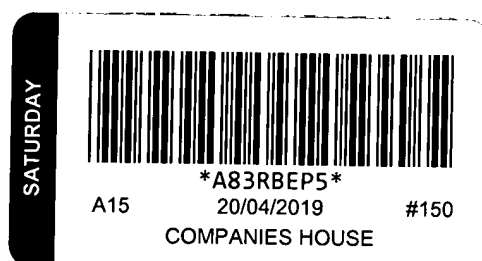


Registered number: 01136229
Charity number: 325018

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018



BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

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BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2018**

Governors	Mrs Catherine Jane Kent, Chair ^{1,2} Mr N Hosken (resigned 25 May 2018) Mrs K J Simons (resigned 31 August 2018) Dr J Wand ² Mrs J Hodsdon ¹ Mr N A Folland Mr A Lillywhite ¹ Mr R Green (resigned 31 August 2018) ¹ Mr N E Southwell Mrs C Oothusthien Mrs S E Williams Mrs K Shearman (appointed 1 September 2018) ¹ ¹ denotes membership of Finance and General Purposes Committee ² denotes membership of Health and Safety Committee
Company registered number	01136229
Charity registered number	325018
Registered office and principal address	Berkhampstead School Pittville Circus Road Cheltenham Gloucestershire GL52 2QA
Bursar and Company secretary	Miss L Strange (resigned 31 January 2019)
Headmaster	Mr R Cross
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG
Bankers	Lloyds Bank Plc 130 High Street Cheltenham GL50 1EW
Solicitors	Sherbornes Solicitors 4 Royal Crescent Cheltenham GL50 3DA

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors present their annual report together with the audited financial statements of the group and the company for the year ended 31 August 2018. The Governors confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), 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) as amended by Update Bulletin 1 (effective 1 January 2015).

STATUS AND ADMINISTRATION

Berkhampstead School (Cheltenham) Trust Limited is a charity within the meaning of the Charities Act 2011 and has been entered on the Central Register of Charities (number 325018). It is incorporated under the Companies Act 2006 (number 01136229) as a company limited by guarantee and not having share capital. It is governed by its Memorandum and Articles of Association and was incorporated on 26 September 1973.

CHARITABLE OBJECTS

The objects for which the charity is established are to promote and provide for the advancement of education and in connection therewith to conduct, carry on, acquire and develop in the United Kingdom any boarding or day school for the education of children.

PRINCIPAL ACTIVITY

The principal activity of the School continues to be the provision of a well-rounded education to both boys and girls up to the age of 11.

ORGANISATIONAL STRUCTURE

The Trust is managed by the Board of Governors. Meetings are held frequently throughout the year. The day to day running of the Trust's activities is undertaken by the Headmaster, with the assistance of the administrative staff. The Bursar co-ordinates the financial and administrative work of the School and manages any building and maintenance work in conjunction with the Estates Manager.

Delegated tasks include those of a Catering Manager who is employed by Palmer & Howells Catering and runs the kitchen on a contract basis.

Remuneration is set by the Board of Governors, with the policy of ensuring appropriate salaries to encourage enhanced performance and, in a fair and responsible manner, rewarding for individual contributions to the School's success.

GOVERNORS

The Chair of Governors is Mrs Catherine Jane Kent, who has a long-standing relationship with Berkhampstead School by way of ex parent and former Chair of the Parents Association. No new Governors have been appointed during the year, but Mr Nigel Hosken and Mrs Jo Simons have both stepped down from the Board.

The Governing Body continue to strongly support the School, attending "Governors' days" to observe the usual school day, as well as attending the majority of School functions throughout the academic year.

Governors attend courses and seminars to ensure that they are fully informed with regard to Governance and work closely with the senior management and teaching staff supporting and challenging their work at all times. A review of Governance structure has also taken place over the last year and the structure has now been reformed. The Full Board is now informed and supported by three main Committees; Compliance, Finance and General Purposes and Education, who meet at least once a term. Named Governors are allocated responsibility for monitoring Health and Safety and Safeguarding.

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

The Governors at 31st August 2018 are listed on the charity information page.

The Governors are aware of the new Charity Governance Code issued in July 2017. A review will be undertaken of the guidance in order to ensure that the school is working in line with the code, in all ways where it is practical to do so.

GROUP STRUCTURE

The School has one wholly owned non-charitable subsidiary, Berkhamstead School (Day Care Nursery) Limited. The trading activities of the subsidiary consist of the provision of a day nursery. Annual profits will be donated to the School under the Gift Aid Scheme where appropriate. Transactions between these entities are detailed within Note 10.

BOARD POLICY AND PUBLIC BENEFIT AIMS

The board policy continues to put excellence in both teaching and learning as the prime strategic objective. We consider that this is brought about by providing an environment where every child is known and cared for in happy and fun surroundings. Effort and achievement in all areas are encouraged and recognised. Governors appreciate the importance of the very high standard of pastoral care that Berkhamstead continues to provide so that the children are supported in every way throughout their time in the school. Berkhamstead is a "feeder school" for a variety of secondary schools both in the maintained sector and independent schools. The teachers provide advice and guidance so that the pupils are able to transfer confidently to the school of their choice. Several pupils gain places at local grammar schools and others achieve awards at independent schools. There is a large variety of after school clubs and activities so that the children can develop individually in areas outside the main curriculum. Throughout the school participation is encouraged in Music, Drama, Art and Sport.

