

EWELL CASTLE SCHOOL

REPORT AND ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2017



EWELL CASTLE SCHOOL

**REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017**

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*These pages do not form part of the statutory accounts of the Company.

Company Registration Number:	788782
Registered Charity Number:	312079
Registered Office:	Church Street Ewell Surrey KT17 2AW

**EWELL CASTLE SCHOOL
A COMPANY LIMITED BY GUARANTEE**

KEY PERSONNEL AND PROFESSIONAL ADVISERS

Principal: P. Harris, MSc BSc PGCE NPQH

Deputy Head of Senior School: J Hepworth, BA QTS

Head of Prep School: Ms S Bradshaw, BEd

Company Secretary: G.D. Holland, BSc, ACA

Auditors: BGM Helmores Limited

Bankers: Barclays Bank PLC

Solicitors: A.J. Lutley
DMH Stallard LLP

EWELL CASTLE SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2017

The Governors present their annual report and the audited financial statements of the company for the year ended 31 August 2017.

The financial statements comply with the Memorandum and Articles of Association and United Kingdom Generally Accepted Accounting Practice, including FRS102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

Organisational structure and relationships

Ewell Castle School was established in 1926 and was incorporated on 22 January 1964 as a company limited by guarantee. It is governed by its Memorandum and Articles of Association. The company is a registered Charity. The Company changed its name from Ewell Castle School Limited to Ewell Castle School by a special resolution passed on 25 January 2006.

The company is organised with a Board of Governors, who are trustees and members of the charity, to oversee planning, with a member being nominated as chairman. Governors are elected at a Meeting of the Board of Governors on the basis of nominations received. Nominations are made by existing Governors and from the school Senior Leadership Team. Whilst the School is not required by constitution to have Parent Governors, the Principal regularly invites interest from the Parent body in the role of Governorship, primarily for when their children have left the school. The Board's specification for a Governor concerns personal competence, specialist skills and local availability. There is no fixed term of office for Governors. A trustee may be appointed by invitation to become a governor of the company and removed by a written request from all the other governors. The Principal and a small management team are responsible for the day-to-day running of the company.

The trustees are members of the charity but that entitles them only to voting rights. Members of the charity guarantee to contribute an amount not exceeding £1 to the assets of the charity in the event of a winding up. The total number of such guarantees at 31 August 2017 was 8 (31 August 2016 : 7)

The Principal is a member of the Society of Heads and the Deputy Head of Senior School and Head of Prep School are also members of the Society as a 'Deputy Head' and Head of Prep School' respectively. In addition, the Head of Prep School is also a member of IAPS (Independent Association of Preparatory Schools), and the Bursar is a member of ISBA (Independent Schools Bursars' Association). As such, members of the Senior Leadership Team are able to promote and maintain the standards at Ewell Castle School in general terms, and are also able to take part in peer group studies for the evaluation of quality and performance improvement methods. The school is a member of AGBIS (Association of Governing Bodies of Independent Schools).

We co-operate with many local and national charities, and other schools and organisations, in our ongoing endeavours to widen public access to our schooling and the school, to optimise the use of our cultural and sporting facilities and to awaken in our pupils an awareness of the social context of the education they receive at the school.

Ewell Castle School also benefits from the generosity of a small but thriving PSFA (Parents, Staff & Friends Association) whose close support and contribution in respect of developments and activities we greatly appreciate and gladly acknowledge.

Former members of staff and former pupils also represent a growing body of parties offering valued support and structure to the School community through the Old Ewellians.

EWELL CASTLE SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

Induction and training of Trustees

New Governors are inducted into the workings of Ewell Castle as a school and also as a registered charity, including its Board Policy and Procedures. This is achieved with introductory meetings with the Chairman of Governors and with members of the Senior Leadership Team (SLT) – the Principal and the Deputy Head of the Senior School and Head of the Prep School. Furthermore advantage is taken of AGBIS workshops and other local groups for new Governors. Governors receive training in Child Protection issues.

Organisational Management

The Governors meet as a Board four times a school year (normally in October, January, March and June) in addition to its Annual General Meeting in January. The work of implementing most of the Board's policies is carried out by the Chairman, the Principal and the Bursar, who meet three weeks before each meeting of the Governing Board and on other specific occasions eg. to review the budgets and annual accounts and reports. The day to day running of the School is delegated to the Principal and Bursar, supported by the other members of the Senior Leadership Team.

