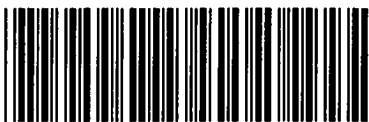


Registered Company Number: 06223076 (England and Wales)
Registered Charity Number: 1122269

Breckenbrough School Limited

**Report of the Trustees and Financial Statements
for the Year Ended 31 August 2019**

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Breckenbrough School Limited

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for the Year Ended 31 August 2019**

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Breckenbrough School Limited

Report of the Trustees for the Year Ended 31 August 2019

The Trustees, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 August 2019.

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and 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).

Reference and administrative details

Registered Company number 06223076 (England and Wales)

Registered Charity number 1122269

Registered office Sandhutton
Breckenbrough
Thirsk
YO7 4EN

Trustees

J Campbell	Deputy chair from 01.01.2018 Resigned 15.11.2019
A Clarke	Chair
R McTighe	Deputy Chair from 15.11.2019
S Lewicki	
J Littlefair	
J Margham	Appointed 22.03.2019

Key Management Personnel

Headmaster	S Bannister
Deputy Headmaster	J Shutt
	Appointed 01.04.2019
Head of Social Education	S Edwards
Bursar	S Jones

Auditors

Saffery Champness LLP
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

Solicitors

North Yorkshire County Council
County Hall
Northallerton
DL7 8AD

Breckenbrough School Limited

**Report of the Trustees
for the Year Ended 31 August 2019**

Reference and administrative details (continued)

Bankers	Barclays Bank plc 25 St James Street Harrogate HG1 1ZT
Insurers	W Denis Insurance Brokers plc Brigade House 86 Kirkstall Road Leeds LS3 1LQ
Co-opted Members	G Bateman – Resigned 14.06.2019 J Swain - Resigned 14.06.2019 R Clarke
Staff Representative Governors	R Kendrick
Headmaster	S Bannister
Appointed by North Yorkshire County Council	R Baker
Parent Governors	F Green –resigned 06.03.2020 C Wright

Our vision is always to put the individual needs of the students first.

Aims, Objectives and Activities

Aims

Breckenbrough School provides education and care for boys from 9 to 19 years of age. Each student at the school has an Education Health and Care Plan (formerly a Statement of Special Educational Needs) created by his funding Local Authority that identifies him as having complex needs such as Autistic Spectrum Condition. Authorities from many parts of the UK place students at Breckenbrough.

We aim to support our students to achieve two key goals during their time at Breckenbrough. Firstly, to be themselves, aspire and be successful. Secondly, to develop strategies and coping mechanisms to help them thrive in the neurotypical world.

Objectives

We review our aspirations and school improvement objectives along with the outcomes of the immense amounts of work done by staff. The Governors focus on the overall school improvement objectives. In individual cases, staff adapt education and care plans for students so that the school always responds as appropriately as it can to a student's specific needs. Done with care, this helps each student to improve on his own "previous best" performances in a range of subjects and social skills and to learn to take increasing responsibility for his own learning and development.

The school works as a "one team" approach. By integrating academic and social education with support mechanisms to meet specific individual needs, each element plays a vital role in providing a framework for helping the students to achieve their potential.

Activities

Students display a range of special complex needs. Some experience difficulties associated with Autism and may have been diagnosed with Autistic Spectrum Condition, including Asperger's Syndrome. Some have Attention Deficit Disorder, with some students being diagnosed with a more complex version, that of Attention Deficit Hyperactivity Disorder. Others are designated less specifically as experiencing Social, Emotional and Mental Health needs. The mix of need presented by the students covers a wide range of behaviours and barriers to learning, but most boys are able, each at his own rate, to develop friendships and maintain positive working and learning relationships.

The staff are skilled in encouraging such development and work hard to promote it, showing great sensitivity towards students whose development is slower or more hesitant. The school uses small class sizes and one-to-one tuition when needed, so that adequate attention is given to specific individual needs. There is an appropriate emphasis on outdoor activities, as these can support the practical and social aspects of learning, complementing the more abstract side which some students find harder.

Breckenbrough School provides education to GCSE and A level standard. Some of the education provision is offered through a third party provider with our staff in support, which helps in the transition to independent living and higher education studies. The school also gives great attention to the boys' physical, mental and spiritual welfare and helps students to develop positive relationships with peers and adults. The After-care provision, through Beyond Breckenbrough (rarely found elsewhere), continues to provide practical assistance to old scholars as well as help with career guidance and further development of life skills.

The School had an average number of 63 (2018 – 60 boys on roll during the year).

**Report of the Trustees
for the Year Ended 31 August 2019**

Public Benefit

The Trustees have had due regard to guidance published by the Charities Commission on public benefit. The students' achievements are part of the benefit, in that we help to create and develop mature citizens. We regularly offer the school for summer school hire. We worked with a company called Campus Holidays who offer free holidays to under privileged children and those from deprived backgrounds. This was a very successful opportunity for both the school and Campus and over 120 children to enjoy a holiday they would not normally have.

