICIES

FOR THE YEAR ENDED 31 AUGUST 2019

The financial statements have been prepared under the Companies Act 2006 under the historical cost convention in accordance with the Financial Reporting Standards (FRS102) and the Statement of Recommended Practice – Charities SORP (FRS102). The School is a Public Benefit Entity as defined by FRS102.

The Governors consider that there are no material uncertainties regarding the charity's ability to continue as a going concern.

The Charity is a Public Benefit Entity as defined by FRS102. Figures are presented in sterling and rounded to the nearest pound. The particular accounting policies adopted are described below.

a) Consolidation

These financial statements consolidate the results of the School and its wholly owned subsidiary on a line by line basis. A separate statement of financial activities for the School itself is not presented because the School has taken advantage of the exemptions afforded by section 408 of the Companies Act 2006. The School's income was £19,171,809 (2018: £18,967,348), expenditure £18,616,439 (2018: £19,254,713) and net income £555,370 (2018: net expenditure £287,365).

b) Change in year-end date

In 2018, the School changed its financial year-end from 31 July to 31 August and this is the second financial reporting period adopting the new year-end date. The financial statements for the previous year are therefore for the 13 month period ended 31 August 2018.

The School's subsidiary trading company, Bedales Services Limited, changed its financial year from 31 March to 31 August and this is the second financial reporting period adopting that new year-end date. The financial statements of the subsidiary being consolidated were therefore for the 17 month period ended 31 August 2018.

The longer periods were adopted to make the year end dates of the Group, and the related entities the John Badly Foundation and Bedales Grants Trust Fund, coterminous. Given the change in periods the amounts presented in the financial statements (including the related notes) are not entirely comparable.

c) Fees and Similar Income

Fees receivable are accounted for in the period in which the service is provided and are stated after deducting allowances, scholarships and other remissions allowed by the School, but include contributions received from bursaries and other trusts.

d) Rent Receivable and Interest Receivable

Rent receivable, bank and other interest are accounted for as they accrue.

e) Donations

Donations receivable for the general purposes of the School are credited to unrestricted funds. Donations for purposes restricted by the wishes of the donor are taken to restricted funds.

STATEMENT OF ACCOUNTING POLICIES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2019

Resources Expended

Resources expended are accounted for on an accruals basis. Expenditure is allocated to expense headings on a direct cost basis except for:

- depreciation on buildings which is apportioned according to area taken up and central costs which are apportioned on the basis of the Governors estimate of time spend on the relevant functions;
- support costs not directly attributable to particular functional activity categories, which are apportioned over the relevant categories on the basis of the Governors estimates of the amount attributable to that activity in the period, either by reference to staff time or space occupied, as appropriate.

The irrecoverable element of VAT is included within the item of expense to which it relates, as far as is practicable, or otherwise under the most appropriate heading.

Governance costs are included in support costs and comprise the costs of running the School, including strategic planning for its future development, auditors' remuneration, certain legal costs and all costs of complying with constitutional and statutory requirements, such as Board meetings and preparing statutory financial statements.

Payments in relation to the termination of employment are recognised when the relevant decision-making process has been completed and communicated to all affected parties.

g) Leased Assets

Where assets are financed by leasing agreements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright. The amount capitalised is the present value of the minimum lease payments payable over the term of the lease. The corresponding leasing commitments are shown as amounts payable to the lessor. Depreciation on the relevant assets is charged to the profit and loss account.

h) Lease Payments

Lease payments are analysed between capital and interest components so that the interest element of the payment is charged to the profit and loss account over the period of the lease and represents a constant proportion of the balance of capital repayments outstanding. The capital part reduces the amounts payable to the lessor. All other leases are treated as operating leases. The annual rentals are charged to the profit and loss account on a straight line basis over the term of the lease.

i) Funds

Unrestricted funds are those available to further the School's charitable objects at the discretion of the governors.

The restricted funds are monies raised for, and their use restricted to, a specific purpose, or donations subject to donor imposed conditions.