Pay Policy for Senior Staff

The pay of the senior staff is reviewed annually and approved by the Finance committee headed by the Chairman of Governors. Salaries are generally increased in line with the national teaching staff pay scale increases together with a performance related element as recommended by the Principal.

Objectives & Activities

The Object of the Company, in accordance with its Memorandum of Association is the education of children aged 3-18. The principal activity therefore is that of an independent school for boys and girls (3-18). The Governors announced that from September 2015 the School will be accepting girls into years 7 and 9 so that over the following three years it would become fully co-educational throughout.

Strategic Aim and intended effect

The School's strategic aim is to achieve the highest academic performance commensurate with cultivating a well-rounded personal development of our children. We also seek to widen public access to our school and system of schooling as much as possible within the constraints of our funding as an independent education provider.

Objectives for the year (2016-17)

The Board's main objective continued to be to educate all the school's pupils to at least the same high standard in academic, sporting and artistic areas as achieved by the school in previous years, in order that they will be fully able and prepared to benefit from their next stage in education, or a move into employment. Furthermore the board sought to:

- maintain the provision for means-tested bursaries and hardship grants whilst retaining tight financial control, so as to widen public access to the school and its resources;
- consolidate upon the introduction of co-education in the sixth form and at Year 7 and 9;
- to construct a new Music Pavilion at the Senior School.
- to develop a new sports field at St Mary's church meadow.
- to plan for further premises development namely the renovation of the basements in the Castle and Glyn House

EWELL CASTLE SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

Strategies employed to achieve the year's objectives

These included continuing to review the school's academic syllabus, benchmarking academic standards with external public examinations and value-added statistics, maintaining/enhancing the expertise of the teaching staff via appointments and staff training, and monitoring and maintaining the high level of support in extra-curricular activities and pastoral care.

Significant marketing has encouraged the continued recruitment of girl's into the Senior School. The Governors have also approved the use of funds to redevelop the Castle and Glyn House basements.

Overall Achievements and performance of the school

The total number of pupils enrolled at the end of school year (564 at July 2017) was the highest it has been on record. Numbers in September 2017 were overall slightly higher than they have been in recent years at the beginning of a new year. Entry to Year 7 (age 11 years) are in line with our plans and we have good numbers in KS2 (age 8-11), into Year 9 (age 13 years) and the Sixth Form (Year 12 at age 16+) although numbers in KS1 are below our norm. Figures overall remain within margins and the targets of the development plan.

A refurbishment programme of the classrooms and offices has continued to raise the standard of the working environment.

We decided not to enter Prep School pupils for the Key Stage 2 SATs this year as we have our own assessment system.

Ewell Castle School pupils received excellent GCSE results with 89% of its pupils achieving A*-C and 9 - 4 grades. Furthermore 92% of Ewell Castle School Year 11 pupils gained 5 or more A*- C or 9 - 4 grades and the majority of our pupils secured the necessary grades to go on to study the A Levels of their choice.

The outstanding performances were from the following

7A*s, 2As, 9, 8 and 5

6A*s, 1A, 2Bs, 9, 7 and 6

2A*s, 5As, 1B, 1C, 8, 8 and 7

1A*, 7As, 8, 8, and 8.

51% of our pupils chose to stay on at Ewell Castle after their GCSEs, and we are particularly delighted with the good numbers of applications we have received from girls wishing to join us in the Sixth Form to study for their A Levels. We are very pleased with the growth of our Sixth Form which has received extra resources and facilities in recent years.

It was another successful year for Ewell Castle School A level results, with a 98% pass rate and many of our students achieving their first choice university. 68% of A Level exams taken gained A* - C and the average UCAS points per candidate was 241.

Our outstanding performance was a pupil gaining

A*, A*, A at A Level and A, A at AS Level who is now studying Physics with Theoretical Physics at Imperial College London.

EWELL CASTLE SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

Examples of other pupil's universities include:

UCL to study History,
Southbank University to study Architecture
Southampton University to study Criminology
Greenwich University to study Hospitality Management
Winchester University to study Sport Business Management
Sussex to study Mechanical Engineering
Surrey University to study English

For those pupils who decided to apply to university this year (98% of the Upper Sixth) the majority achieved their first choice of university, although some pupils applied through the adjustment or clearing processes.