Achievements and Performance

The school has a long record of successfully changing the lives and behaviour of its scholars. Before coming to the school, a boy will frequently have been the cause of deep concern to parents and educators alike, and in numerous cases has been a "hard to place" student. Parents frequently tell us of the change in attitude displayed by their son after arriving at Breckenbrough, within months or even weeks. These kinds of dramatic changes in attitude have continued during the period of this report.

Ofsted inspected and reported on our residential provision in October 2019 and found the quality of provision and outcomes for residential students to continue to be outstanding. Great thanks are due to the Head and staff who made this possible. However, as ever, we are not complacent. We aspire and are working towards a rating of 'Outstanding' for the school as an overall provision.

The last joint inspection of the school took place in November 2014, in which our overall rating was judged to be good, with some areas deemed to be outstanding. The school's academic provision had a Section 8 inspection in April 2018 and they reported that there is no change to the school's current overall effectiveness grade of good as a result of this inspection.

Of the students who graduated from the school in summer 2019, all made the successful transition to higher education, further education or some form of vocational placement of employment. This is the fourth year in succession where students had 100% successful transitions.

The school continues to develop and diversify the curriculum in order to provide a platform for every student to achieve, irrespective of their starting point and identified career path.

Financial Review

Finance is always a major consideration of the Board. Financial performance is monitored and assessed carefully. Our income is almost entirely dependent on the number of pupils on roll. There was in the year a grant from DfE relating to capital and maintenance only of £20,080 but in budgeting we do not assume its continuation. We set aside as far as we could a small quantity of 'liquid reserve' funds. With reference to the surplus in the year which amounts to £245k, this was greater than budgeted. It is higher than expected due to the rising pupil numbers during the year. Staffing costs were kept to slightly below budgeted expectations without ruining the ratios of staff to students. The growth in student numbers during this accounting period was accommodated through spare teaching capacity and therefore avoided any increase in teaching costs. The Governors endorsed an additional designation of £150K which mirrored last year's investment, to construct an occupational therapy facility /additional classroom building in the forthcoming year.

Our policy is to invest when we can in funds and investments on a basis approved by the Charity Commissioners and that remain ethical.

We allow for regular strategic planning. Due to the nature of their needs, the number of boys starting and leaving the school each year varies, often at irregular points throughout the year. Our plan to continue to

**Report of the Trustees
for the Year Ended 31 August 2019**

seek to increase the number of students to about 65 has been achieved and we plan to retain and continue at this average level in the years ahead if we get permanent DFE approval. However, long-term budgeting remains a challenging exercise for the reasons detailed above. The Marketing Officer continues to ensure that Local Authorities and potential parents and their support groups, are kept well aware of our existence and of the benefits we offer so that referrals can be communicated through parental preference. This can be evidence as successful due to the length of the waiting list for new student places.

We continue to resist requests from Local Authorities to reduce our fees, pointing out to them that our skill in not making annual fee increases had in effect afforded them "de facto savings" over the last 5 years. However, modest increases in effective fee levels were necessary in subsequent years, but these are now only applied when new placements are agreed. The current financial constraints on Local Authorities meant that we could not reflect the impact of pay awards. However, the school is increasingly seeking agreements from Local Authorities to meet specific extra costs arising from meeting the individual additional needs of a student. We remain keen to give Local Authorities value for their money. This means sticking to practices that we know work for our students and thereby benefit their placing Authorities. Thus, high staff-to-student ratios continue to be needed for our work to be successful.

In applying the requirement under FRS102, a liability has been recognised for the agreed future deficit payments on the pension scheme with Pensions Trust. The pension deficit recognised at the year end was £149,000 (2018: £155,000).

Structure, Governance and Management

Legal status

Breckenbrough School Limited was formed on 23 April 2007 and commenced trading on 1 September 2008. The School is a corporate registered charity (number 1122269). The Company is governed by its Memorandum and Articles of Association, as amended by special resolutions dated 21 November 2007 and 1 October 2008.

Recruitment and appointment of Governors

Possible new Board members are approached informally, given information about the work of the Board, meet the Chair and Head Teacher to discuss their involvement, tour the school and, in most instances, attend Board or Committee meetings to learn about the business. Our practice is to issue newcomers with information regarding the charity's policies, constitution, meeting procedures, and an indication of their possible duties. Following appointment, new Governors receive an induction. During the year, the Board arranges regular in-house training sessions aimed at improving Governors' knowledge of the school and understanding of their roles. Where needed (e.g. in relation to Child Protection) specific information and/or training sessions are 'bought in' or attended outside school.

Organisational structure

In the year ended 31 August 20189 the Governing Body included six Trustees who were members of the Religious Society of Friends (Quakers) appointed by 'Quakers in Yorkshire', the body representing the Religious Society of Friends in the area. The Trustees served as Directors of the Company. The conduct of the School was under the direction of the Board in accordance with the purposes, character and ethos of the School as determined by the Trustees. There were six other members of the Board, one appointed by North Yorkshire County Council, two being parents of boys who are in the school identified by the Head in consultation with parents elected by the parents, and three co-opted by the Board. In making decisions on all matters, successful efforts were made to achieve unity on the Board after the Quaker manner.

