

Registered number: 03861455
Charity number: 1079647

ST. GEORGE'S SCHOOL, EDGBASTON
(A company limited by guarantee)

COUNCIL MEMBERS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017



ST. GEORGE'S SCHOOL, EDGBASTON
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS TRUSTEES AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2017**

Council members Sir R Dowling, Chairman
Mr K Hawkins
Mr W Weir (resigned 29 January 2017)
Mr M Sahota (resigned 1 December 2016)
Mr B Kicks
Ms S Dhillon (resigned 17 March 2018)
Mr E Smedmore (appointed 29 January 2017)

**Company registered
number** 03861455

**Charity registered
number** 1079647

Registered office 31 Calthorpe Road
Edgbaston
Birmingham
B15 1RX

Head Teacher Mr G Neal

Independent auditor MHA MacIntyre Hudson
Chartered Accountants
Statutory Auditors
Rutland House
148 Edmund Street
Birmingham
B3 2FD

Bankers Lloyds Bank
1 Calthorpe Road
Birmingham
B15 1QL

Solicitors Irwin Mitchell
31 Temple Street
Birmingham
B2 5DB

ST. GEORGE'S SCHOOL, EDGBASTON
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**COUNCIL MEMBERS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2017**

The Council members present their annual report together with the audited financial statements of St. George's School, Edgbaston for the 1 September 2016 to 31 August 2017. The Council members 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).

Since the company qualifies as small under section 383, the strategic report required of medium and large companies under The Companies Act 2006 (Strategic Report and Director's Report) Regulations 2013 is not required.

Overview

The School continues to focus on ensuring the governance and management has oversight, working with the Council and external consultants where required to ensure the effective functioning of the school.

Objectives and Activities

The Object of the School as stated in the Articles of Association is the advancement of education of boys and girls in accordance with the principles of the Christian faith by the provision of a school and nursery school. Our key objective for the year is to continue to provide quality education to future generations of children, maintaining a scheme of continuous development and working to offer a safe learning environment for all pupils.

The School currently provides education to boys and girls aged between rising 3 and 18. At the end of the 2017 academic year, the Lower School had 110 pupils and the Upper School and Sixth form had 274 pupils.

The Trustees are aware of their responsibility to be open and transparent by ensuring there is clear evidence of public benefit associated with their activities. Accordingly, the School is committed to supporting the education and development of its pupils and where necessary and practicable, provides financial relief to individual pupils through bursaries or scholarships of an agreed amount in accordance with School's Admissions Policy. As a small school, the Trustees feel the record for offering education financial relief is to be commended and want to ensure this continues. At the time of writing, six pupils have full remission of fees.

Bursaries in the amount of £260,367 were awarded across the School to deserving students in 2017 (2016: £310,430). By operating this system, the Trustees ensure that the benefits of the School are available to a wide audience who may not otherwise be able to access the type of education which is on offer at St. Georges School due to financial constraints.

The Trustees have considered the Charity Commission's guidance on public benefit.

Achievements and performance

GCSE and A-Level Results 2017

The School has achieved another excellent set of GCSE results for 2017. These results are once again set in a context where many schools within the city and across the country experienced a dip in student attainment and achievement.

A Level (A2) and BTEC

96% of grades achieved by students at A-Level were A*-E, with 39% of grades being A*-B.

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COUNCIL MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

Of the students undertaking BTEC qualifications, all students passed with a Merit grade or higher, with 80% of students achieving a Distinction*.

Year 11 GCSE

Overall 81% of Year 11 students gained 5 or more A*-C grades at GCSE.

77% of students achieved 5 or more A*-C grades including English and Maths.

Overall 58% of the results of all entries at GCSE were A*-B grades (or equivalent).

The school achieved a 99.8% pass rate, with virtually all students achieving 5 or more A*-G grades.

The school had over 80% A*-C passes in Art (88%), Biology (90%), Chemistry (83%), Chinese (100%), Computing (100%), English Language (94%), English Literature (95%), French (100%), Further Maths (100%), ICT (100%), Maths (81%), Music (80%), Physics (90%), PE (94%), Photography (100%) and Religious Studies (80%).