All of the Year 13 leavers embarked upon their chosen Higher Education course and those Year 6 leavers went to their chosen Secondary School – many progressing to Ewell Castle Senior School and others acquiring places at grammar schools.

We have continued to develop the teaching and learning provision and have built on strategies that had been introduced previously to improve performance namely learning walks, peer observation, book scrutiny, the appraisal system and all Heads of Department have regular line management meetings. All Senior pupils take baseline assessments (online cognitive ability tests) to assess their potential which is used to set targets and monitor progress.

There has been a myriad of flourishing extra and co-curricular activities this year. The Prep and Senior Schools pride themselves not only with a vast range of sporting opportunities but also in the standards reached, individually and collectively. The Prep School sports programme includes the major sports of Football, Rugby and Cricket, and a link has been established to allow elite Prep School children to train and play fixtures for the Senior School. Athletics, cross country, hockey, netball and rounders also prosper. Over 50 pupils are enrolled on the Duke of Edinburgh programme and this has been extended to include the Silver award in addition to the bronze. Themed weeks have been developed across the school which include Languages Week, Enterprise Week, STEM (Science, Technology, Engineering and Maths) and Arts Week when we introduced our first 'festival'.

The Tennis Academy introduced in September 2014 where the School went into partnership with Tennis Avenue Academy and the Cricket Academy introduced from September 2015 have continued to develop. A Performing Arts Academy has been introduced to sixth form pupils from September 2017 where they will study a combination of Music, Drama and Dance to achieve Trinity College qualifications.

Sport at the school continues to go from strength to strength with an increasing number of fixtures across the school and the rugby 1st XV had a short tour down to Gloucestershire to play in a tournament hosted by Rendcomb College.

The Performing Arts department has built on the success of the musical Oliver! and had three fantastic performances of Bugsy Malone at the Epsom Playhouse in February including pupils from Year 6-13. Again it was extremely professional with a West End set, costumes and a professional band which this year also included some of our own pupils. There have also been various concerts, recitals, a musical masterclass and plays during the year at the Senior School as well as Words and Music performed by each year group in the Prep school.

There have also been many trips to see plays and musicals in the West End, team building days for new pupils, A level subject specific conferences, local geography, history and RS field trips. There were additional international trips to Nepal, France, Spain, The Netherlands and skiing to Austria.

EWELL CASTLE SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

This year the Charitable Works Committee elected to concentrate efforts and raised a total of £5,615 for the Noble School in Nepal. Fundraising took many forms; cake sales, a sixth form dinner out at a local Nepalese restaurant, the House Penny Race, mufti days, sponsored activities to name but a few. Some Year 7 pupils took the initiative and set up a school charity 'Leo the Lion' to raise money for Water Aid amounting to £3,012 and we had our usual Easter Egg collection for The Children's Trust in Tadworth.

The Parent Staff & Friends Association remain very active with highlights of social and fund-raising activities this year being the Fireworks Evening and the Summer Ball.

Public benefit

In addition to the public benefit derived from activities outlined above, Ewell Castle is pleased to record continued further public benefit offered through means tested bursaries.

The School continued to maintain and develop its links with the community. Pupils in Years 5 & 6 are members of Bourne Hall Library, in their own right, and we remain grateful for the support from the Epsom Education Business Partnership. St Mary's Church and Tennis Avenue Academy are other significant partners.

Furthermore, in keeping with our policy of widening access to facilities, at fee rates below commercial levels, subsidised arrangements are enjoyed by many groups eg. a language school from Hong Kong – holiday language courses, Fitznells School of Music & Drama, The Associated Board of Royal School of Music – theory exams, Stewart Cricket Centre and Surrey County Cricket Club, a local allotment society, and Mole Valley Bowmen – archery club.

We offer holiday sports courses and play schemes as well as hours beyond the normal school day to our charges – ie. early morning care and after school care. We also play host to several other local associations including the Ewell Village Fair and various Heritage events and archaeological visits/works. Indeed the very upkeep of three listed buildings and sites within the village is itself of significant value to the community.