Appointments to the Board are for a period of four years, and there is an option to appoint for a second period.

**Report of the Trustees
for the Year Ended 31 August 2019**

Committees

There are two Committees reporting to the Board - an Education Committee and a Resources Committee that has finance, marketing, personnel and premises within its remit. Individual Governors take specific responsibilities for Health and Safety, Child Protection and for Careers. There is also a Strategy and Development Committee (made up of the full Board Chair, the Education Chair, the Resources Chair and members of the school Senior Leadership Team). All committees meet at least three times a year, following the same cycle each term leading up to the Full Governing Board meeting.

Related parties

Some members of the governors/trustees also serve on the Board of the Charity, known as Beyond Breckenbrough, whose activities include assistance with transition from the school along with the provision of financial and other assistance to old boys of Breckenbrough School, directly or otherwise. During the year the charity paid £3,500 (2018: £3,500) for Trustee Indemnity Insurance.

Key management personnel remuneration

The trustees consider the board of trustees, Headteacher and the Senior Leadership Team as comprising the key management personnel of the charity, in charge of directing and controlling the charity and running and operating the charity on a day to day basis. All trustees give of their time freely and no trustee remuneration was paid in the year. Details of trustee expenses and related party transactions are disclosed in note 9 to the accounts.

Trustees are required to disclose all relevant interests and register them with the Bursar and, in accordance with the Trust's policy, withdraw from decisions where a conflict of interest arises. Neither the Trust nor any of the trustees have interests with other independent special schools but any such interests would be disclosed.

The pay of the Headteacher is reviewed annually and normally increased in accordance with average sector earnings. In view of the nature of the charity, the remuneration is bench-marked with similar establishments of a similar size and activity to ensure that the remuneration set is fair, and not out of line with that generally paid for similar roles.

Pay policy for senior staff

The pay of the senior staff is reviewed annually and normally increased in accordance with average earnings. In view of the nature of the charity, the directors benchmark against pay levels in other special schools of a similar size run on a charitable basis. The remuneration bench-mark is the mid-point of the range paid for similar roles adjusted for a weighting of up to 30% for any additional responsibilities.

Reserves policy

Wherever possible the Trustees try to build resilience within the balance sheet and the charity's aims are to increase reserves wherever possible to manage increases to salaries and pensions outside of the school's control.

The level of total funds at the year end were £1,946,926 (2018: £1,701,233). The Trustees are pleased to report that the level of unrestricted reserves less unrestricted fixed assets as detailed in note 19, has increased from £539,573 in 2018 to £828,029 at 31 August 2019.

The Charity still aims to increase cash reserves through prudent management of overall expenditure, to enable a free cash reserve fund to be available to add to the stability of the School. The target level of reserves is based on 6 months of operating expenditure, which is approximately £1,500,000.

**Report of the Trustees
for the Year Ended 31 August 2019**

In assessing the ability of the school to continue as a going concern the Trustees are mindful of the future commitments and cash is monitored day to day and longer term. The Trustees are of the view that the company is a going concern.

Principal risks and uncertainties

The Trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The Governors examine the principal areas of the School's operations and the major risks faced in each area. All school policies and internal systems are appraised regularly and strengthened and risks are minimised by the implementation as necessary of revised policies and procedures for the management of all activities including the authorisation of all transactions, projects and procedures. Most of the existing policy documents have been reviewed recently including Child Protection, Safeguarding, Health and Safety, Fire Risk Assessment and Emergency Procedures. The school also reviews its activities to respond to the requirements set by OFSTED. Recent OFSTED Inspections demonstrate the success of this approach.

The Trustees are satisfied the major risks have been established and action taken to mitigate those risks.

Fundraising

The School co-ordinates low level fund raising activities for a range of local and national charities such as Children in Need, Red Nose Day, etc. We also undertake fundraising to benefit the School as whole to support specific projects for new equipment for example. These are either led by the School or its employees. We are not registered with the fundraising regulator or with any professional fundraisers or commercial participators.

Land and buildings

The Trustees are of the opinion that the open market value of the land and buildings is materially in excess of book value. This can be evidenced by our most up to date valuation which was concluded in March 2017. Governors currently request that a valuation is undertaken every three years

Plans for the future

The Strategy and Development group meet to consider plans to secure the longevity of the School's future. Open thinking is encouraged so as all angles can be considered. Senior leaders are active in keeping abreast of changes to Department for Education thinking and published strategy to feed into our considerations.

Current discussions and investigations centre around sustainability and how we can maintain our standing in the sector, whilst larger commercial enterprises continue to grow with the likes of Cambian, Witherslack Group, and Priory either taking over smaller schools or developing additional provision. We must not be blinkered to these potential threats.

It is very evident that these current risks have been considered in the past by our trustees and that informed planning has stood the charity in good stead going forward. We need to remain focused and open to change. We are considering both the positive and negative impact of working collaboratively with other specialist providers as this is a preferred option rather than changing into an academy trust.