In administering the charity, the charity Governors have complied with their duty in section 17 of the Charities Act 2011 and have paid due regard to the published Charity Commission guidance on the operation of the Public Benefit requirements. The School continues to allow its facilities to be used by local organisations for music, yoga, chess and local speakers.

REVIEW OF ACTIVITIES AND ACHIEVEMENTS

The School continues to go from strength to strength and having received an outstanding ISI inspection across the whole school in April 2017 we are aware that there is no room for complacency in any area of School life and it will continue to strive for excellence across the board.

Academically this was another outstanding year. Sixteen scholarships to major Independent Schools were gained including Academic, Art, Music and Sports awards. 23 children were awarded Grammar school places.

Art, Drama, Music and Sport continue to be a strong feature of the School with continued success in competitions and matches and well-attended, high quality performances of plays and concerts. The two Spring Concerts in Pittville Pump Room exemplified the enthusiasm and collaboration between staff and pupils and parents in their confident performances.

The academic success of the school is certainly regularly acknowledged and celebrated, the Platinum Award, launched last year, continues to promote and celebrate the achievements of those who participate and excel in other areas of school life and outside in the local community.

The sporting successes have once again been very good. Hundreds of fixtures were played across Rugby, Hockey, Football, Netball, Cricket and Rounders. Matches were won and lost but the important points are that every child represented the school and each match was built around camaraderie, skills and enjoyment. New long term contacts have been negotiated with the Cheltenham Tigers Rugby Club and Cheltenham Cricket Club for the use of their facilities, this together with the new MUGA playing surface on the school site hugely enhances

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

school sport provision.

Chess continues to be an important part of Berkhamstead Life with many children participating at a social and highly competitive level.

The Enrichment programme of activities and visits was more diverse and stimulating than ever, adding a valuable dimension to the children's learning. Visits ranged from the Viney Hill Adventure Centre to the Living Rainforest, @Bristol and the Black Country Museum.

In Music, highly prized places were gained in the National Children's Orchestra and the National Children's Choir.

The pupils have been encouraged to become involved in various fund raising activities in support of a wide range of charities. The Knitting Club made a blanket to be donated to the Cheltenham Animal Shelter, a pupil organised cake sale in support of Macmillan Nurses, and the MUFTI Day to celebrate the Royal Wedding, raised money for two of Meghan and Harry's chosen charities.

The school has now implemented the new 'wellbeing' program throughout the school, its aims are to give the children the tools to manage their own wellbeing and to improve learning. The school has also been awarded the Mental Health Champions Award.

Pupil numbers were more than maintained with many new pupils signed up for the Autumn term, so that most year groups were full and some pupils on waiting lists. Several families are registering for a couple of years ahead. Retention remains good but as always there were a few departures mainly due to changes in parental circumstances or relocation; details as of August 2018 were: 40 children in the Kindergarten, 100 in the Pre-Prep and 129 in the Prep department. There are 126 children on role at the Day Nursery.

The number of enquiries has remained positive. Follow up of initial enquiries and subsequent visits have been carefully monitored. The Headmaster devotes much time to interviewing and showing prospective parents round the school and the governors appreciate the considerable difference this makes to the take up of places. Open Days are vibrant occasions. Volunteer parents, pupils, staff and governors deal with tours and enquiries. It is still the case that "word of mouth" is what encourages prospective parents to find out more.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Net expenditure for the year totalled £25,594 (2017 *net income* £107,744). The consolidated unrestricted general fund of the group at 31 August 2018 was £1,586,641 (2017: £1,612,234). In addition there are funds upon which restrictions have been placed by donors, the balance of these funds being £370 (2017: £370).

DEVELOPMENTS

The School has been in discussion for some time with Cheltenham Borough Council and Gloucester Highways regarding the road safety outside the School. The agreed road safety scheme has now been partially implemented, it will hopefully be completed in the near future. These improvements should significantly increase road safety for pupils, staff, parents and the wider community.

The School also continues to invest in the fabric of the buildings, a continual rolling maintenance program and the Board and Senior Management continue to consider ways of optimising the space available for the pupils.

The School has continued to update its new website (launched in January 2016) and continues to develop and consolidate the rebranding, for example, wrapping the mini bus fleet in the new colours, updating the image of the School whilst maintaining its traditional values and ethos.

The Day Nursery continues to thrive and is a happy and safe environment for the children. The number of

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

children transferring either to Berkhamstead Kindergarten or to Reception at a later age has remained high and exceeds expectations. The nursery has become more integrated into the main school and the children are often included in activities such as music and picnics. They have access to all the School indoor and outdoor facilities for their activities and concerts.