28% of students achieved at least 5 or more A*/A grades at GCSE.

34% of students achieved at least 3 or more A*/A grades at GCSE.

Year 10 GCSE Maths

After careful consideration and consultation with students and parents we entered the majority of our Year 10 cohort for GCSE maths. The results have been extremely pleasing.

65% of those entered achieved at least a grade 4 (old C grade at GCSE) or higher.

Financial review

The principal funding for the operation of the school is provided by fees from pupils and LEA funding from Birmingham and Solihull.

The financial results are shown in the Statement of Financial Activities. Total income for the year ended 31 August 2017 was £4,717,399 (2016: £5,038,587). Total expenditure was £5,065,389 (2016: £5,060,505) resulting in a net movement in funds of £347,990 loss (2016: £21,918 loss).

Funds carried forward are as shown in note 13. Net funds totalled £1,323,762, including restricted funds of £13,224.

Reserves policy and going concern

The School had £1,323,762 total reserves as at 31 August 2017. Free reserves are the school's reserves that are freely available to spend on any of the school's purposes and therefore exclude restricted funds and tangible fixed assets. At 31 August 2017 the school held free reserves of £198,591.

The trustees have recognised that there has been a reduction in income over the last couple of years which has led to a reduction in reserves to below that of the reserves policy.

The trustees examined financial forecasts for the current financial year and over the next three years. It was agreed that cuts in expenditure should be identified whilst a focus on increasing income should be prioritised.

Per the school's management accounts the school is on track for a reduced deficit in 2017/18 compared to 2016/17. Plans are in place to continue to reduce expenditure and increasing student numbers as above which should result in a surplus position in 2018/19.

The Year Seven intake for September 2018 currently stands in excess of fifty pupils and continuous parental enquiries suggest that these numbers will increase.

These healthy numbers will more than compensate for the forty one (41) Year Eleven students who will be leaving at the end of this academic year.

Numbers in the sixth form are expected to increase next September.

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COUNCIL MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The school is under increasing pressure to provide extra places for students with SEND. Our successes with these students include helping many gain university places and professional apprenticeships. This is a major source of revenue and the school has a plan for increasing our current offer which we know will improve our finances by approximately £250,000 (10 students) from September 2019. There are also plans for Local Authority pupils to join the school from September 2018.

The school has introduced an effective and firm credit control procedure which has improved income and effectively reduced debts to a very manageable level.

The Catering department has come back in house and the vast majority of pupils partake of school meals. This innovation is proving most successful and school meals are showing a healthy profit.

For the current academic year It wasn't deemed necessary to make staff redundancies. However some curricular reorganisation made it possible to deliver curriculum requirements without filling a number of vacant teaching posts.

Trustees are confident that any deficit over the current year will be minimised and that the school will return to healthy surpluses over the coming years that will reflect the school's reserves policy.

Structure, governance and management

Constitution

The company is registered as a charitable company limited by guarantee and was set up by a Memorandum of Association on 26 September 2012 and is a registered charity number 1079647.

Method of appointment or election of Council members

The management of the company is the responsibility of the Council members who are elected and co-opted under the terms of the Articles of Association.

The Council, who are also the Company Directors and Charity Trustees are responsible for the overall management and control of the school.

We follow an open and transparent procedure for recruiting trustees which includes advertising in local networks. All trustees are provided with a comprehensive induction and a skills audit is completed which helps to plan for succession and renewal of the governing body.

The Trustees are appraised on an annual basis by the Chair which leads to the identification of any training and development needs. Trustees are not generally remunerated (please details of those remunerated during the year) and the senior leadership team fall in line with national guidelines on teachers pay and conditions. Pay is linked to performance management and appraisal.

Members of the Council

The Council holds a general meeting at least once every school year, with meetings called more frequently if required.

The day-to-day running of the School is delegated to the Headmaster and the Deputy Headmaster supports this function.