**Report of the Trustees
for the Year Ended 31 August 2019**

Funds held as custodian for others

The company is the Custodian Trustee of the Breckenbrough School Charitable Trust and also the sole Trustee entrusted to manage the affairs of that charitable Trust which includes the permanent endowment property and investments as indicated in note 11 of these financial statements. The Company has included the freehold land and buildings and investments subject to permanent endowment within its balance sheet.

Statement of trustees' responsibilities

The trustees (who are also directors of Breckenbrough School Limited for the purposes of company law) are responsible for preparing the Trustees' 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 trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the trustees are aware:

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

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

This report has been prepared in accordance with the special provisions of Part 15 of the Companies Act 2006 relating to small companies.

Approved by order of the board of trustees on 6 March 2020 and signed on its behalf by:



A Clarke

Independent Auditor's Report on the Financial Statements to the Trustees of Breckenbrough School Limited (continued)

Opinion

We have audited the financial statements of Breckenbrough School Limited for the year ended 31 August 2019 which comprise Statement of Financial Activities, Balance Sheet, Statement of Cash flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 August 2019 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 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees 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 trustees 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 required to report that fact.

We have nothing to report in this regard.

Independent Auditor's Report on the Financial Statements to the Trustees of Breckenbrough School Limited (continued)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report which includes the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report which includes the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report.

We have nothing to report in respect of the following matters where 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and to take advantage of the small companies exemption in preparing the Trustees' Annual Report.

Responsibilities of trustees

As explained more fully in the Trustees' Responsibilities Statement set out on page 8, the trustees (who are also 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 trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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.

Breckenbrough School Limited

Independent Auditor's Report on the Financial Statements to the Trustees of Breckenbrough School Limited (continued)

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 and the trustees, 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, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Saffery Champness UP

9/3/20

Sally Appleton BA(Hons) FCA (Senior Statutory Auditor)
For and on behalf of

Saffery Champness LLP
Chartered Accountants
Statutory Auditors
Mitre House
North Park Road
Harrogate
North Yorkshire
HG1 5RX

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

Breckenbrough School Limited

**Statement of Financial Activities
(including income and expenditure account)
for the year ended 31 August 2019**

					2019	2018
		Unrestricted	Restricted	Endowment	Total funds	Total funds
	Notes	funds	funds	funds		
		£	£	£	£	£
Income and endowments from:						
Donations and legacies	3	3,472	20,080	-	23,552	11,121
Charitable activities	4	3,398,687	591,886	-	3,990,573	3,704,192
Other trading activities		7,600	-	-	7,600	7,600
Investments		-	-	318	318	122
Other	5	34,735	-	-	34,735	42,363
Total		3,444,494	611,966	318	4,056,778	3,765,398
Expenditure on:						
Raising funds		3,196	-	-	3,196	4,733
Charitable activities	6	3,180,923	611,966	-	3,792,889	3,365,055
Total		3,184,119	611,966	-	3,796,085	3,369,788
Net income/(expenditure)		260,375	-	318	260,693	395,610
Transfers between funds	18	318	-	(318)	-	-
Other recognised gains/(losses)						
Remeasurement (loss)/gain on pension provision		(15,000)	-	-	(15,000)	3,000
Net movements in funds		245,693	-	-	245,693	398,610
Reconciliation of funds:						
Total funds brought forward		1,558,534	9,620	133,079	1,701,233	1,302,623
Total funds carried forward		1,804,227	9,620	133,079	1,946,926	1,701,233

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derive from continuing activities.

The notes form part of these financial statements.

Breckenbrough School Limited

**Balance Sheet
as at 31 August 2019**

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	11	1,070,397	1,103,540
Investments	12	<u>48,682</u>	<u>48,585</u>
		1,119,079	1,152,125
Current assets			
Stocks		4,714	5,960
Debtors	13	975,048	972,749
Cash at bank and in hand		<u>1,343,089</u>	<u>954,817</u>
		2,322,851	1,933,526
Creditors			
Amounts falling due within one year	14	<u>(1,372,004)</u>	<u>(1,171,986)</u>
Net current assets		<u>950,847</u>	<u>761,540</u>
Total assets less current liabilities		2,069,926	1,913,665
Creditors			
Amounts falling due after more than one year	15	<u>(123,000)</u>	<u>(212,432)</u>
Net assets		<u>1,946,926</u>	<u>1,701,233</u>
Funds			
Unrestricted funds – general	18	1,504,227	1,408,534
Unrestricted funds – designated		300,000	150,000
Restricted funds		9,620	9,620
Endowment funds		<u>133,079</u>	<u>133,079</u>
Total funds		<u>1,946,926</u>	<u>1,701,233</u>

The notes form part of these financial statements

The trustees have prepared accounts in accordance with section 398 of the Companies Act 2006 and section 138 of the Charities Act 2011. These accounts are prepared in accordance with the special provisions of Part 15 of the Companies Act relating to small companies and constitute the annual accounts required by the Companies Act 2006 and are for circulation to members of the company.