Governors

After nine years of dedicated service to the school as a governor, five of which were as Chairman, Mr Durnford-Smith sadly passed away in June 2017 and will be greatly missed.

The Governors who served on the board during the year were as follows:-

P Durnford-Smith BA, MCIM (Chairman until 10th June 2017)
 Mrs J G Moran MA, HDipEd (Vice-Chairman from 22nd June 2017)
 N Bird FGA, MIRV
 D Tucker QPM (Vice-Chairman and became Chair from 10th June 2017)
 A Evans MRTPI
 Mrs D Parker BSc DipSocSc (CQSW) PGCE
 S Sullivan BA
 A Shawyer BSc, PGCE (appointed 22nd June 2017)
 C Griffith (appointed 22nd June 2017)

EWELL CASTLE SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2017

STRATEGIC REPORT

Financial Review

The results of the charity are set out on page 14. The incoming resources increased by £466k in the year and the expenditure increased by £361k, giving an increase in net incoming resources of £105k. Staff costs have increased by £295k.

Investment Policy

There are no restrictions on the company's powers of investment. The Board's policy continues to be to put any retained funds in higher-yielding deposit accounts.

Reserves Policy

The charity requires free reserves (that is those funds not tied up in fixed assets and restricted funds) in order to provide:

- An adequate level of working capital;
- A financial buffer to cover risks to which the charity is exposed;
- Funds to enable the School to continue to invest to enhance the educational facilities it provides.

The Board has determined that the appropriate level of free reserves should fall within the range £800k to £1m.

Free reserves at 31 August 2017 amount to £1.2m (2016 - £1.4m) The Board will continue to review the reserves policy on an annual basis.

Going Concern

The Governors have reviewed the budget for the next 12 months and consider the charity has adequate resources to continue for the foreseeable future.

Related Parties

None of the governors received remuneration or other benefits for their work for the charity. Any transactions between the charity and the governors or senior management or related parties must be disclosed to the Board. In the current year no such related party transactions were reported.

Achievements and Performance

Our achievements and performance are discussed in detail on pages 5 to 7 of this report.

Risk management

The Board, with particular assistance from the Principal and the Bursar, continue to keep the School's activities under review, particularly with regard to any major risks that may arise from time to time as well as the systems and procedures established to manage them. They monitor the effectiveness of the system of internal controls and other viable means, including insurance cover where appropriate, by which those risks already identified can be mitigated.

EWELL CASTLE SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

STRATEGIC REPORT - Continued

The principle risks identified:

- failure of Governance;
- failure to deliver educational standards;
- failure to safeguard pupil welfare;
- regulatory non-compliance;
- impact of economic climate;
- major fraud or mismanagement;
- major catastrophe eg. fire;
- adverse action by the freeholder; and
- loss of charitable status.

The key controls used by the charity are:

- formal agendas and minutes for all committee activity;
- induction procedures for new Governors;
- terms of reference & responsibilities for committees and certain individual Governors, in addition to job descriptions for Senior staff of the school ;
- comprehensive planning incl. strategic planning, budgeting and management accounting;
- professional advice;
- established organisational structures and lines of reporting;
- clear authorisation and approval levels for all transactions;
- appropriate levels of free reserves;
- formal written policies including comprehensive child protection measures and other health & safety matters to ISI regulatory standards; and
- vetting procedures for all staff as required by DCSF and ISI regulation, through the DBS checks.
- meeting requirements of Charity Commission

It is recognised that no system can give an absolute assurance against major risks.

Future plans and developments

The main annual objectives are recorded above. The School Development Plan, which is reviewed annually includes, six overall themes:

- Empower everyone to excel
- Instil life skills, independence and create a cultural community of self-belief
- Embed co-ed in the senior school
- Build a more whole school approach
- Raise our profile in the wider community
- Invest in staff, resources and the environment

Other specific objectives include:

- Expansion of the Governing Body;
- To renovate the basement of the Castle and Glyn House
- Develop plans to build a new building adjacent to the Sports Hall

EWELL CASTLE SCHOOL

REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31 AUGUST 2017 (Continued)

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The governors (who are also directors of Ewell Castle School for the purposes of company law) are responsible for preparing the Governors' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the governors to prepare the financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period.