Council Members are selected for their expertise in education, the law, business, marketing and community life

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COUNCIL MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

and also other transferable skills that can help the Council to govern the school well. This ensures that the Council is effective and able to give strategic oversight to the school.

The Members who served during the year to the date of signing were as follows:

- Sir Robert Dowling
- Mr Kishen Hawkins
- Mr Barry Kicks
- Mr Edward Smedmore (appointed 29th January 2017)
- Ms Surinder Dhillon (resigned on 17th March 2018)
- Mr Winston Weir (resigned on 29th January 2017)
- Mr Manjit Sahota (resigned on 1st December 2016)

Risk management

Along with the Headmaster, The Finance and General Purposes Committee continue to monitor the risk plan which includes key items such as law and regulation; governance and leadership; strategic function; operational function; finance and the external environment. Under the advice of the Finance and General Purposes Committee, the Council have reviewed the key risks of the School which currently include but are not exclusive to:

Legal compliance with key legislation,

- Safeguarding,
- Changing demographic of pupils – including specialist work with SENCO pupils,
- Health and Safety of the School site,
- Regulatory changes and compliance with ISI (Independent School Inspectorate) and the Charity Commission,
- Financial planning and reporting of the School's resources including LA funding,
- Business planning and strategy for the School's development and growth,
- Governance and operational structure relating to the Council and staff,
- Revised payment methods to ensure that payments are collected in a timely manner reducing the school's exposure to bad debt,
- Applications for sixth form placements,
- Need for more space for growing number of sixth form pupils,
- Possible future rent increases,
- Infrastructure of the School's IT system.

The Council continue to approve policies and oversee the operation of the School with staff regularly presenting to governors on issues that require their approval and also to keep them informed of what is taking place on a day-to-day basis. This has included but is not limited to:

- School Improvement Plan,
- School Development Plan,
- Management account updates,
- Updates regarding buildings and rent changes

The School continues to work closely with external Health and Safety consultants to carry out the School Development Programme in line with the ten-year plan to improve the safety and utilisation of the School site.

Plans for future periods

FUTURE STRATEGY

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COUNCIL MEMBERS' REPORT (continued)
FOR THE YEAR ENDED 31 AUGUST 2017

The School continues to work towards the strategic goals included in its five-year development plan which includes the enhancement and development of its facilities and educational capabilities and resources. The Trustees have encouraged the School to continue to focus on the benefit it can bring to the wider community, also ensuring the School's culture of inclusivity in relation to faith and special educational needs are embedded into the culture at St. George's.

Council members' responsibilities statement

The Council members (who are also directors of St. George's School, Edgbaston for the purposes of company law) are responsible for preparing the Council members' 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 Council members to prepare financial statements for each financial year. Under company law the Council members 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 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 Council members are required to:

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

The Council members are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and 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.

Disclosure of information to auditor

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

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

This report was approved by the Council members, on 28 June 2018 and signed on their behalf by:

Sir R Dowling, Chairman



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. GEORGE'S SCHOOL, EDGBASTON

Opinion

We have audited the financial statements of St. George's School, Edgbaston (the 'charitable company') for the year ended 31 August 2017 set out on pages 10 to 26. 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 charitable company's affairs as at 31 August 2017 and of its 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 charitable company 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 Council members' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Council members have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 Council members are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. GEORGE'S SCHOOL, EDGBASTON

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 Council members' report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Council members' report has 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 Council members' report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Council members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Council members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Council members' report and from the requirement to prepare a Strategic report.

Responsibilities of trustees

As explained more fully in the Council members' responsibilities statement, the Council members (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 Council members 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 Council members are responsible for assessing the 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 Council members either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST. GEORGE'S SCHOOL, EDBASTON

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.