The financial statements were approved by the Board of Trustees on 6 March 2020 and were signed on its behalf by:

A Clarke
Trustee



Registered company number 06223076

Breckenbrough School Limited

**Statement of cash flows
for the year ended 31 August 2019**

		2019	2018
	Notes	£	£
Cash flows from operating activities			
Net cash provided by operating activities	20	471,302	581,524
Cash flows from investing activities			
Interest from investments		318	122
Purchases of property, plant and equipment		(56,360)	(96,513)
Proceeds from disposal of fixed assets		-	175
		(56,042)	(96,216)
Cash flows from financing activities			
Repayments of borrowing		(26,891)	(26,891)
Cash inflows from new borrowing		-	-
		(26,891)	(26,891)
Change in cash and cash equivalents in the reporting period		388,369	458,417
Cash and cash equivalents at the beginning of the reporting period		1,003,402	544,985
Cash and cash equivalents at the end of the reporting period	21	1,391,771	1,003,402

The notes form part of these financial statements

**Notes to the financial statements (continued)
for the year ended 31 August 2019**

1. Accounting policies

Accounting convention

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

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

Breckenbrough School 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 notes.

Going concern

In assessing the ability of the school to continue as a going concern the Trustees are mindful of the future commitments and cash is monitored day to day and longer term. The Trustees are of the view that the company is a going concern.

Incoming resources

All incoming resources are included on the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the items of income have been met, it is probable that the income will be received and the amount can be measured reliably and are stated gross within the Statement of Financial Activities.

Fees receivable consists of charges levied for the provision of services for the year to 31 August 2019 in accordance with the Trust Deed.

Grants are recognised in the Statement of Financial Activities when the charity has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably and is not deferred. Where the donor has imposed restrictions then the grant is treated as a restricted fund. Grants which are repayable if not utilised within a specific period are deferred until expended.

Incoming resources from endowment funds are unrestricted income.

Resources expended

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Irrecoverable VAT is included in the SOFA in the cost of the expenditure incurred.

Notes to the financial statements (continued)
for the year ended 31 August 2019

1. Accounting policies (continued)

Costs of generating funds comprise the costs associated with attracting pupils, in order to generate income.

Education and training comprise the costs incurred by the charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Governance costs include those costs associated with meeting with the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.

All costs are allocated between the expenditure categories of the SOFA on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly; others are apportioned on an appropriate basis, e.g. estimated usage.

Tangible fixed assets

Fixed assets are stated at historical cost.

No depreciation is provided on freehold land.

Depreciation is provided on all other tangible fixed assets at rates calculated to write each assets down to its estimated residual value over its expected useful life, as follows:-

Freehold properties	2% - Straight line
Equipment, fixtures and fittings	20% - Reducing balance (except boilers 4% straight line)
Computer equipment	33.3% - Straight line
Motor vehicles	25% - Reducing balance

Leased assets are depreciated on a straight line basis over the period of the lease.

Donated assets have been capitalised at estimated cost.

Stocks

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

Taxation

The charity is exempt from corporation tax on its charitable activities.

Financial instruments

The charity 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 measure at their settlement value with the exception of bank loans which are subsequently measured at amortised costs using the effective interest method.

Notes to the financial statements (continued)
for the year ended 31 August 2019

1. Accounting policies (continued)

Fund accounting

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds are restricted funds that represent a donation to the Charity with specific criteria that the Charity must follow.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

Hire purchase and leasing commitments

Assets obtained under hire purchase contracts or finance leases are capitalised in the Balance Sheet. Those held under hire purchase contracts are depreciated over their estimated useful lives. Those held under finance leases are depreciated over their estimated useful lives or the lease term, whichever is shorter.

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the period of the lease.

Pension costs and other post-retirement benefits

The Charity contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS 102, therefore, the scheme is accounted for as a defined contribution scheme.

In respect of non-teaching staff, the school contributes to a defined benefit scheme administered by the Pension Trust. The scheme is a multi employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the school. In accordance with FRS 102, therefore, the scheme is accounted for as a defined contribution scheme.

Contributions to both schemes are charged in the SOFA as they become payable in accordance with the rules of the schemes.

In respect of one staff member, contributions are made to a Self Invested Pension Plan (SIPP). Contributions are charged to the SOFA as they become payable.

Teaching costs

Supplies of games equipment, books, stationery and sundry materials are written off to the general fund account when the expenditure is incurred.