In preparing these financial statements, the governors are required to:

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

The governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable 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 charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

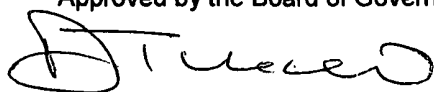
- there is no relevant audit information of which the charitable company's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

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

Auditors

The auditors, BGM Helmores Limited, have indicated their willingness to continue in office, and a resolution will be proposed at the Annual General Meeting for their re-appointment.

Approved by the Board of Governors on 18th January 2018 and signed on its behalf by:



D Tucker – Chairman

EWELL CASTLE SCHOOL

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EWELL CASTLE SCHOOL

FOR THE YEAR ENDED 31 AUGUST 2017

We have audited the financial statements of Ewell Castle School for the year ended 31 August 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice, including FRS 102: The Financial Reporting Standard Applicable in the UK and Republic of Ireland)).

This report is made solely to the Charity'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 Charity'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 Charity and the Charity's members as a body, for our audit work, for this report, or for the opinions we have formed.

In our opinion the financial statements:

- give a true and fair view of the state of the Charity's affairs as at 31 August 2017 and 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) 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 Charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

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

- The trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate.
- The trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Charity'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.

EWELL CASTLE SCHOOL**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EWELL CASTLE SCHOOL****FOR THE YEAR ENDED 31 AUGUST 2017 (CONTINUED)****OTHER INFORMATION**

The trustees are responsible for the other information. The other information comprises the information included in that annual report other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINION ON OTHER MATTER 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 trustees' report (incorporating the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and

The trustees' report (incorporating the strategic report and the directors' report) have been prepared in accordance with applicable legal requirements.

MATTERS UPON WHICH WE ARE REQUIRED TO REPORT BY EXCEPTION

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:

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

EWELL CASTLE SCHOOL**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF EWELL CASTLE SCHOOL****FOR THE YEAR ENDED 31 AUGUST 2017 (CONTINUED)****RESPONSIBILITIES OF THE TRUSTEES**

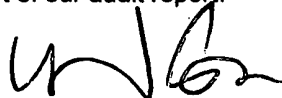
As explained more fully in the trustees' responsibilities statement, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as they determine is necessary to enable the preparation of financial 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 Charity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the Charity or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITY 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 and 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/apb/scope/private.cfm. This description forms part of our audit report.



MARK COLE (Senior Statutory Auditor)

For and on behalf of
BGM HELMORES LIMITED
Chartered Accountants
& Statutory Auditor
Emperor's Gate
114a Cromwell Road
Kensington
London
SW7 4AG

Date: 21/2/18

Company Registration Number: 788782

EWELL CASTLE SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2017

	Notes	Unrestricted Funds	Restricted Funds	Total 2017	Total 2016
		£	£	£	£
INCOME					
School fees	2	6,503,998	-	6,503,998	6,093,822
Other Educational Income	3	486,107	-	486,107	451,299
Other trading activities		14,868	-	14,868	16,857
Donations	4	25,776	32,181	57,957	30,512
Investment income - Bank Interest		3,439	-	3,439	8,403
Total Income		7,034,188	32,181	7,066,369	6,600,893
EXPENDITURE					
Charitable Activities	5	6,694,991	30	6,695,021	6,334,391
Net Income before transfers		339,197	32,151	371,348	266,502
Transfers between funds	13	18,161	(18,161)	-	-
Net Movement in Funds for the year		357,358	13,990	371,348	266,502
Total Funds Brought Forward		7,012,186	13,846	7,026,032	6,759,530
Total Funds Carried Forward		7,369,544	27,836	7,397,380	7,026,032

All amounts relate to continuing activities.

The company made no recognised gains or losses in this or the preceding financial year other than the net movement in funds for the year.