STATEMENT OF ACCOUNTING POLICIES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2019

j) Fixed Assets and Depreciation

Fixed assets are included at cost. Expenditure on items of furniture, equipment and computer equipment since 1 September 1973 is written down to nil over three periods on the basis of $33\frac{1}{3}\%$ per annum straight line. Major catering equipment and furniture is written down to nil over 15 years. Small items of expenditure and short life assets are charged direct to Revenue. Depreciation is provided on freehold buildings at the following rates, after deducting estimated residual value.

Anticipated Average Life of Buildings	Rate of Depreciation
50 years	2% per annum - straight line
25 years	4% per annum - straight line
10 years	10% per annum - straight line
5 years	20% per annum - straight line

Anticipated Average Life of Other Assets	Rate of Depreciation
Fire Precaution and Electrics	15 years - straight line
Quad Seating & major furniture	15 years - straight line
Major catering equipment	10 years – straight line
Motor vehicles	4 years - straight line
Computer equipment	4 years – straight line

The anticipated average life of buildings is estimated by reference to 1 September 1981 (date of commencement of depreciation policy) or date of expenditure since that date. No depreciation is provided on freehold land.

k) Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

l) Cash and Cash Equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

m) Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

n) Significant Judgements

In preparing these financial statements the governors have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Key areas subject to judgement and estimation are as follows:

STATEMENT OF ACCOUNTING POLICIES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2019

n) Significant Judgements (continued)

Hedge accounting. The applicability of hedge accounting is subject to judgement in respect of the continued effectiveness of the hedging arrangement. Hedge effectiveness is reviewed on an annual basis by management. The value of the interest rate swaps are estimated based on future libor rates and therefore subject to estimation uncertainty.

Pension Scheme accounting. Judgement is applied when selecting the assumptions forming the basis of the school's defined benefit pension scheme valuation.

Fixed asset depreciation. Judgement is applied when assigning anticipated average lives to the fixed assets of the school.

o) Interest Rate Swap (Hedging Arrangement)

The School applies hedge accounting for transactions entered into to manage its exposure to interest rate movements in respect of bank loans. Amounts payable or receivable in respect of these derivatives are recognised as adjustments to finance costs over the period of the contract.

The interest rate swap liabilities or assets are recognised at fair value as at the balance sheet date. Changes in the fair values of interest rate swaps are recognised under other gains and losses within the Statement of Financial Activities.

Hedge accounting is discontinued when the hedging instrument expires, no longer meets the hedging criteria, the forecast transaction is no longer highly probable, the hedged debt instrument is derecognised or the hedging instrument is terminated.

p) Other Financial Instruments

Basic financial assets, including trade and other receivables and cash and bank balances are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest.

Basic financial liabilities, including trade and other payables and bank loans are initially recognised at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest.

q) Pension Costs

The School contributes to the Teachers' Superannuation Scheme at rates set by the scheme actuary and advised to the Governors by the Scheme Administrator. For the purposes of complying with the relevant accounting standards, the Teachers' Superannuation Scheme is accounted for as a defined contribution scheme, in accordance with FRS 102, as the School is not responsible for or entitled to receive benefit for any surplus or deficit on the scheme. Contributions are charged to the Statement of Financial Activities in the period which they became payable

The school also operates a Group Personal Pension Plan for support staff which is a defined contribution scheme and contributions are accounted for as a charge to the SOFA in the period to which they related.

STATEMENT OF ACCOUNTING POLICIES (Continued)

FOR THE YEAR ENDED 31 AUGUST 2019

q) Pension Costs (continued)

The School also contributes to a defined benefit pension scheme for support staff. The scheme is no longer open to new staff. Rates are set by the scheme actuary and advised to the School by the scheme administrator. This scheme is accounted for in accordance with FRS 102: Retirement Benefits, with the annually calculated notional surplus or deficit on the funding of the scheme shown as a designated fund entitled "Pension Reserve", which is deducted from unrestricted funds on the balance sheet. Current service costs, curtailments, settlement gains and losses, net financial returns and actuarial gains and losses are included in the Statement of Financial Activities in the period to which they relate.