Notes to the financial statements (continued)
for the year ended 31 August 2019

2. Comparative SOFA

	Unrestricted funds	Restricted funds	Endowment funds	Total funds 2018
	£	£	£	£
Donations and legacies	3,902	7,219	-	11,121
Charitable activities	3,139,982	564,210	-	3,704,192
Other trading activities	7,600	-	-	7,600
Investments	-	-	122	122
Other	42,363	-	-	42,363
Total	3,193,847	571,429	122	3,765,398
Raising funds	4,733	-	-	4,733
Charitable activities	2,800,845	564,210	-	3,365,055
Total	2,805,578	564,210	-	3,369,788
Net income	388,269	7,219	122	395,610

3. Income from donations and legacies

	Unrestricted funds	Restricted funds	Endowment funds	2019	2018
	£	£	£	£	£
Donations	3,472	-	-	3,472	3,902
Grants	-	20,080	-	20,080	7,219
	3,472	20,080	-	23,552	11,121

4. Income from charitable activities

	Unrestricted funds	Restricted funds	Endowment funds	2019	2018
	£	£	£	£	£
Fees	3,226,692	-	-	3,226,692	2,984,703
Recharges for other costs	168,428	-	-	168,428	153,065
ESFA	-	591,886	-	591,886	564,210
Other income and grants	3,567	-	-	3,567	2,214
	3,398,687	591,886	-	3,990,573	3,704,192

Notes to the financial statements (continued)
for the year ended 31 August 2019

5. Income from other activities

	Unrestricted funds £	Restricted funds £	Endowment funds £	2019 £	2018 £
RHI and FIT income	23,991	-	-	23,991	28,740
School Trips	8,907	-	-	8,907	8,270
Computing and cycle to work scheme	1,503	-	-	1,503	2,514
Other	334	-	-	334	2,839
	<u>34,735</u>	<u>-</u>	<u>-</u>	<u>34,735</u>	<u>42,362</u>

6. Expenditure on charitable activities

	Direct costs £	Support costs £	2019 £	2018 £
School	2,850,568	595,091	3,445,659	3,063,888
Welfare	52,837	-	52,837	46,588
Premises	294,393	-	294,393	254,579
	<u>3,197,798</u>	<u>595,091</u>	<u>3,792,889</u>	<u>3,365,055</u>

7. Support costs

	Management £	Finance £	Information technology £	Human resources £	Totals £
School	<u>498,899</u>	<u>18,383</u>	<u>70,213</u>	<u>7,596</u>	<u>595,091</u>

Support costs, included in the above, are as follows:

	2019 £	2018 £
Wages	232,071	215,453
Social security	21,429	20,480
Pensions	15,102	11,034
Hire of plant and machinery	76,738	55,160
Insurance	47,211	47,704
Postage and stationery	37,658	32,955
Travelling and motor	45,669	40,514
Professional fees	17,184	15,452
Bank charges	5,099	6,095
Computer licences and IT	70,213	57,037
Recruitment	7,596	8,563
Governance	<u>19,121</u>	<u>15,794</u>
	<u>595,091</u>	<u>526,242</u>

Notes to the financial statements (continued)
for the year ended 31 August 2019

8. Net incoming resources

Net resources are stated after charging:

	2019	2018
	£	£
Governors' travel	738	221
Auditors' remuneration	15,383	15,573
Auditors' remuneration for non audit work	3,000	-
Depreciation - owned assets	83,025	82,669
Hire of plant and machinery	<u>76,738</u>	<u>55,160</u>

9. Trustees' remuneration and benefits

The charity trustees were not paid or received any other benefits from employment with the Charity in the year (2018: £nil). No charity trustee received payment for professional or other services supplied to the charity (2018: £nil).

Trustees' expenses

Travel expenses of £738 (2018: £221) were reimbursed to four (2018: three) Governors during the year.

10. Staff costs and the cost of key management personnel.

	2019	2018
	£	£
Wages and salaries	2,183,326	1,900,987
Social security costs	205,268	185,288
Other pension costs	<u>210,728</u>	<u>196,752</u>
	<u>2,599,322</u>	<u>2,283,027</u>
Supply staff costs	<u>207,400</u>	<u>284,616</u>
	<u><u>2,806,722</u></u>	<u><u>2,567,643</u></u>

The average monthly number of employees during the year was as follows:

	2019	2018
Teaching and counselling	38	30
Domestic	12	10
Care	20	20
Administration	<u>12</u>	<u>10</u>
	<u><u>82</u></u>	<u><u>70</u></u>

Notes to the financial statements (continued)
for the year ended 31 August 2019

10. Staff costs and the cost of key management personnel (continued)

The number of employees included in the above whose emoluments, excluding pension contributions, exceeded £60,000 were as follows:-

	2019	2018
£60,000 to £70,000	-	-
£70,001 to £80,000	-	1
£80,001 to £90,000	<u>1</u>	<u>-</u>

Pension contributions paid into a defined benefit scheme for one member (2018: one member) of staff earning over £60,000 were £12,659 (2018: £12,177).

The key management personnel of the charity comprise the board of trustees, Headmaster and the senior leadership team. The total employee benefits of the key management personnel of the Trust were £276,756 (2018: £261,442).