EWELL CASTLE SCHOOL
Company Registration no. 788782
BALANCE SHEET
AT 31 AUGUST 2017

		2017	2016
	Notes	£	£
Fixed Assets			
Tangible Assets	8	7,187,115	6,735,828
Current Assets			
Stocks		3,844	5,650
Debtors	9	159,461	190,090
Cash at Bank and in Hand		<u>2,641,030</u>	<u>2,650,248</u>
		<u>2,804,335</u>	<u>2,845,988</u>
Creditors: Amounts falling due within one year			
Bank Loan		62,898	56,169
Fees Received in Advance		743,556	608,717
Other Creditors		676,956	725,453
Accruals and Deferred Income		<u>84,913</u>	<u>71,932</u>
		<u>1,568,323</u>	<u>1,462,271</u>
Net Current Assets		1,236,012	1,383,717
Total Assets less Current Liabilities		<u>8,423,127</u>	<u>8,119,545</u>
Creditors: Amounts falling due after one year	10	(1,025,747)	(1,093,513)
Net Assets		<u>7,397,380</u>	<u>7,026,032</u>
The Funds of the Charity :			
Restricted Funds	13	27,836	13,846
Unrestricted Funds		7,369,544	7,012,186
Total Charity Funds	12	<u>7,397,380</u>	<u>7,026,032</u>

Approved by the Board on 18/1/18 and signed on its behalf by :



D Tucker - Chairman

EWELL CASTLE SCHOOL

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

		2017	2016
	Notes	£	£
Net cash provided by operating activities	1	809,957	927,211
Cash flows from investing activities:			
Interest Received		3,439	8,403
Interest Paid		(32,130)	(37,473)
Proceeds from sale of property, plant and equipment		2,500	593
Purchase of property, plant and equipment		(731,947)	(289,797)
Net cash used by investing activities		(758,138)	(318,274)
Cash flows from financing activities			
Repayments of borrowing		(61,037)	(102,285)
Net cash used by financing activities		(61,037)	(102,285)
Change in cash in the reporting period		(9,218)	506,652
Cash at the beginning of the reporting period		2,650,248	2,143,596
Cash at the end of the reporting period		<u>2,641,030</u>	<u>2,650,248</u>

Note 1. Reconciliation of net movement in funds to
net cash inflow from operating activities

	2017	2016
	£	£
Net movement in funds	371,348	266,502
Interest Receivable	(3,439)	(8,403)
Interest Payable	32,130	37,473
Depreciation charges	280,660	274,633
(Profit) Loss on Disposals of Tangible Fixed Assets	(2,500)	(593)
Movement in stocks	1,806	449
Movement in debtors	30,627	44,878
Movement in creditors	99,325	312,272
Net cash provided by operating activities	<u>809,957</u>	<u>927,211</u>

EWELL CASTLE SCHOOL**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017****1. Accounting Policies****a) Accounting convention**

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (Effective 1 January 2015) – (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) and the Companies Act 2006.

Ewell Castle School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes(s).

b) Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting discounts and bursaries.

c) Donations

Donations and voluntary income received for the general purposes of the charity are included as unrestricted funds. Donations for activities restricted by the wishes of the donor are included in restricted funds.

d) Resources Expended

Expenditure is accounted for on an accruals basis. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by staff time or space occupied, as appropriate. Irrecoverable VAT is included with the item of expense to which it relates.

Governance costs

This comprises the costs of managing and administering the charity and includes audit fees, costs of Governors' meetings and an apportionment of relevant staff costs.

EWELL CASTLE SCHOOL
**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017
(Continued)**
e) School buildings and equipment

Part of the school buildings and grounds are subject to leases, which expire in August 2077. Building improvements and extensions costing more than £5,000, together with furniture and equipment costing more than £1,500 are capitalised and depreciated.

Depreciation is provided on a straight line basis so as to write off the cost of the tangible fixed assets over their estimated useful lives as follows:

Freehold Buildings		- 2% per annum
Improvements to Leasehold Property	- pre 2002	- over original lease term
	- post 2003	- 2% per annum
Furniture and Equipment		- 15% per annum
Computer Equipment		- 25% per annum
Motor Vehicles		- 25% per annum

f) Stocks

Stocks of foodstuffs and sports clothing are valued at the lower of cost and net realisable value.

g) Funds

Unrestricted funds are available for use for the general purposes of the charity. Restricted funds are subject to donor-imposed restrictions and are shown separately in the Statement of Financial Activities.

h) Pension schemes

The company participates in the Teachers' Pension Scheme (England and Wales) for its teaching staff. 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 following scheme valuations undertaken by the Government Actuary Department, and is currently 16.48% of pensionable earnings. Further details are included in note 7.

The school operates an auto-enrolment pension scheme for support staff. The basic contributions for this scheme are 2% of pensionable earnings by the School and 1% by employees although the School does pay up to 10% for certain employees.