Changes in the assets and liabilities of the scheme in the period are disclosed and allocated as follows:

Changes relating to current or past service costs and gains and losses on settlements and curtailments, and pension finance costs arising from changes in the net of the interest costs and expected return on assets, are allocated to the relevant activity heading based on staff costs of employees within the scheme. Pension finance income arising from similar changes is recognised as an incoming resource. Actuarial gains and losses arising are recognised as other recognised gains and losses. The assets, liabilities and movements in the surplus or deficit of the scheme are calculated by qualified independent actuaries as an update to the latest full actuarial valuation. Details of the scheme assets and liabilities and major assumptions are shown in Note 22.

BEDALES SCHOOL**NOTES TO THE ACCOUNTS****FOR THE YEAR ENDED 31 AUGUST 2019****1. FEES**

	Year 2019 £	13 Month Period 2018 £
Fees receivable consist of:		
Gross fees	21,013,230	20,497,250
Less: Total scholarships, bursaries, other remissions and costs	(2,505,620)	(2,336,569)
	<u>18,507,610</u>	<u>18,160,681</u>
Add back bursaries funded by outside trusts:		
- Bedales Grant Trust Fund	244,525	231,377
- The John Badley Foundation	129,259	125,818
	<u>18,881,394</u>	<u>18,517,876</u>

2. SUBSIDIARY COMPANY

The School owns 100% of Bedales Services Limited, company number 1932103, which provides educational, sporting, leisure and other facilities and services at the School. The company is registered in the United Kingdom. During the year it paid its taxable profits of £Nil (2018: £58,212) to the School. The balance owing from the Company to the School to at 31 August 2019 was £46,363 (2018: £37,675 debtor). Its trading results extracted from its audited accounts for the year ended 31 August 2019 were:

	Year 2019 £	17 Month Period 2018 £
Turnover	106,995	306,944
Cost of sales	(139,946)	(234,880)
Operating profit	(32,951)	72,064
Administration costs	25,721	(13,852)
Gift aid payment – gross	-	(58,212)
Loss for the period before taxation and exceptional item	(7,230)	-
Taxation	-	-
Retained loss for the period	<u>(7,230)</u>	<u>-</u>
Current assets	63,832	89,855
Current liabilities	(56,544)	(89,853)
	<u>(7,288)</u>	<u>2</u>
Interest in Bedales Services Limited	<u>2</u>	<u>2</u>
Aggregate capital and reserves	<u>2</u>	<u>2</u>

BEDALES SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

3. OTHER INCOME

	Year 2019 £	13 Month Period 2018 £
Other educational charitable activities:		
Entrance and registration fees	62,207	51,807
Other ancillary activities:		
Rents receivable	165,702	289,496
Other incoming resources:		
Gain from disposal of fixed assets	27,400	1,100
Other	5,934	5,618
	<u>33,334</u>	<u>6,718</u>

4. NET INCOMING RESOURCES

	Year 2019 £	13 Month Period 2018 £
This is stated after charging:		
Operating lease rentals	-	6,747
Depreciation	1,548,704	1,548,384
Auditors' remuneration:		
- audit	20,590	35,300
- other	3,000	1,600
	<u></u>	<u></u>

5. BANK LOAN AND OTHER FINANCE COSTS

	Year 2019 £	13 Month Period 2018 £
Bank loan	134,065	166,733
Finance costs of fees in advance	45,608	50,237
Bank charges	15,672	10,848
Bad debt provision	67,617	(15,539)
	<u>262,962</u>	<u>212,279</u>

6. INTEREST RECEIVABLE

	Year 2019 £	13 Month Period 2018 £
Bank interest receivable	29,172	43,237
	<u></u>	<u></u>

BEDALES SCHOOL**NOTES TO THE ACCOUNTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2019****7. TAXATION**

As an education charity the School is exempt from United Kingdom income tax and corporation tax.

8. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £	Other £	Depreciation £	Year 2019 Total £	13 Month Period 2018 Total £
Cost of Generating Funds:					
Trading costs of the subsidiary	74,976	39,249	-	114,225	190,759
Total for Group	74,976	39,249	-	114,225	190,759
Charitable Activities:					
School operating costs:					
- Teaching costs	9,158,167	807,171	300,642	10,265,980	10,427,006
- Welfare	1,548,628	760,907	-	2,309,535	2,343,432
- Premises	798,134	1,835,000	1,248,062	3,881,196	4,066,071
- Support costs of schooling	1,361,391	535,375	-	1,896,766	2,205,924
Bank loan and other financing costs	-	262,962	-	262,962	212,279
School's operating costs	12,866,320	4,201,415	1,548,704	18,616,439	19,254,712
Total for School	12,866,320	4,201,415	1,548,704	18,616,439	19,254,712
Total for Group	12,941,296	4,240,664	1,548,704	18,730,664	19,445,471

2019 included £50 (2018: £200) of restricted expenditure analysed under teaching costs.

A breakdown of other supports costs is given in the table below:-

Analysis of other support costs	2019 Total £	2018 Total £
Printing, postage & stationery	122,245	150,099
Communications	61,870	77,027
Staff recruitment	45,936	76,567
Professional fees	49,526	75,927
Marketing	157,602	165,979
Auditors' remuneration	23,590	35,350
Other administration costs	74,606	59,283
	535,375	640,232

8. ANALYSIS OF TOTAL RESOURCES EXPENDED (cont.)**Comparative Analysis of Total Resources Expended:**

	Staff Costs £	Other £	Depreciation £	2018 Total £
Trading costs of the subsidiary	82,705	108,054	-	190,759
Total for Group	82,705	108,054	-	190,759
Charitable Activities:				
School operating costs:				
- Teaching costs	9,180,006	926,153	320,847	10,427,006
- Welfare	1,669,993	673,439	-	2,343,432
- Premises	932,378	1,906,156	1,227,537	4,066,071
- Support costs of schooling	1,565,692	640,232	-	2,205,924
Bank loan and other financing costs	-	212,279	-	212,279
School's operating costs	13,348,069	4,358,259	1,548,384	19,254,712
Total for School	13,348,069	4,358,259	1,548,384	19,254,712
Total for Group	13,430,774	4,466,313	1,548,384	19,445,471

BEDALES SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

9. STAFF	2019		2018	
	Group £	School £	Group £	School £
Wages and salaries	10,572,806	10,505,516	10,937,792	10,855,087
Social security	1,008,035	1,004,075	1,049,244	1,049,244
Pension contributions	1,360,455	1,356,729	1,443,738	1,443,738
	<u>12,941,296</u>	<u>12,866,320</u>	<u>13,430,774</u>	<u>13,348,069</u>

Included within staff costs above are redundancy and termination payments totalling £43,188 (2018: £57,570) relating to 4 individuals (2018: 3).

The average number of employees of the Group during the period are:

	2019		2018	
	Group	School	Group	School
Teaching	168	168	167	167
Support	209	209	215	215
Trading company	9	-	6	-
	<u>386</u>	<u>377</u>	<u>388</u>	<u>382</u>
Full time equivalent	<u>256</u>	<u>255</u>	<u>263</u>	<u>262</u>

The number of employees whose emoluments exceeded £60,000 were:

	2019 Number	2018 Number
£60,001 - £70,000	8	2
£70,001 - £80,000	1	3
£80,001 - £90,000	1	2
£90,001 - £100,000	-	1
£110,001 - £120,000	1	-
£120,001 - £130,000	-	1
£150,001 - £160,000	1	-
£170,001 - £180,000	-	1

All of the higher paid employees are either in the Teachers' Pension Scheme, the School's Defined Benefit Pension Scheme or the School's Defined Contribution Pension Scheme.