Notes to the financial statements (continued)
for the year ended 31 August 2019

11. Tangible fixed assets

	Land and buildings	Plant and machinery etc	Totals
	£	£	£
Cost			
At 1 September 2018	974,149	847,787	1,821,936
Additions	-	56,360	56,360
Disposals	-	(29,349)	(29,349)
At 31 August 2019	<u>974,149</u>	<u>874,798</u>	<u>1,848,947</u>
Depreciation			
At 1 September 2018	231,695	486,701	718,396
Charge for year	19,473	63,552	83,025
Disposals	-	(22,871)	(22,871)
At 31 August 2019	<u>251,168</u>	<u>527,382</u>	<u>778,550</u>
Net book value			
At 31 August 2019	<u><u>722,981</u></u>	<u><u>347,416</u></u>	<u><u>1,070,397</u></u>
At 31 August 2018	<u><u>742,454</u></u>	<u><u>361,086</u></u>	<u><u>1,103,540</u></u>

Included in cost or valuation of land and buildings is freehold land of £500 (2018 - £500)

The Company is the Custodian Trustee of the Breckenbrough School Charitable Trust and also the sole Trustee entrusted to manage the affairs of that Charitable Trust which includes the permanent endowment property and investments as indicated in note 18 of these financial statements. Financial Reporting Statement 5 requires that the substance of an entity's transactions is reported in its financial statements. This requires that the commercial effect of a transaction and any resulting assets, liabilities, or gains and losses are shown and that the accounts do not merely report the legal form of a transaction. Following this, the Company has included the freehold land and buildings, and investments subject to permanent endowment, within its Balance Sheet.

All fixed assets are held for continuing use in the Charity's activities.

The freehold land and buildings were professionally valued on 3 March 2017 on an open market basis at £2,280,000 by Barry Crux & Company Limited, Chartered Surveyors. The Trustees do not consider that the valuation would have changed significantly between this year end and the valuation date.

12. Fixed asset investments

By the Trust Deed, the investments are not subject to the limitations of the Trustee Investments Act. The investments represent a bank deposit account within the Endowed Funds (see notes 18 and 19).

Breckenbrough School Limited

**Notes to the financial statements (continued)
for the year ended 31 August 2019**

13. Debtors: amounts falling due within one year

	2019	2018
	£	£
Trade debtors	828,674	851,351
Other debtors	<u>146,374</u>	<u>121,398</u>
	<u>975,048</u>	<u>972,749</u>

14. Creditors: amounts falling due within one year

	2019	2018
	£	£
Bank loans and overdrafts	78,433	26,891
Trade creditors	54,808	27,412
Taxation and social security	50,713	46,774
Other creditors	1,162,050	1,049,909
Pension scheme liability	<u>26,000</u>	<u>21,000</u>
	<u>1,372,004</u>	<u>1,171,986</u>

Other creditors comprised:	2019	2018
	£	£
Fees in advance	1,031,152	946,975
Pension scheme contributions	22,809	25,181
Accruals	48,779	30,847
Other creditors	<u>59,310</u>	<u>46,906</u>
	<u>1,162,050</u>	<u>1,049,909</u>

15. Creditors: Amounts falling due after more than one year

	2019	2018
	£	£
Bank loans	-	78,432
Pension	<u>123,000</u>	<u>134,000</u>
	<u>123,000</u>	<u>212,432</u>

Notes to the financial statements (continued)
for the year ended 31 August 2019

16. Operating lease commitments

At 31 August 2019 the charity had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 £	2018 £
Within one year	35,785	34,504
Between one and five years	<u>38,381</u>	<u>66,496</u>
	<u>74,166</u>	<u>101,000</u>

17. Secured debts

The following secured debts are included within creditors:

	2019 £	2018 £
Bank loans	<u>78,433</u>	<u>105,323</u>

The bank loan is secured by a legal charge over a property known as "The Lodge" at Breckenbrough School.

18. Movement in funds

	At 1.9.18 £	Incoming resources £	Resources expended £	Gains, losses and transfers £	At 31.8.19 £
Unrestricted funds					
General fund	1,325,264	3,444,494	(3,184,119)	(164,682)	1,420,957
Designated fund	150,000	-	-	150,000	300,000
Capital grant	83,270	-	-	-	83,270
	<u>1,558,534</u>	<u>3,444,494</u>	<u>(3,184,119)</u>	<u>(14,682)</u>	<u>1,804,227</u>
Restricted funds					
DFC Grant	9,620	20,080	(20,080)	-	9,620
ESFA funding	-	591,886	(591,886)	-	-
	<u>9,620</u>	<u>611,966</u>	<u>(611,966)</u>	<u>-</u>	<u>9,620</u>
Endowed funds					
Foundation capital	84,579	-	-	-	84,579
Lone House capital	48,500	318	-	(318)	48,500
	<u>133,079</u>	<u>318</u>	<u>-</u>	<u>(318)</u>	<u>133,079</u>
Total funds	<u>1,701,233</u>	<u>4,056,778</u>	<u>(3,764,917)</u>	<u>(15,000)</u>	<u>1,946,926</u>

18. Movement in funds (continued)

Capital grant - unrestricted

This is a designated fund which represents a capital grant which was received from the Department for Education and Skills and may be repayable in the event of the closure of the School.

DFC Grant

The DFC grant is amounts received for capital funding to be used for improvements to buildings and other facilities, including ICT, or capital repairs and refurbishment. The transfer to unrestricted funds represents the amount spent in the year on capital items using this grant.

ESFA funding

These monies were received from the Education and Skills Funding Agency for the education and support activities of the school and were fully utilised in the year.