The active PTA has continued to raise funds throughout the year by means of events such as, Bonfire Night, the Christmas Fair, the May Ball, the Summer Fete as well as other various other social evenings. They have been able to donate £10,000 towards the construction of a Well-Being Pod to be constructed in the Prep grounds.

FUTURE PLANS

- Construction and development of the Well-being pod, which is to be constructed in the Prep Side school grounds;
- Investment will take place in outdoor development for the Day Nursery. Plans include new play surface, activities and an area covered by a canopy, to enable more free flow inside/outside play even in inclement weather;
- Development of a new pedestrian gate to the Pre-Prep site will enhance pupil safety, and the creation of a new access point between the Day Nursery and the Kindergarten will help collaboration between the two departments;
- Toilet facilities throughout the school will also undergo refurbishment.

RESERVES POLICY

The Governors aim to build up the free reserves of the Trust to ensure that these are sufficient to cover recurring expenditure in the short term to allow for possible loss or delays in respect of income.

In common with most Independent schools Berkhamstead has negative free reserves. At 31 August 2018 the total unrestricted reserve was £1,586,641 with fixed assets valued at £2,903,806 resulting in negative free reserves of £1,317,165. In recent years the Governors have invested significant sums in improvements to the School facilities which have attracted pupil numbers. Improvements have been funded by long term loans secured on the freehold property. At 31 August 2018 £694,692 was due in over 5 years' time.

RISK MANAGEMENT

All committees are charged with the need to review risk and to check school policies that affect them specifically. Risk is an item at all board meetings. The Governor with responsibility for Health and Safety has continued to meet with the Bursar and Estates Team each term report to the Governing body. Financial performance is compared to budgets, which are prepared on an annual basis, for each of the three terms in the year and for the year as a whole. The Finance Committee meets regularly to discuss financial performance and future funding requirements. The Chairman of Governors meets the Headmaster regularly and also the Bursar when possible. A full review of the Committee structure has been undertaken this year and the new structure has been implemented from September 2017, this includes a Compliance Committee alongside a Finance and General-Purpose and an Education Committee who will all report to the Full Board. This structure will continue to be reviewed/assessed throughout the next year.

Reports from external agencies providing expertise in areas such as water, fire safety and asbestos management continue to be sought, acted upon and signed off.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Berkhamstead School (Cheltenham) Trust Limited for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
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GOVERNORS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2018

Company law requires the Governors to prepare financial statements for each financial year. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure of the charitable group 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable group will continue in operation.

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

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable Group's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable Group's auditor is aware of that information.

AUDITOR

On 25 June 2018, Crowe Clark Whitehill LLP changed its name to Crowe U.K. LLP. Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved by the Board of Governors on 5th Feb 2019 and signed on its behalf by:



Mrs Catherine Jane Kent, Chair

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKHAMPSTEAD SCHOOL
(CHELTENHAM) TRUST LIMITED**

Opinion

We have audited the financial statements of Berkhamstead School (Cheltenham) Trust Limited (the 'parent charity') and its subsidiaries (the 'group') for the Year ended 31 August 2018 set out on pages 10 to 31. 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 of the parent charitable company's affairs as at 31 August 2018 and of the group's incoming resources and application of resources, including its income and expenditure for the Year then ended;
- ☐ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ☐ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- ☐ the 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 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

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKHAMPSTEAD SCHOOL
(CHELTENHAM) TRUST LIMITED**

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 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 including the Group strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- ☐ the Governors' report and the Group strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the Group strategic 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:

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

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement, 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 Governors 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 Governors either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BERKHAMPSTEAD SCHOOL
(CHELTENHAM) TRUST LIMITED**

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.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kerry Brown (Senior statutory auditor)

for and on behalf of

Crowe U.K. LLP

Statutory Auditor

Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 27/3/2019

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND
EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2018**

	Note	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Income from:					
Donations		1,647	-	1,647	18,918
Charitable activities:					
School Fees	2	1,961,651	-	1,961,651	1,945,967
Ancillary trading income	3	339,405	-	339,405	305,627
Other trading activities:					
Non-ancillary trading activities	4	726,827	-	726,827	740,435
Total income		3,029,530	-	3,029,530	3,010,947
Expenditure on:					
Raising funds:					
Non-ancillary trading		642,894	-	642,894	639,618
Financing costs	6	66,170	-	66,170	66,312
Charitable activities		2,346,060	-	2,346,060	2,197,273
Total expenditure	5	3,055,124	-	3,055,124	2,903,203
Net (loss)/income before other recognised gains and losses		(25,594)	-	(25,594)	107,744
Net movement in funds		(25,594)	-	(25,594)	107,744
Reconciliation of funds:					
Total funds brought forward	15	1,612,235	370	1,612,605	1,504,861
Total funds carried forward		1,586,641	370	1,587,011	1,612,605

The notes on pages 14 to 31 form part of these financial statements.