Helen Blundell LLB FCA FCIE DChA (Senior statutory auditor)
for and on behalf of

MHA MacIntyre Hudson
Chartered Accountants & Statutory Auditors
Rutland House
148 Edmund Street
Birmingham
B3 2FD
28 June 2018

ST. GEORGE'S SCHOOL, EDGBASTON
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**STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 AUGUST 2017**

	Note	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
INCOME FROM:					
Donations and legacies	2	15,976	487	16,463	160,000
Charitable activities	3	4,699,782	-	4,699,782	4,875,589
Investments		1,154	-	1,154	2,998
TOTAL INCOME		4,716,912	487	4,717,399	5,038,587
EXPENDITURE ON:					
Charitable activities		5,065,389	-	5,065,389	5,060,505
TOTAL EXPENDITURE		5,065,389	-	5,065,389	5,060,505
NET INCOME / (EXPENDITURE) BEFORE OTHER RECOGNISED GAINS AND LOSSES					
		(348,477)	487	(347,990)	(21,918)
NET MOVEMENT IN FUNDS		(348,477)	487	(347,990)	(21,918)
RECONCILIATION OF FUNDS:					
Total funds brought forward		1,659,015	12,737	1,671,752	1,693,670
TOTAL FUNDS CARRIED FORWARD		1,310,538	13,224	1,323,762	1,671,752

The notes on pages 13 to 26 form part of these financial statements.

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REGISTERED NUMBER: 03861455

BALANCE SHEET
AS AT 31 AUGUST 2017

	Note	£	2017 £	£	2016 £
FIXED ASSETS					
Tangible assets	9		1,111,947		1,225,427
CURRENT ASSETS					
Debtors	10	226,729		324,808	
Cash at bank and in hand		592,930		752,388	
		<u>819,659</u>		<u>1,077,196</u>	
CREDITORS: amounts falling due within one year	11	(607,844)		(630,871)	
NET CURRENT ASSETS			<u>211,815</u>		<u>446,325</u>
NET ASSETS			<u>1,323,762</u>		<u>1,671,752</u>
CHARITY FUNDS					
Restricted funds	13		13,224		12,737
Unrestricted funds	13		1,310,538		1,659,015
TOTAL FUNDS			<u>1,323,762</u>		<u>1,671,752</u>

The company's financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the Council members on 28 June 2018 and signed on their behalf, by:



Sir R Dowling, Chairman

The notes on pages 13 to 26 form part of these financial statements.

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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2017

	Note	2017 £	2016 £
Cash flows from operating activities			
Net cash provided by operating activities	15	<u>1,057</u>	<u>269,115</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(160,515)</u>	<u>(143,976)</u>
Net cash used in investing activities		<u>(160,515)</u>	<u>(143,976)</u>
Change in cash and cash equivalents in the year		(159,458)	125,139
Cash and cash equivalents brought forward		<u>752,388</u>	<u>627,249</u>
Cash and cash equivalents carried forward	16	<u><u>592,930</u></u>	<u><u>752,388</u></u>

The notes on pages 13 to 26 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES

1.1 Basis of preparation of financial statements

The financial statement 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) (issued on 16 July 2014) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2015.

St. George's School, Edgbaston 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 financial statements are prepared in sterling which is the functional currency of the Charity and rounded to the nearest pound.

1.2 Company status

The school is a company limited by guarantee. The members of the company are the Council members 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.

1.3 Going concern

The financial statements have been prepared on a going concern basis as the Trustees believe that no material uncertainties exist. The Trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

1.4 Income

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.5 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, and depreciation charges allocated on the portion of the asset's use.

Support costs are those costs incurred directly in support of expenditure on the objects of the company. Governance costs are those incurred in connection with administration of the company and compliance with constitutional and statutory requirements.

Charitable activities and Governance costs are costs incurred on the company's educational operations, including support costs and costs relating to the governance of the company apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

1.6 Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the Statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost, net of depreciation and any provision for impairment. 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:

Short-term leasehold property	-	straight line over the period of the lease
School equipment	-	straight line over 5 years
Computer equipment	-	straight line over 3 years
Expenditure on buildings enhancement	-	straight line over 10 years

1.7 Interest receivable

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.8 Operating leases

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

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017**

1. ACCOUNTING POLICIES (continued)

1.9 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.