Endowed funds

The Foundation capital represents the original endowment to provide for the establishment of the Charity. The Lone House capital represents the replacement under a recoupment order of sums expended following the sale of the property known as Lone House. The amount outstanding at the year end under the order amounted to £48,500, which represents the original value. The investment generated £318 of interest during the year which has been transferred to unrestricted funds.

Designated funds

During the year the Governors designated a further £150,000 of unrestricted funds. These funds now amount to £300,000 and are allocated to be used in creation of a new building within the grounds that will allow us to deliver our therapeutic provision in a purpose built area allowing space, quietness and privacy for all our students. The fund is expected to be spent over the next 12 months.

Notes to the financial statements (continued)
for the year ended 31 August 2019

19. Analysis of net assets between funds

	Unrestricted funds	Restricted funds	Endowment funds	2019 Total funds £	2018 Total funds £
Fixed assets	976,198	9,620	84,579	1,070,397	1,103,540
Investments	182	-	48,500	48,682	48,585
Current assets	2,322,851	-	-	2,322,851	1,933,526
Current liabilities	(1,372,004)	-	-	(1,372,004)	(1,171,986)
Long term liabilities	(123,000)	-	-	(123,000)	(212,432)
	<u>1,804,227</u>	<u>9,620</u>	<u>133,079</u>	<u>1,946,926</u>	<u>1,701,233</u>

20. Reconciliation of net income to net cash flow from operating activities

	2019 £	2018 £
Net income for the reporting period	245,693	398,610
Adjusted for:		
Depreciation	83,025	82,669
Loss on disposal of fixed assets	6,301	445
Investment income	(318)	(122)
Decrease/(increase) in stocks	1,246	(2,810)
(Increase) in debtors	(2,299)	(18,901)
Increase in creditors	143,654	142,633
Pension scheme non-cash movement	(6,000)	(21,000)
	<u>471,302</u>	<u>581,524</u>

21. Analysis of cash and cash equivalents

	2019 £	2018 £
Cash in hand	1,343,089	954,817
Cash held as investment	<u>48,682</u>	<u>48,585</u>
	<u>1,391,771</u>	<u>1,003,402</u>

22. Pension commitments

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers in schools and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Notes to the financial statements (continued)
for the year ended 31 August 2019

22. Pension commitments (continued)

The employer's pension costs paid to TPS in the period amounted to £169,813 (2018: £146,160). At the year end £22,809 (2018: £19,559) was due to the scheme. No amounts were prepaid at either year end.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

The Pensions Trust

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)
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Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Notes to the financial statements (continued)
for the year ended 31 August 2019

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

22. Pension commitments (continued)

Present value of provisions

	Period Ending 31 August 2019 (£000s)	Period Ending 31 August 2018 (£000s)	Period Ending 31 August 2017 (£000s)
Present value of provision	149	155	176

Reconciliation of opening and closing provisions

	Period Ending 31 August 2019 (£000s)	Period Ending 31 August 2018 (£000s)
Provision at start of period	155	176
Unwinding of the discount factor (interest expense)	2	3
Deficit contribution paid	(23)	(21)
Remeasurements - impact of any change in assumptions	3	(3)
Remeasurements - amendments to the contribution schedule	12	-
Provision at end of period	149	155

Income and expenditure impact

	Period Ending 31 August 2019 (£000s)	Period Ending 31 August 2018 (£000s)
Interest expense	2	3
Remeasurements – impact of any change in assumptions	3	(3)
Remeasurements – amendments to the contribution schedule	12	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes.

**Notes to the financial statements (continued)
for the year ended 31 August 2019**

Assumptions			
	31 August 2019 % per annum	31 August 2018 % per annum	31 August 2017 % per annum
Rate of discount	0.97	1.68	1.20

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

23. Contingent liabilities

The company participates in a multi-employer defined benefit pension plan. A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme of £26,000 per annum, increasing by 4% per annum. In the event of the company electing to withdraw from the scheme, or being asked to leave the scheme as a result of the non-payment of contributions, the company would have a liability of approximately £394,715 (2018: £394,715).

At 31 August 2019 and 31 August 2018 there were no other contingent liabilities.

24. Capital commitments

No capital expenditure had been contracted for at 31 August 2019 (2018: £16,200). At 31 August 2019 there was no capital expenditure that had been approved but not yet contracted for (2018: £nil).

25. Related party disclosures

Some members of the governors/trustees also serve on the Board of the Charity, known as Beyond Breckenbrough, whose activities include assistance with transition from the school along with the provision of financial and other assistance to old boys of Breckenbrough School, directly or otherwise. During the year salaries of £11,123 (2018: £10,708) were recharged to Beyond Breckenbrough. At the year end the school was owed £42,118 (2018 - £29,956) by Beyond Breckenbrough.

There were no other related party transactions during the current or preceding year.

26. Ultimate controlling party

Due to the diverse nature of the membership of the company, no one member has control over the company.

27. Limited by Guarantee

The company is limited by guarantee so has no share capital. The members have guaranteed to provide an amount of £1 in the event of the winding up of the company.