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01136229

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	9		2,903,806		3,011,642
Current assets					
Stocks		3,995		3,995	
Debtors	11	133,344		101,050	
Cash at bank and in hand		311,578		328,814	
		<u>448,917</u>		<u>433,859</u>	
Creditors: amounts falling due within one year	12	<u>(512,626)</u>		<u>(498,944)</u>	
Net current liabilities			<u>(63,709)</u>		<u>(65,085)</u>
Total assets less current liabilities			<u>2,840,097</u>		<u>2,946,557</u>
Creditors: amounts falling due after more than one year	13		<u>(1,253,086)</u>		<u>(1,333,952)</u>
Net assets			<u>1,587,011</u>		<u>1,612,605</u>
Charity Funds					
Restricted funds	15		370		370
Unrestricted funds	15		1,586,641		1,612,235
Total funds			<u>1,587,011</u>		<u>1,612,605</u>

The financial statements were approved and authorised for issue by the Governors on 5th Feb 2019 and signed on their behalf, by:



Mrs Catherine Jane Kent, Chair

The notes on pages 14 to 31 form part of these financial statements.

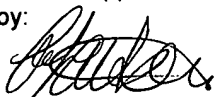
BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)
REGISTERED NUMBER: 01136229

SCHOOL BALANCE SHEET
AS AT 31 AUGUST 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	9		2,830,726		2,921,883
Investments	10		100		100
			<u>2,830,826</u>		<u>2,921,983</u>
Current assets					
Stocks		3,995		3,995	
Debtors	11	189,358		307,681	
Cash at bank and in hand		244,036		148,394	
		<u>437,389</u>		<u>460,070</u>	
Creditors: amounts falling due within one year	12	(410,652)		(410,326)	
Net current assets			<u>26,737</u>		<u>49,744</u>
Total assets less current liabilities			<u>2,857,563</u>		<u>2,971,727</u>
Creditors: amounts falling due after more than one year	13		(1,253,086)		(1,333,952)
Net assets			<u><u>1,604,477</u></u>		<u><u>1,637,775</u></u>
Charity Funds					
Restricted funds			370		370
Unrestricted funds			1,604,107		1,637,405
Total funds			<u><u>1,604,477</u></u>		<u><u>1,637,775</u></u>

Berkhampstead School (Cheltenham) Trust Limited has taken the exemption from presenting a parent Statement of Financial Activities incorporating Income and Expenditure Accounts under section 408 of the Companies Act 2006. The loss for the financial year dealt with in the financial statements of the parent charitable company was £25,594 (2017: £107,744 income).

The financial statements were approved and authorised for issue by the Governors on 5th Feb 2019 and signed on their behalf, by:



Mrs Catherine Jane Kent, Chair

The notes on pages 14 to 31 form part of these financial statements.

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
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CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £	2017 £
Cash flows from operating activities			
Net cash provided by operating activities	17	<u>196,242</u>	<u>318,423</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(68,921)</u>	<u>(142,951)</u>
Net cash used in investing activities		<u>(68,921)</u>	<u>(142,951)</u>
Cash flows from financing activities:			
Loan repayments		<u>(78,387)</u>	<u>(75,422)</u>
Finance costs paid		<u>(66,170)</u>	<u>(66,312)</u>
Net cash used in financing activities		<u>(144,557)</u>	<u>(141,734)</u>
Change in cash and cash equivalents in the Year		<u>(17,236)</u>	<u>33,738</u>
Cash and cash equivalents brought forward		<u>328,814</u>	<u>295,076</u>
Cash and cash equivalents carried forward	18	<u><u>311,578</u></u>	<u><u>328,814</u></u>

The notes on pages 14 to 31 form part of these financial statements.

BERKHAMPSTEAD SCHOOL (CHELTENHAM) TRUST LIMITED
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies

1.1 Charity information

Berkhampstead School (Cheltenham) Trust Limited is a registered charity with the Charities Commission England and Wales (charity number 325018) and was incorporated as a private company limited by guarantee (company number: 01136229) on 26 September 1973. The address of its registered office is Berkhampstead School, Pittville Circus Road, Cheltenham, Gloucestershire, GL52 2QA.

It's principal activity is the provision of boarding and day schooling.

The members of the company are the Governors named on page 1. In the event of the School being wound up the liability in respect of the guarantee is limited to £1 per member of the School.

1.2 Basis of preparation of financial statements

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 (FRS 102) and the Companies Act 2006.

Berkhampstead School (Cheltenham) Trust Limited 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.

The Statement of financial activities (SOFA) and Balance sheet consolidate the financial statements of the company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

No separate SOFA has been presented for the company alone as permitted by section 408 of the Companies Act 2006.

1.3 Basis of consolidation

The financial statements consolidate the accounts of Berkhampstead School (Cheltenham) Trust Limited and all of its subsidiary undertakings ('subsidiaries').

The School has taken advantage of the exemption contained within section 408 of the Companies Act 2006 not to present its own Income and expenditure account.