1.10 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.

1.11 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 company 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.

1.12 Financial instruments

The company 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.

1.13 Pensions

The company operates a defined contribution pension scheme and the pension charge represents the amounts payable by the company to the fund in respect of the year.

1.14 Fund accounting

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

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the company 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2017

2. INCOME FROM DONATIONS AND LEGACIES

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £	Total funds 2016 £
Donations	482	-	482	-
Legacies	15,494	-	15,494	160,000
Grants	-	487	487	-
	<u>15,976</u>	<u>487</u>	<u>16,463</u>	<u>160,000</u>
Total donations and legacies	<u>15,976</u>	<u>487</u>	<u>16,463</u>	<u>160,000</u>
Total 2016	<u>160,000</u>	<u>-</u>	<u>160,000</u>	

3. ANALYSIS OF INCOME FROM CHARITABLE ACTIVITIES BY TYPE OF INCOME

	Total funds 2017 £	Total funds 2016 £
Gross fees	2,947,200	3,152,606
Teaching support fees	1,742,575	1,703,499
Sibling and other discounts	(14,916)	(4,874)
Clergy allowance	-	(80)
Sundry	24,923	24,438
	<u>4,699,782</u>	<u>4,875,589</u>
Total 2016	<u>4,875,589</u>	

The above income is unrestricted.

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4. DIRECT COSTS

	Total 2017 £	Total 2016 £
Bursaries	260,367	310,430
Scholarships	54,196	85,771
Departmental expenses	332,528	176,958
Wages and salaries	2,596,140	2,519,155
National insurance	230,520	208,742
Pension cost	240,130	228,970
	<u>3,713,881</u>	<u>3,530,026</u>
Total 2016	<u>3,530,026</u>	

5. SUPPORT COSTS

	Governance £	Activities £	Total 2017 £	Total 2016 £
Rent, rates, heating and lighting	-	135,417	135,417	154,324
Catering expenses	-	78,183	78,183	78,800
Miscellaneous expenses	-	280,620	280,620	201,501
Furniture and equipment	-	55,952	55,952	95,897
Maintenance	-	42,407	42,407	114,705
Kitchen equipment	-	1,728	1,728	3,229
Bad debts	-	35,040	35,040	250,951
Bank charges and interest	-	3,200	3,200	2,383
Auditor's remuneration	7,750	-	7,750	7,500
Wages and salaries	-	433,253	433,253	337,659
National insurance	-	16,214	16,214	17,036
Pension cost	-	11,592	11,592	8,948
Depreciation	-	250,152	250,152	257,546
	<u>7,750</u>	<u>1,343,758</u>	<u>1,351,508</u>	<u>1,530,479</u>
Total 2016	<u>7,500</u>	<u>1,522,979</u>	<u>1,530,479</u>	

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FOR THE YEAR ENDED 31 AUGUST 2017**

6. NET INCOME/(EXPENDITURE)

This is stated after charging:

	2017 £	2016 £
Depreciation of tangible fixed assets:		
- owned by the charity	250,149	256,645
Operating lease payments	21,766	10,685
	<u>271,915</u>	<u>267,330</u>

7. AUDITORS' REMUNERATION

The Auditor's remuneration amounts to an Audit fee of £5,450 (2016 - £5,250) excluding teachers' pension audit. Non audit services (including teachers' pension audit) total £2,300 (2016 - £2,250).

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8. STAFF COSTS

Staff costs were as follows:

	2017 £	2016 £
Wages and salaries	3,029,393	2,856,814
Social security costs	246,734	225,778
Other pension costs	251,722	237,918
	<u>3,527,849</u>	<u>3,320,510</u>

The wages and salaries balance includes agency staff costs of £217,666 in 2017 (2016 - £112,304).