Pension costs are charged to the Statement of Financial Activities as incurred.

i) Operating leases

The rentals payable under operating leases for equipment are charged to the Statement of Financial Activities on a straight-line basis over the lease term. Rent payable in respect of operating leases for school premises is based on the rent due under the relevant leases.

EWELL CASTLE SCHOOL**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017
(Continued)****j) Going Concern**

After reviewing a budget for 12 months from the date of signing the accounts, the trustees have reasonable expectations that the charity has adequate resources to continue acting as a going concern and has thus adopted this basis in preparing the accounts.

k) Financial Instruments

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

EWELL CASTLE SCHOOL

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017
(Continued)**

2. School Fees

	Total 2017 £	Total 2016 £
School Fee Income Comprised:		
Gross Fees	7,073,054	6,532,879
Less: Bursaries, Grants and Allowances	(569,056)	(439,057)
	<u>6,503,998</u>	<u>6,093,822</u>

3. Other Educational Income

	Total 2017 £	Total 2016 £
School Lunches	230,209	191,743
Other income	255,898	259,556
	<u>486,107</u>	<u>451,299</u>

4. Donations

	Total 2017 £	Total 2016 £
PSFA (see note 17)	23,597	20,277
Music Pavillion	32,181	8,345
Other	2,179	1,890
	<u>57,957</u>	<u>30,512</u>

5. Expenditure

	Staff Costs £	Other Costs £	Depreciation £	Total 2017 £	Total 2016 £
Charitable Activities - education					
Teaching	3,754,926	315,117	101,112	4,171,155	3,973,143
Premises	178,771	902,236	177,483	1,258,490	1,221,466
Support costs of schooling	647,684	572,391	2,064	1,222,139	1,096,728
PSFA (see note 17)	-	12,491	-	12,491	12,155
Governance	7,650	23,096	-	30,746	30,899
	<u>4,589,031</u>	<u>1,825,331</u>	<u>280,659</u>	<u>6,695,021</u>	<u>6,334,391</u>
Governance Costs					
Auditors Remuneration					
- as auditors	-	11,450	-	11,450	11,928
- other services	-	11,646	-	11,646	11,646
Staff costs	7,650	-	-	7,650	7,325
	<u>7,650</u>	<u>23,096</u>	<u>-</u>	<u>30,746</u>	<u>30,899</u>

EWELL CASTLE SCHOOL

**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017
(Continued)**

6. Staff Costs

	2017	2016
	£	£
Wages and Salaries	3,742,919	3,514,201
Social Security Costs	371,848	313,024
Pension Costs	474,264	466,235
	<u>4,589,031</u>	<u>4,293,460</u>

7. Staff Particulars

The average number of employees (full time equivalent) during the year was as follows:

	2017	2016
Administrative Staff	20	18
Teaching Staff	68	68
Domestic Staff	7	7
	<u>95</u>	<u>93</u>

Employees receiving a Salary in excess of £60,000 for the year were as follows:

£60,001 - £70,000	2	1
£80,001 - £90,000	-	-
£90,001 - £100,000	1	1

The above employees are members of the Teachers' Pension Defined Benefit pension scheme.

Pension costs for higher paid employees	£26,390	£25,615
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The key management personnel of the charity are the Principal, the Bursar, the Head of the Senior School and The Head of the Prep School. The total employee benefits of the key management personnel of the charity were £328,242 (2016:£308,030).

The charity trustees were not paid or received any other benefits from employment with the School in the year (2016 : £nil) neither were they reimbursed expenses during the year (2016 : £nil).

Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £435,439 (2016: £427,177) and at the year-end £55,512 (2016 - £54,714) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Scheme Regulations 2014. 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 following scheme valuations undertaken by the Government Actuary Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administrative levy of 0.08%, giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Services Pension Act 2013.

The school operates an auto-enrolment pension scheme. The basic contributions for this scheme are 2% of pensionable earnings by the School and 1% by employees although the School does contribute up to 10% for certain employees.