1.4 Going concern

The Governors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. For long term finance the School relies on bank loans, as disclosed in Note 12. In assessing going concern the Governors have assumed that these bank loans will not be repaid in the foreseeable future and are not aware of any circumstances that may adversely affect the renewal of these facilities. They consider that there are no material uncertainties over the School's financial viability. Accordingly, the Governors continue to adopt the going concern basis of accounting in preparing the annual financial statements.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

1.5 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the School and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

1.6 Income

All income is recognised once the Group has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fees and similar income

Fees receivable are stated after deducting allowances, scholarships, bursaries and other remissions granted by the School, but include contributions received from restricted funds for bursaries. Where fees are in advance, the income is deferred until the term to which it relates.

Donations

Donations are recorded in the Statement of Financial Activities when the School has entitlement to the funds, any performance conditions attached to the items have been met, it is probable that the income will be received and the amount can be measured reliably. Where donations are received only to be used for a specific purpose they are allocated to the appropriate restricted fund.

Non Ancillary Trading Income

Income comprises the nursery fee income and other income generated by Berkhamstead School (Day Nursery Limited).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

1.7 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the Group's operations, including support costs and costs relating to the governance of the company apportioned to charitable activities. Governance costs are those incurred in connection with administration of the Group and compliance with constitutional and statutory requirements.

All expenditure is inclusive of irrecoverable VAT.

1.8 Tangible fixed assets and depreciation

All assets costing more than £1,000 are capitalised.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. Depreciation is not provided on freehold land. Depreciation is provided at rates calculated to write off the cost of fixed assets, less their estimated residual value, over their expected useful lives on the following bases:

Freehold property	-	2-20% straight line
Leasehold improvements	-	10-33% straight line
Fixtures and equipment	-	10% reducing balance
Motor vehicles	-	20-33.3% straight line
Fixtures and fittings	-	10-33% straight line
Computer equipment	-	25-33% straight line

1.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless fair value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Consolidated statement of financial activities incorporating income and expenditure account.

Investments in subsidiaries are valued at cost less provision for impairment.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

1.10 Operating leases

Rentals under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

1.11 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks.

1.12 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

1.13 Cash at Bank and in hand

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

1.14 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the Group anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide. Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised within interest payable and similar charges.

1.15 Financial instruments

The Group 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.

1.16 Pensions

The Group operates a defined contribution pension scheme for its administrative, domestic, teaching assistants and maintenance staff, the assets of which are held separately from those of the School. The pension charge represents the amounts payable by the Group to the fund in respect of the year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

1. Accounting policies (continued)

The School contributes to the Teachers' Pension defined benefits pension scheme. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. Therefore, as required by FRS 102, the School accounts for this scheme as if it was a defined contribution scheme. The amount charged to the Statement of financial activities represents contributions payable to the scheme in respect of the accounting period.

1.17 Termination benefits

Termination payments are accounted for as soon as the Group has committed to terminate the employment of an employee or to provide termination benefits.

1.18 Pupil deposits

The Governors have reviewed the contract terms under which pupil fee deposits are held by the Group. Although under normal circumstances these will be repaid in future years when the pupils complete their education at the school, pupils can leave at earlier dates. The Group does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and in line with the requirements in FRS 102, the balance of deposits held at 31 August has been included within current liabilities.

1.19 Critical accounting estimates and areas of judgment

Estimates and judgments 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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

2. Charitable activities - Fees receivable

This represents gross school fees invoiced, less scholarships, bursaries and allowances.

	2018 £	2017 £
Gross school fees	2,059,834	2,029,900
Less: Scholarships	(4,406)	(6,261)
Bursaries	(67,993)	(55,392)
Allowances	(25,784)	(22,280)
	<u>1,961,651</u>	<u>1,945,967</u>

Scholarships and bursaries, and awards were paid for a total of 24 pupils (2017: 26).

Within this means tested bursaries totalling £67,993 were paid to 17 pupils (2017: £55,392 to 15 pupils).

This figure includes free places of £16,755 (2017: £6,000) which are means tested and awarded to 2 (2017: 1) pupils.

Included within gross school fees is an amount of £124,774 (2017: £101,309) in relation to governments grants received.

In 2017 all of the total income from school fees receivable was to unrestricted funds and £Nil to restricted funds.

3. Charitable activities - Ancillary trading

	2018 £	2017 £
Music tuition	5,166	5,364
School outings and clubs	85,055	74,243
Learning support	3,596	4,162
Swimming income	11,268	12,732
Lunch income	168,413	160,654
SFPS	13,750	11,628
School shop and sundry income	34,435	34,694
Registration fees	2,500	2,150
Optional charge	15,222	-
	<u>339,405</u>	<u>305,627</u>

In 2017, of the total income from ancillary trading income, £305,267 was to unrestricted funds and £Nil was to restricted funds.

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**NOTES TO THE FINANCIAL STATEMENTS
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4. Non-ancillary trading activities

	2018 £	2017 £
Trading income - Berkhamstead School (Day Care Nursery) Limited	722,992	736,705
Other activities	3,835	3,730
Total	726,827	740,435

Included within turnover is an amount of £84,768 (2017: £75,805) in relation to governments grants received.