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

	2017 No.	2016 No.
Teaching Staff	58	56
Support staff	41	45
Nursery	10	14
Maintenance staff	8	6
Administration staff	12	9
	<u>129</u>	<u>130</u>

The number of higher paid employees was:

	2017 No.	2016 No.
In the band £60,001 - £70,000	0	2
In the band £70,001 - £80,000	1	2
In the band £80,001 - £90,000	1	1

Sir R Dowling, a trustee, received remuneration of £20,000 (2016: £25,391) in the year for services in assistance to the Headteacher.

One trustee received reimbursed expenses of £23 (2016: £Nil) during the year for travel.

Key Management Personnel

The key management personnel in this charity are considered to be the Trustees, the Headteacher and the Deputy Headteacher and the Head of Sixth Form.

Key management personnel, in aggregate, received compensation of £284,206 (2016: £242,851) during the year.

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9. TANGIBLE FIXED ASSETS

	Expenditure on building enhance- ment £	Short-term leasehold property £	Computer equipment £	School equipment £	Total £
Cost					
At 1 September 2016	1,404,921	824,947	351,918	79,022	2,660,808
Additions	116,043	-	38,897	5,575	160,515
Disposals	-	-	-	(55,704)	(55,704)
At 31 August 2017	<u>1,520,964</u>	<u>824,947</u>	<u>390,815</u>	<u>28,893</u>	<u>2,765,619</u>
Depreciation					
At 1 September 2016	621,091	529,958	256,897	27,435	1,435,381
Charge for the year	146,214	17,280	73,958	12,697	250,149
On disposals	-	-	-	(31,858)	(31,858)
At 31 August 2017	<u>767,305</u>	<u>547,238</u>	<u>330,855</u>	<u>8,274</u>	<u>1,653,672</u>
Net book value					
At 31 August 2017	<u>753,659</u>	<u>277,709</u>	<u>59,960</u>	<u>20,619</u>	<u>1,111,947</u>
At 31 August 2016	<u>783,830</u>	<u>294,989</u>	<u>95,021</u>	<u>51,587</u>	<u>1,225,427</u>

10. DEBTORS

	2017 £	2016 £
Trade debtors	167,897	203,268
Other debtors	14,706	48,652
Prepayments and accrued income	44,126	72,888
	<u>226,729</u>	<u>324,808</u>

11. CREDITORS: Amounts falling due within one year

	2017 £	2016 £
Trade creditors	246,749	260,941
Other taxation and social security	62,415	58,161
Other creditors	143,738	125,543
Accruals and deferred income	154,942	186,226
	<u>607,844</u>	<u>630,871</u>

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11. CREDITORS: Amounts falling due within one year (continued)

	£
Deferred income	
Deferred income at 1 September 2016	104,456
Resources deferred during the year	41,902
Amounts released from previous years	(104,456)
	<u>41,902</u>
Deferred income at 31 August 2017	<u>41,902</u>

12. FINANCIAL INSTRUMENTS

	2017 £	2016 £
Financial assets measured at amortised cost	<u>18,935</u>	<u>242,092</u>
Financial liabilities measured at amortised cost	<u>393,619</u>	<u>470,813</u>

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

Financial liabilities measured at amortised cost comprise trade creditors, other creditors and accruals.

13. STATEMENT OF FUNDS

STATEMENT OF FUNDS - CURRENT YEAR

	Balance at 1 September 2016 £	Income £	Expenditure £	Balance at 31 August 2017 £
Unrestricted funds				
General fund	<u>1,659,015</u>	<u>4,716,912</u>	<u>(5,065,389)</u>	<u>1,310,538</u>
Restricted funds				
Hawker Bursary Fund	9,564	-	-	9,564
Hawker History Prize Fund	1,875	-	-	1,875
Christine Beech Scholarship Fund	1,061	-	-	1,061
Sixth Form Scholarship Fund	237	-	-	237
Sports grant	-	487	-	487
	<u>12,737</u>	<u>487</u>	<u>-</u>	<u>13,224</u>
Total of funds	<u>1,671,752</u>	<u>4,717,399</u>	<u>(5,065,389)</u>	<u>1,323,762</u>