Key Management Personnel:

The key management roles in the School for the period were the governors, who are not paid, the Head, Bedales School, the Bursar, Director of External Relations, Senior Deputy Head of Bedales, the Head of Dunhurst and the Head of Dunannie. Their total emoluments including pensions paid and Ers NIC was £726,285 (2018: £799,627).

BEDALES SCHOOL

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2019

10. TANGIBLE FIXED ASSETS

	Freehold Land	Buildings 50 period	Buildings 25 period	Fire Precautions, Rewiring Quad seating & Catering equip	Furniture, Motor Vehicles & Computers	Total For School	Furniture Computer Equipment & Motor vehicles	Total For Group
Cost	£	£	£	£	£	£	£	£
At 1 August 2018	15,489	33,655,652	8,017,105	3,247,502	5,164,545	50,100,293	98,156	50,198,449
Additions	-	1,088,097	-	-	389,504	1,477,601	-	1,477,601
Disposals	-	(19,408)	-	-	(3,509,794)	(3,529,202)	-	(3,529,202)
At 31 August 2019	15,489	34,724,341	8,017,105	3,247,502	2,044,255	48,048,692	98,156	48,146,848
Depreciation								
At 1 August 2018	-	10,025,821	2,771,003	2,628,064	4,216,617	19,641,505	98,156	19,739,661
Charge for the period	-	683,722	425,835	131,837	307,310	1,548,704	-	1,548,704
Disposals	-	(10,660)	-	-	(3,480,406)	(3,491,066)	-	(3,491,066)
At 31 August 2019	-	10,698,883	3,196,838	2,759,901	1,043,521	17,699,143	98,156	17,797,299
At 31 August 2019	15,489	24,025,458	4,820,267	487,601	1,000,734	30,349,549	-	30,349,549
At 31 August 2018	15,489	23,629,831	5,246,102	619,438	947,928	30,458,788	-	30,458,788

BEDALES SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

11. DEBTORS	2019		2018	
	Group £	School £	Group £	School £
Fees in arrears and extras	742,180	742,180	537,865	537,865
Amount due to subsidiary	-	46,363	-	37,675
Miscellaneous debtors	138,458	94,332	172,339	86,042
Prepayments	24,921	24,921	279,372	279,372
	<u>905,559</u>	<u>907,796</u>	<u>989,576</u>	<u>940,954</u>
12. CREDITORS: Amounts falling due within one years	2019		2018	
	Group £	School £	Group £	School £
Bank loan	754,667	754,667	754,667	754,667
Trade creditors	30,340	30,340	182,239	181,940
Amounts due to subsidiary	-	-	-	-
Fees in advance scheme (note 14)	1,044,076	1,044,076	1,039,664	1,039,664
Taxation and social security	264,259	250,348	277,959	232,879
Entrance deposits	1,266,082	1,266,082	1,203,785	1,203,785
Fees received in advance	2,332,383	2,332,383	2,691,674	2,691,674
Other creditors	407,624	407,624	328,649	328,649
Accruals	226,649	223,150	149,243	142,443
Interest rate swap valuation (note 13)	9,782	9,782	11,217	11,217
	<u>6,335,862</u>	<u>6,318,452</u>	<u>6,639,097</u>	<u>6,586,918</u>
13. CREDITORS: Amounts falling due after one year	2019		2018	
	Total £		Total £	
Bank loans				
Amounts repayable in:				
- one to two years	754,667		754,667	
- two to five years	2,264,000		3,018,666	
- after five years	2,584,001		2,584,002	
Fees in advance scheme (note 14)	1,508,825		1,749,144	
Total for School and Group	<u>7,111,493</u>		<u>8,106,479</u>	

The bank loans are secured on the freehold premises of the School. Interest is charged at 0.78% above base rate on the original loan which is repayable by 2025 and 2.28% above base rate on the second loan which is repayable by March 2027.