In 2017, of the total income from trading income, £740,435 was to unrestricted funds and £Nil was to restricted funds.

5. Analysis of Expenditure by expenditure type

	Staff costs 2018 £	Depreciation 2018 £	Other costs 2018 £	Total 2018 £	Total 2017 £
Costs of raising funds:					
Trading expenses	454,235	32,933	155,726	642,894	639,618
Financing costs (note 6)	-	-	66,170	66,170	66,312
Subtotal costs of raising funds	454,235	32,933	221,896	709,064	705,930
Charitable activities:					
Teaching costs	1,351,321	-	79,915	1,431,236	1,397,700
Welfare	-	-	181,637	181,637	167,102
Premises	55,803	143,824	164,133	363,760	325,151
Support and governance costs	199,954	-	169,473	369,427	307,320
Subtotal charitable activities	1,607,078	143,824	595,158	2,346,060	2,197,273
Total 2018	2,061,313	176,757	817,054	3,055,124	2,903,203
Total 2017	1,972,744	148,132	782,327	2,903,203	

In 2017 all of the expenditure was from unrestricted funds.

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Support and governance costs

Support costs for schooling includes IT, administration costs, and governance costs. Governance costs totalling £21,182 (2017: £22,042) consist of inspection costs and professional fees (including auditors fees of £12,436 for the year).

6. Financing costs

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £	Total funds 2017 £
Bank loan interest	66,170	-	66,170	66,312
	<u>66,170</u>	<u>-</u>	<u>66,170</u>	<u>66,312</u>
<i>Total 2017</i>	<u>66,312</u>	<u>-</u>	<u>66,312</u>	

7. Auditors' remuneration

	2018 £	2017 £
Fees payable to the School's auditor for the audit of the School's annual accounts	7,900	7,750
Fees payable to the School's auditor in respect of:		
The auditing of accounts of the subsidiary of the School	1,500	1,450
Non-audit services	1,800	1,780
	<u>1,800</u>	<u>1,780</u>

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8. Staff costs

Staff costs were as follows:

	2018	2017
	£	£
Wages and salaries	1,765,071	1,690,345
Social security costs	147,281	142,266
Other pension costs	148,961	140,133
	2,061,313	1,972,744

The average number of persons employed by the company during the Year was as follows:

	2018	2017
	No.	No.
Teaching	49	42
Day Nursery	33	32
Administration	9	10
	91	84

The number of higher paid employees was:

	2018	2017
	No.	No.
In the band £60,001 - £70,000	1	0
In the band £70,001 - £80,000	1	1

The total employee benefits of the key management personnel totalled £231,559 (2017: £155,350).

During the year there were redundancy or termination payments made which amounted to £Nil (2017: £9,468). There was nothing outstanding at year end.

No Governor received any emoluments during the year (2017: £Nil). No Governor received any amounts for reimbursement of expenses during the year (2017: £Nil).

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**NOTES TO THE FINANCIAL STATEMENTS
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9. Tangible fixed assets

Group	Freehold property £	Leasehold improve- ments £	Motor vehicles £	Fixtures and equipment £	Computer equipment £	Total £
Cost						
At 1 September 2017	3,367,889	114,265	75,954	367,497	43,553	3,969,158
Additions	-	-	6,300	60,917	1,704	68,921
At 31 August 2018	3,367,889	114,265	82,254	428,414	45,257	4,038,079
Depreciation						
At 1 September 2017	703,162	43,580	40,836	133,370	36,568	957,516
Charge for the Year	82,504	27,794	10,539	49,158	6,762	176,757
At 31 August 2018	785,666	71,374	51,375	182,528	43,330	1,134,273
Net book value						
At 31 August 2018	2,582,223	42,891	30,879	245,886	1,927	2,903,806
At 31 August 2017	2,664,727	70,685	35,118	234,127	6,985	3,011,642

Company	Freehold property £	Motor vehicles £	Fixtures and equipment £	Computer equipment £	Total £
Cost					
At 1 September 2017	3,367,889	75,954	336,258	43,553	3,823,654
Additions	-	6,300	44,663	1,704	52,667
At 31 August 2018	3,367,889	82,254	380,921	45,257	3,876,321
Depreciation					
At 1 September 2017	703,162	40,836	121,205	36,568	901,771
Charge for the Year	82,504	10,539	44,019	6,762	143,824
At 31 August 2018	785,666	51,375	165,224	43,330	1,045,595
Net book value					
At 31 August 2018	2,582,223	30,879	215,697	1,927	2,830,726
At 31 August 2017	2,664,727	35,118	215,053	6,985	2,921,883

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

10. Fixed asset investments

Company	Shares in group undertakings £
Cost	
At 1 September 2017 and 31 August 2018	100

The School holds 100 ordinary shares of £1 each representing 100% of the allotted share capital of Berkhamstead School (Day Nursery) Limited (company number 07805292), a company incorporated in England and Wales. Its trading results and balance sheet assets and liabilities, as extracted from its audited financial statements, are summarised below:

	2018 £	2017 £
Turnover	722,992	736,705
Administrative expenses	(715,288)	(698,014)
Operating profit	7,704	38,691

	2018 £	2017 £
Total assets at 31 August 2018	165,732	282,289
Total liabilities at 31 August 2018	(183,098)	(307,359)
Total net liabilities at 31 August 2018	(17,366)	(25,070)

Included within turnover is an amount of £84,768 (2017: £75,805) in relation to governments grants received.