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13. STATEMENT OF FUNDS (continued)

STATEMENT OF FUNDS - PRIOR YEAR

	Balance at 1 September 2015 £	Income £	Expenditure £	Balance at 31 August 2016 £
Unrestricted funds				
General fund	1,680,933	5,038,587	(5,060,505)	1,659,015
	<u>1,680,933</u>	<u>5,038,587</u>	<u>(5,060,505)</u>	<u>1,659,015</u>
Restricted funds				
Hawker Bursary Fund	9,564	-	-	9,564
Hawker History Prize Fund	1,875	-	-	1,875
Christine Beech Scholarship Fund	1,061	-	-	1,061
Sixth Form Scholarship Fund	237	-	-	237
	<u>12,737</u>	<u>-</u>	<u>-</u>	<u>12,737</u>
Total of funds	<u>1,693,670</u>	<u>5,038,587</u>	<u>(5,060,505)</u>	<u>1,671,752</u>

14. ANALYSIS OF NET ASSETS BETWEEN FUNDS

ANALYSIS OF NET ASSETS BETWEEN FUNDS - CURRENT YEAR

	Unrestricted funds 2017 £	Restricted funds 2017 £	Total funds 2017 £
Tangible fixed assets	1,111,947	-	1,111,947
Current assets	806,435	13,224	819,659
Creditors due within one year	(607,844)	-	(607,844)
	<u>1,310,538</u>	<u>13,224</u>	<u>1,323,762</u>

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14. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

ANALYSIS OF NET ASSETS BETWEEN FUNDS - PRIOR YEAR

	Unrestricted funds 2016 £	Restricted funds 2016 £	Total funds 2016 £
Tangible fixed assets	1,225,427	-	1,225,427
Current assets	1,064,459	12,737	1,077,196
Creditors due within one year	(630,871)	-	(630,871)
	<u>1,659,015</u>	<u>12,737</u>	<u>1,671,752</u>

15. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net expenditure for the year (as per Statement of Financial Activities)	(347,990)	(21,918)
Adjustment for:		
Depreciation charges	250,149	256,645
Loss on the sale of fixed assets	23,846	-
Decrease in debtors	98,079	59,182
Decrease in creditors	(23,027)	(24,794)
Net cash provided by operating activities	<u>1,057</u>	<u>269,115</u>

16. ANALYSIS OF CASH AND CASH EQUIVALENTS

	2017 £	2016 £
Cash in hand	592,930	752,388
Total	<u>592,930</u>	<u>752,388</u>

17. PENSION COMMITMENTS

Defined benefit Scheme - Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, unfunded, defined benefit scheme, governed by the Teachers' Pensions Regulations 2010, and the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools and other educational establishments in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be

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17. PENSION COMMITMENTS (continued)

eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014.

The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- an employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

The new employer contribution rate and administration levy for the TPS were implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuationreport.aspx>

The employer's pension costs paid to TPS in the period amounted to £240,130 (2016: £228,120).

At the balance sheet date contributions amounting to £36,893 (2016: £30,386) were payable.

Scheme Changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TPS. Those discussions concluded on

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17. PENSION COMMITMENTS (continued)

9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of 1/57th; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

Defined contribution scheme

There is also a defined contribution scheme for the company.

The pension charge for the year for the defined contribution scheme amounted to £11,592 (2016: £9,798).

18. OPERATING LEASE COMMITMENT

At 31 August 2017 the total of the School's future minimum lease payments under non-cancellable operating leases for equipment was:

	2017 £	2016 £
Amounts payable:		
Within 1 year	21,766	10,685
Between 1 and 5 years	23,265	8,013
Total	45,031	18,698

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19. RELATED PARTY TRANSACTIONS

During the year Fast Fwd Media Ltd, which Mr K. Hawkins (a Trustee) is Managing Director of, were paid £2,400 (2016: £Nil) for a corporate governance software license.

With the exception of those disclosed in note 8, no other related party transactions were undertaken during the year.