The pension charge for the year includes contributions to support staff pensions of £37,360 (2016 - £38,605)

EWELL CASTLE SCHOOL
**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017
(Continued)**
8. Tangible Fixed Assets

	Freehold Land and Buildings £	Leasehold Building Improvements £	Furniture and Equipment £	Motor Vehicles £	Total £
Cost					
Opening Balance	1,877,272	6,933,790	1,506,282	93,615	10,410,959
Additions	-	659,816	51,299	20,832	731,947
Disposals	-	-	-	-	-
	<u>1,877,272</u>	<u>7,593,606</u>	<u>1,557,581</u>	<u>114,447</u>	<u>11,142,906</u>
Depreciation					
Opening Balance	504,156	1,807,957	1,289,024	73,994	3,675,131
Charge for the Year	37,540	139,943	89,737	13,440	280,660
Disposals	-	-	-	-	-
	<u>541,696</u>	<u>1,947,900</u>	<u>1,378,761</u>	<u>87,434</u>	<u>3,955,791</u>
Net Book Value - 2017	<u>1,335,576</u>	<u>5,645,706</u>	<u>178,820</u>	<u>27,013</u>	<u>7,187,115</u>
Net Book Value - 2016	<u>1,373,116</u>	<u>5,125,833</u>	<u>217,258</u>	<u>19,621</u>	<u>6,735,828</u>

The leases on the leasehold properties expire in August 2077.

9. Debtors

	2017 £	2016 £
Fees Receivable	79,154	119,061
Others	17,064	19,177
Prepayments and Accrued Income	63,243	51,852
	<u>159,461</u>	<u>190,090</u>

10. Creditors: Amounts Falling Due After One Year

	2017 £	2016 £
Bank Loan:		
Due Between One and Two Years	64,589	64,921
Due Between Three and Five Years	205,211	206,170
Due After Five Years	755,947	822,422
	<u>1,025,747</u>	<u>1,093,513</u>

The above loans together with the bank loan due within one year are secured by legal charges over the freehold property and leasehold interest in Ewell Castle, the net book value of which at 31 August 2017 was £6,981,282

Interest was payable on the above loan at the rate of 2.6% over base rate.

EWELL CASTLE SCHOOL

NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017
(Continued)

11. Operating Leases

	2017 £	2016 £
Rentals Charged in the Year:		
Land and Buildings	409,070	410,370
Photocopier	3,510	-

Payments under operating leases due in the next year are as follows:

	Land and Buildings £	Photocopier	Total
Leases expiring within one year	-	-	-
Leases expiring between two and five years	-	5,265	5,265
Leases expiring after more than five years	399,000	-	399,000
	<u>399,000</u>	<u>5,265</u>	<u>404,265</u>

12. Analysis of net assets between funds

	Tangible assets £	Net current assets £	Creditors due after one year	Total £
Unrestricted funds	7,161,219	1,234,072	(1,025,747)	7,369,544
Restricted funds	25,896	1,940	-	27,836
	<u>7,187,115</u>	<u>1,236,012</u>	<u>-</u>	<u>7,397,380</u>

13. Restricted Funds

	Balance at 01/09/2016 £	Incoming Funds £	Outgoing Funds £	Transfer Between Restricted Funds £	Transfer to Unrestricted Funds £	Balance at 31/08/2017 £
Music Pavillion	8,345	32,181	-	-	(15,704)	24,822
Library and Special Needs Educational Fund	4,502	-	-	-	(2,457)	2,045
Other	999	-	(30)	-	-	969
	<u>13,846</u>	<u>32,181</u>	<u>(30)</u>	<u>-</u>	<u>(18,161)</u>	<u>27,836</u>

The Library and Special Needs Fund is helping to finance the restructuring and refurbishment of the library and providing learning support including special educational needs.

The transfer to unrestricted funds represents a relevant proportion of the depreciation charge for the year in respect of fixed assets financed by restricted funds.

EWELL CASTLE SCHOOL**NOTES TO THE ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2017
(Continued)****14. Connected Parties**

The Company paid an insurance premium amounting to £780 in respect of Governors' liability insurance.

15. Capital Commitments

Contracted for but not provided in these accounts - £Nil (2016- £664,200)

16. Taxation

The school is exempt from tax on income and gains falling within section 505 of Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

17. The Parent, Staff and Friends Association

The accounts of The Parent, Staff and Friends Association (PSFA) have been included in the accounts of the school, as the association is a sub committee of the school.