Administrative expenses include rent totalling £48,396 (2017: £48,396) and a management charge of £23,998 (2017: £10,000) paid to Berkhamstead School (Cheltenham) Trust Limited.

At the year end Berkhamstead School (Day Care Nursery) Limited owed Berkhamstead School Cheltenham) Trust Limited £73,982 (2017: £218,744).

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2018**

11. Debtors

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Trade debtors	27,688	36,700	21,149	34,089
Amounts owed by group undertakings	-	-	73,984	218,744
Other debtors	12,151	4,404	12,151	4,404
Prepayments and accrued income	93,505	59,946	82,074	50,444
	133,344	101,050	189,358	307,681

Fee debtors are stated after impairment provisions totalling £Nil (2017: £Nil).

12. Creditors: Amounts falling due within one year

	Group		Company	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	79,886	77,407	79,886	77,407
Trade creditors	96,543	87,900	63,467	69,680
Social security and other taxes	33,559	29,766	29,809	28,566
Fees paid in advance	159,924	154,719	149,696	136,939
Pension creditor	21,573	16,358	20,044	16,358
Deposits	80,031	79,377	33,041	37,401
Accruals	41,110	53,417	34,709	43,975
	512,626	498,944	410,652	410,326

Fees in advance represent payment for school and nursery fees relating to terms within the 2018/19 financial year. Movements during the year were:

	Group		Company	
	£	£	£	£
Fees paid in advance				
Balance at 1 September 2017	154,719	117,264	136,939	117,264
Resources deferred during the year	159,924	154,719	149,696	136,939
Amounts released from previous years	(154,719)	(117,264)	(136,939)	(117,264)
Balance at 31 August 2018	159,924	154,719	149,696	136,939

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**NOTES TO THE FINANCIAL STATEMENTS
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13. Creditors: Amounts falling due after more than one year

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	£	£	£	£
Bank loans	1,253,086	1,333,952	1,253,086	1,333,952

Included within the above are amounts falling due as follows:

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	£	£	£	£
Between one and two years				
Bank loans	82,307	80,013	82,307	80,013
Between two and five years				
Bank loans	476,087	477,244	476,087	477,244
Over five years				
Bank loans	694,692	776,695	694,692	776,695

Creditors include amounts not wholly repayable within 5 years as follows:

	<u>Group</u>		<u>Company</u>	
	2018	2017	2018	2017
	£	£	£	£
Repayable by instalments	694,692	776,695	694,692	776,695

The School has eight (2017: eight) loans, four (2017: six) are fixed rate loans and four (2017: two) are variable rate loans. The first has a fixed interest rate for ten years at a rate of 2.15%, the second has a fixed rate of 4.82% for five years, the third has a fixed interest rate of 6.57% for seven years, the fourth has a fixed rate of 5.74% for 10 years. The four variable rate loans have interest rates of 1% and 1.95% over the base rate.

The loans are secured by means of a legal mortgage over the freehold property known as Pengwern House, Pittville Circus Road, Cheltenham, GL52 2QA and Berkhamstead School (Cheltenham) Trust Limited, Pittville Circus Road, Cheltenham, GL52 2QA.

There is also an unlimited debenture incorporating a fixed and floating charge.

The proportion of the bank loan to the net book value of the property charged was 51.6% (2017: 59.2%).

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**NOTES TO THE FINANCIAL STATEMENTS
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14. Financial instruments - Group

	2018 £	2017 £
Financial assets measured at fair value	311,578	328,814
Financial assets measured at amortised cost	39,839	41,104
	<u>351,417</u>	<u>369,918</u>
Financial liabilities measured at amortised cost	<u>(1,550,656)</u>	<u>(1,632,053)</u>

Financial assets measured at fair value comprise cash at bank.

Financial assets measured at amortised cost comprise fee debtors and other debtors.

Financial liabilities measured at amortised cost comprise deposits, trade creditors, bank loans and accruals.

Impairment losses charged on financial assets and liabilities measured at amortised cost in the year amounted to £67,377 (2017: £56,312).