The School has entered into an interest rate swap for a notional principal amount of £2,000,000 which matures on 31 May 2020. Under this arrangement, the School receives interest on a variable basis and pays interest at a fixed rate of 1.235%. The fair value of the interest rate swap at the period end has been included in note 12 and the gain or loss during the period has been included under 'Other gains and losses' on the SOFA.

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

14. FEES IN ADVANCE SCHEME

Parents may enter into a contract to pay the school tuition fees in advance. The money may be returned subject to specific conditions. Assuming pupils remain in the school, fees in advance will be applied as follows:

	2019 £	2018 £
After five years	101,599	152,262
Within two to five years	596,927	894,568
Within one to two years	810,299	702,314
	<u>1,508,825</u>	<u>1,749,144</u>
Within one year	1,044,076	1,039,664
	<u>2,552,901</u>	<u>2,788,808</u>
	£	£
Summary of movements in liability		
Balance at 1 August 2018	2,788,808	2,163,388
New contracts	1,109,846	1,702,303
Interest accrued on balances held	45,608	50,237
Repaid	(140,715)	-
Amounts utilised to pay fees	(1,250,646)	(1,127,120)
	<u>2,552,901</u>	<u>2,788,808</u>

15. RESTRICTED FUNDS	Balance as at 1 August 2018 £	Incoming Resources £	Expenditure £	Transfers £	Balance at 31 August 2019 £
Kadian Observatory	<u>13,367</u>	<u>-</u>	<u>(50)</u>	<u>-</u>	<u>13,317</u>

The Kadian Observatory Fund has been set up to the maintenance of the new observatory, provide for an annual Kadian Harding Science and Technology prize and to provide a guest speaker for the annual astronomy lecture.

The transfers between funds represents amounts expended from restricted funds towards the purchase of capital items.

BEDALES SCHOOL

NOTES TO THE ACCOUNTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

15. RESTRICTED FUNDS (cont.)

	Balance as at 1 August 2017	Incoming Resources	Expenditure	Transfers	Balance at 31 July 2018
	£	£	£	£	£
Kadian Observatory	13,567	-	(200)	-	13,367

16. UNRESTRICTED GENERAL FUNDS

	Balance as at 1 August 2018	Incoming Resources	Resources Expended	Transfers and Gains/(losses)	Balance at 31 August 2019
	£	£	£	£	£
General Fund	22,233,979	19,278,804	(18,690,614)	1,435	22,823,604
Pension Reserve	(2,829,000)	-	(40,000)	(1,138,000)	(4,007,000)
	<u>19,404,979</u>	<u>19,278,804</u>	<u>(18,730,614)</u>	<u>(1,136,565)</u>	<u>18,816,604</u>

	Balance as at 1 August 2017	Incoming Resources	Resources Expended	Transfers and Gains/(losses)	Balance at 31 July 2018
	£	£	£	£	£
General Fund	22,455,064	19,100,527	(19,354,271)	32,659	22,233,979
Pension Reserve	(3,290,000)	-	(91,000)	552,000	(2,829,000)
	<u>19,165,064</u>	<u>19,100,527</u>	<u>(19,445,271)</u>	<u>584,659</u>	<u>19,404,979</u>

BEDALES SCHOOL**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31 AUGUST 2019****17. FUNDS**

The net assets are held for the various funds as follows:

	Unrestricted Funds			
	Restricted	Pension	General	Total
	£	Reserve	£	£
		£		
Tangible fixed assets	-	-	30,349,549	30,349,549
Net current liabilities	13,317	-	(414,452)	(401,135)
Pension Reserve	-	(4,007,000)	-	(4,007,000)
Long term creditors	-	-	(7,111,493)	(7,111,493)
	<u>13,317</u>	<u>(4,007,000)</u>	<u>22,823,604</u>	<u>18,829,921</u>

As at 31 July 2018:

	Unrestricted Funds			
	Restricted	Pension	General	Total
	£	Reserve	£	£
		£		
Tangible fixed assets	-	-	30,458,788	30,458,788
Net current liabilities	13,367	-	(118,330)	(104,963)
Pension Reserve	-	(2,829,000)	-	(2,829,000)
Long term creditors	-	-	(8,106,479)	(8,106,479)
	<u>13,367</u>	<u>(2,829,000)</u>	<u>22,233,979</u>	<u>19,418,346</u>

18. CONTINGENT GAIN

The sale of a small parcel of land was completed for a consideration of £305,000 in December 1988. In addition the School will receive 75% development value should development permission be granted to the purchaser. It is not practicable to make an estimate of the 75% of future development value.

BEDALES SCHOOL**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31 AUGUST 2019**

19. CAPITAL COMMITMENTS	2019 £	2018 £
Contracted for but not provided in these accounts	2,658,000	2,803,000
Authorised by the Governors but not contracted for	790,000	1,605,000

20. GOVERNORS REMUNERATION AND EXPENSES

No remuneration or benefits were provided to any Governor during the period, other than the School purchasing Governors' indemnity insurance to provide cover of up to £5,000,000. The premium was part of the public liability premium and is not separately identified.

Travel and accommodation expenses to and from meetings of £798 (2018: £835) was reimbursed to 3 (2018: 3) Governors during the period. No other payments were made to any Governors.

21. RELATED PARTY TRANSACTIONS

The Bedales Grant Trust Fund, charity number 1036179, was set up to provide grants to pupils at Bedales in need of financial aid to pay their tuition fees. In making such grants or loans preference shall be given to a parent or parents who was or were a pupil or pupils at Bedales School. During the period the Fund contributed £232,873 (2018: £231,377) to the School.

The John Badley Foundation, charity number 1138332, was set up to advance the education of pupils at the School. In the period, the School received donations from the Trust of £129,259 (2018: £125,818) towards the awarding of bursaries.

A Governor (M Rice) provided goods to the School for which his company was paid £2,002 (2018: £4,935).

One Governor (2018: one) had children at the school that paid normal fees and received no bursaries or scholarships.

22. PENSION SCHEMES

Teachers' Pension Agency

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge accrued at the year-end in respect of contributions to this scheme are £131,061 (2018 - £122,240).

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.

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 31 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 1 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 31 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 5 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 27 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 31 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.

BEDALES SCHOOL

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2019

22. PENSION SCHEMES (continued)

Standard Life Pension Scheme

The school also operates a Group Personal Pension Plan for support staff which is a defined contribution scheme and contributions are accounted for as a charge to the SOFA in the period to which they related.

Hampshire Pension Fund

Bedales School participates in the Local Government Pension Scheme. The Local Government Pension Scheme is a defined benefit scheme based on final pensionable salary. The scheme is no longer open to new staff.

The most recent actuarial valuation was carried out as at 31 March 2016, and has been updated by independent actuaries to the Hampshire County Council Pension Fund to take account of the requirements of FRS102 in order to assess the liabilities of the Fund as at 31 August 2019. Liabilities are valued on an actuarial basis using the projected unit method which assesses the future liabilities discounted to their present value.

In accordance with FRS102 the Group and the School include the assets and liabilities of these arrangements in the consolidated and School balance sheet, with a subsequent effect on reserves.

Contributions totalling £161,413 (2018: £145,161) were payable to the schemes at the period end and are included within other creditors.

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2019

22. PENSION SCHEMES (continued)

The principal assumptions used for the purposes of FRS 17 are as follows:

	31 August 2019	31 August 2018	31 August 2017
Discount rate	1.8% pa	2.7% pa	2.6% pa
Rate of inflation (RPI)	3.2% pa	3.2% pa	3.1% pa
Rate of inflation (CPI)	2.2% pa	2.1% pa	2.0% pa
Rate of increase in pensions in payment	2.2% pa	2.1% pa	2.0% pa
Rate of increase in deferred pensions	2.2% pa	2.1% pa	2.0% pa
Rate of increase in salaries	3.7% pa	3.6% pa	3.5% pa

Mortality assumptions

The mortality assumptions are based on the PNAOO series standard mortality tables with allowance for future mortality improvements in line with the "medium cohort" projection model, subject to a minimum level of annual improvement. Mortality rates in the underlying base table are further adjusted by the use of scaling factors to reflect the actual mortality experience of the Fund. To facilitate comparison with other employers, the assumed life expectations on retirement at age 65 are:

	At 31 August 2019	
	Age 65 today	Age 45 today
Male	23.1	24.7
Female	25.8	27.6

Asset allocation	31 August 2019	31 August 2018
	%	%
Equities	60.2	63.9
Property	7.2	6.9
Government bonds	20.6	22.9
Corporate bonds	0.0	1.2
Actuarial (gains)/losses on liabilities	1.9	2.3
Cash	10.1	2.8
Other		
	<u>100.0</u>	<u>100.0</u>

BEDALES SCHOOL

NOTES TO THE ACCOUNTS (Continued)

FOR THE YEAR ENDED 31 AUGUST 2019

22. PENSION SCHEMES (continued)

Changes to the present value of liabilities during the period	31 August 2019	31 August 2018
	£m	£m
Opening present value of liabilities	11.775	11.530
Current service cost	0.176	0.243
Interest cost	0.315	0.320
Contributions by participants	0.033	0.047
Actuarial (gains)/losses on changes in financial assumptions	2.041	-
Actuarial (gains)/losses on changes in demographic assumptions	(0.634)	-
Actuarial (gains)/losses on liabilities	0.018	0.060
Net benefits paid out	(0.287)	(0.446)
Past service cost	-	0.021
	<u>13.437</u>	<u>11.775</u>

Changes to the fair value of assets during the period	31 August 2019	31 August 2018
	£m	£m
Opening fair value of assets	8.946	8.240
Interest income on assets	0.241	0.231
Remeasurement (actuarial) gains/(losses) on assets	0.287	0.612
Contribution by the Employer	0.210	0.262
Contributions by participants	0.033	0.047
Net benefits paid out	(0.287)	(0.446)
	<u>9.430</u>	<u>8.946</u>

The following amounts were measured in accordance with the requirements of FRS102

	31 August 2019	31 August 2018	31 August 2017
	£m	£m	£m
Share of assets in Hampshire County Council Pension Fund	9.430	8.946	8.240
Estimated liabilities in Hampshire County Council Pension Fund	(13.437)	(11.775)	(11.530)
Bedales School's deficit in the Scheme	(4.007)	(2.829)	(3.290)

BEDALES SCHOOL**NOTES TO THE ACCOUNTS (Continued)****FOR THE YEAR ENDED 31 AUGUST 2019****22. PENSION SCHEMES (continued)**

Analysis of amounts charged to Statement of Financial Activities (SOFA):	31 August 2019 £	31 August 2018 £
Support costs:		
Current service cost of defined benefit scheme	(176,000)	(243,000)
Net interest (cost)/income	(74,000)	(89,000)
Contribution by the Employer	210,000	262,000
Past service cost	-	(21,000)
	<u>(40,000)</u>	<u>(91,000)</u>
Other gains and losses:		
Actuarial (gains)/losses on changes in financial assumptions	(2,041,000)	-
Actuarial (gains)/losses on changes in demographic assumptions	634,000	-
Actuarial (gains)/losses on liabilities	(18,000)	(60,000)
Remeasurement actuarial gains on assets	287,000	612,000
	<u>(1,138,000)</u>	<u>552,000</u>
Actual return on assets:	31 August 2019 £	31 August 2018 £
Interest income on assets	241,000	231,000
Gains on assets	287,000	612,000
	<u>528,000</u>	<u>843,000</u>