15. Statement of funds

Statement of funds - current year

	Balance at 1 September 2017 £	Income £	Expenditure £	Balance at 31 August 2018 £
Designated funds				
Governors Bursary	8,231	647	-	8,878
General funds				
General fund - Day Nursery	(25,170)	722,992	(715,288)	(17,466)
General fund - School	1,629,174	2,378,285	(2,412,230)	1,595,229
Eliminated on consolidation	-	(72,394)	72,394	-
	<u>1,604,004</u>	<u>3,028,883</u>	<u>(3,055,124)</u>	<u>1,577,763</u>
Total Unrestricted funds	<u>1,612,235</u>	<u>3,029,530</u>	<u>(3,055,124)</u>	<u>1,586,641</u>
Restricted funds				
Poetry fund	370	-	-	370
Total of funds	<u>1,612,605</u>	<u>3,029,530</u>	<u>(3,055,124)</u>	<u>1,587,011</u>

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**NOTES TO THE FINANCIAL STATEMENTS
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15. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 August 2017 £</i>
Governors Bursary	7,313	918	-	8,231
General funds				
General fund - Day Nursery	(63,861)	736,705	(698,014)	(25,170)
General fund - School	1,561,039	2,331,720	(2,263,585)	1,629,174
Elimination on consol	-	(58,396)	58,396	-
	<u>1,497,178</u>	<u>3,010,029</u>	<u>(2,903,203)</u>	<u>1,604,004</u>
Restricted funds				
Poetry fund	370	-	-	370
Total of funds	<u><u>1,504,861</u></u>	<u><u>3,010,947</u></u>	<u><u>(2,903,203)</u></u>	<u><u>1,612,605</u></u>

The Governors Bursary fund provides fee remission for children where need is identified.

The Poetry fund relates to a donation received to purchase poetry books.

Summary of funds - current year

	<i>Balance at 1 September 2017 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 August 2018 £</i>
Designated funds	8,231	647	-	8,878
General funds	1,604,004	3,028,883	(3,055,124)	1,577,763
	<u>1,612,235</u>	<u>3,029,530</u>	<u>(3,055,124)</u>	<u>1,586,641</u>
Restricted funds	370	-	-	370
	<u><u>1,612,605</u></u>	<u><u>3,029,530</u></u>	<u><u>(3,055,124)</u></u>	<u><u>1,587,011</u></u>

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15. Statement of funds (continued)

Summary of funds - prior year

	<i>Balance at 1 September 2016 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Balance at 31 August 2017 £</i>
Designated funds	7,313	918	-	8,231
General funds	1,497,178	3,010,029	(2,903,203)	1,604,004
	<u>1,504,491</u>	<u>3,010,947</u>	<u>(2,903,203)</u>	<u>1,612,235</u>
Restricted funds	370	-	-	370
	<u><u>1,504,861</u></u>	<u><u>3,010,947</u></u>	<u><u>(2,903,203)</u></u>	<u><u>1,612,605</u></u>

16. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2018 £	Restricted funds 2018 £	Total funds 2018 £
Tangible fixed assets	2,903,806	-	2,903,806
Current assets	526,987	370	527,357
Creditors due within one year	(591,066)	-	(591,066)
Creditors due in more than one year	(1,253,086)	-	(1,253,086)
	<u><u>1,586,641</u></u>	<u><u>370</u></u>	<u><u>1,587,011</u></u>

Analysis of net assets between funds - prior year

	<i>Unrestricted funds 2017 £</i>	<i>Restricted funds 2017 £</i>	<i>Total funds 2017 £</i>
Tangible fixed assets	3,011,642	-	3,011,642
Current assets	433,489	370	433,859
Creditors due within one year	(498,944)	-	(498,944)
Creditors due in more than one year	(1,333,952)	-	(1,333,952)
	<u><u>1,612,235</u></u>	<u><u>370</u></u>	<u><u>1,612,605</u></u>

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17. Reconciliation of net movement in funds to net cash flow from operating activities

	2018	Group
	£	2017
		£
Net (expenditure)/income for the year (as per Statement of Financial Activities)	(25,594)	107,744
Adjustment for:		
Depreciation charges	176,757	148,132
Loss on the sale of fixed assets	-	15,341
Increase in debtors	(32,294)	(22,575)
Increase in creditors	11,203	3,469
Finance costs	66,170	66,312
Net cash provided by operating activities	196,242	318,423

18. Analysis of cash and cash equivalents

	2018	Group
	£	2017
		£
Cash in hand	311,578	328,814
Total	311,578	328,814

19. Pension commitments

Teachers' 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 £137,237 (2017: £131,193) and at the year end £18,019 (2017: £16,358) was accrued in respect of contributions to this scheme.

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

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 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 currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2018 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase

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19. Pension commitments (continued)

substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

Scheme for non-teaching staff

The School operates a defined contribution scheme for its non-teaching staff, the assets of which are held separately from those of the School. The pension costs charged represents contributions payable by the School to the scheme and amounted to £11,724 (2017: £4,671) for the year ended 31 August 2018. At the year end £3,554 (2017: £Nil) was due to be paid.

20. Operating lease commitments

At 31 August 2018 the total of the group's future minimum lease payments under non-cancellable operating leases was:

	2018 £	2017 £
Group and company		
Amounts payable:		
Within 1 year	30,302	7,362
Between 1 and 5 years	73,257	1,371
After more than 5 years	4,378	-
	<u>107,937</u>	<u>8,733</u>

Lease payments recognised as an expense in the year amounted to £28,255 (2017: £43,054).

21. Related party transactions

There were no other Related Party Transactions other than those disclosed in notes 8 and 10.