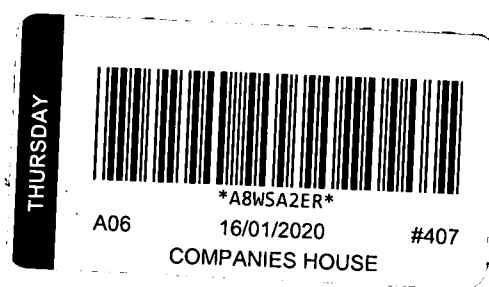


Solihull School

(A Company Limited by Guarantee)

CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2019



Company Number: 6337650
Registered Charity Number: 1120597

SOLIHULL SCHOOL

GOVERNORS AND GENERAL INFORMATION

GOVERNORS

Mr M T Hopton FCA	(Chairman)
	(Chairman Strategy, Finance and Premises Committee)
Mr J A Shackleton MA	(Vice Chairman)
	(Chairman Education Committee)
Mr J A Adie	
Mr A J Burtenshaw MBChB MRCP FRCA	
Dr H M Gay BSc PhD	
Mrs C M Gilbert BA MBA	
Mrs J A Hetherington BCom (Acc) FCA	
Mr D J Kelly BA	(Chairman Human Resources Committee)
Rev J E B Kenchington MA BSc PGCE	
Mrs A L Lavery LLB	
Mr M C Morris LLB	
Mr A E J L Mulira MA MB FRCS	(Retired 17 December 2018)
Mr P G Newby BSc FRICS MCI. Arb	
Prof S P Singh MBBS MD MRCPsych DM	

BURSAR AND CLERK TO THE GOVERNORS

Mr R Bate MA ACMA

HEADMASTER

Mr D E J J Lloyd BSc

COMPANY NUMBER

6337650

REGISTERED CHARITY NUMBER

1120597

REGISTERED OFFICE OF THE SCHOOL

793 Warwick Road
Solihull
West Midlands
B91 3DJ

Tel: Bursar and Clerk's Personal Assistant:	0121 705 0883
Headmaster's Personal Assistant:	0121 705 0958

SOLIHULL SCHOOL

GOVERNORS AND GENERAL INFORMATION

AUDITORS

RSM UK Audit LLP
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Leicester
LE19 1SD

BANKERS

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West Midlands
B91 3AN

INVESTMENT MANAGERS

Brewin Dolphin Limited
9, Colmore Row
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West Midlands
B3 2BJ

SOLICITORS

Standley & Co
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Knowle
Solihull
West Midlands
B93 0JU

Veale Wasbrough Vizards LLP
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PROPERTY CONSULTANTS AND SURVEYORS

Pennycuik Collins Limited
54 Hagley Road
Birmingham
West Midlands
B16 8PE

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

The Governors present their Report, including the Strategic Report, for the year ended 31 August 2019 under the Companies Act 2006 and the Charities Act 2011, together with the audited Financial Statements for the year and confirm that these comply with the requirements of the Companies Act 2006, the Company's Memorandum and Articles of Association and the Charities SORP (FRS 102). The Report and Financial Statements cover the activities of Solihull School ('the Company') and its trading subsidiary Solihull School Enterprises Limited, together known as the Group.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Company was incorporated on 8 August 2007 and is registered in England and Wales under company number 6337650. It is also a Charity, registered with the Charity Commission under charity number 1120597. The Governors, who are also directors of Solihull School, are listed on page 1. Officers, principal addresses and professional advisers are listed on pages 1 and 2.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Memorandum and Articles of Association dated 8 August 2007 as amended 11 January 2011 and further amended 15 December 2014.

Governing Body

The Governing Body consists of not less than 5 and not more than 18 individuals comprising:

- A governor nominated by the Rector and Churchwardens of St Alphege Church, Solihull,
- Seventeen co-opted governors appointed by the resolution of the Governors.

The nominated governor is appointed for a term of 3 years and the co-opted governors each for a term of 5 years.

Post Balance Sheet Event

At their meeting on 9 September 2019, the Trustees agreed to exchange contracts for the Charity to merge with another Charity, Saint Martin's (Solihull). This Charity operates a school for girls between the ages of 3 and 18 and at the start of the Christmas Term 2019, there were 402 pupils at the school. Legal completion of the transaction is scheduled for January 2020 with operational merger to take place from September 2020.

Looking forward, it is anticipated that the newly combined school will total some 1,500 pupils across the full 3-18 age range. As a result, total annualised income for the year 2020/2021 is projected to be in the region of £20m.

Organisational Management

All members of the Governing Body are directors and trustees of the Charity. Meetings of the Governing Body are held four times per year and at least once each term. A Strategy, Finance and Premises Committee consisting of up to five governors is empowered to take decisions as necessary. The day to day management of the school is vested in the Headmaster and the senior leadership team. Decisions made by the Strategy, Finance and Premises Committee are reported to, and ratified by, the Main Board who are responsible for the strategic direction of the school's affairs. A Human Resources Committee, an Education Committee and a Building Sub-Committee (convened only during the currency of major in-house building projects) report directly to the Main Board. The Board has also set up Property and Investment Sub-Committees, reporting through the Strategy, Finance and Premises Committee, to ensure the safe and effective management of the Charity's investment properties and financial investments respectively.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

Whilst all members of the Governing Body have collective responsibility for all the matters reserved to them, the Board consider it appropriate to designate individual governors to specifically oversee matters concerning Safeguarding & Child Protection, Special Educational Needs and Disabilities (SEND) and Health & Safety. All members of the Governing Body receive reports, presentations and appropriate training in order to understand and fulfil their obligations in these areas, whilst the designated governors meet more regularly with the relevant senior executives at the school, receive more advanced training and report back to the Governing Body as a whole.

Governor Recruitment, Induction and Training

A Nominations Committee, comprising the Chairman of the Board and members of the Strategy, Finance and Premises Committee co-ordinate the search for prospective governors. The principal functions of the Committee are to identify the skills requirement and the likely succession requirements. Before any elections all prospective governors are interviewed in order to establish eligibility, all necessary regulatory and similar compliance requirements are satisfied, the likely commitment is understood and could be discharged, and their background is such that they are likely to bring a positive contribution to the deliberations of the Board.

All new governors receive a copy of the Solihull School Governors' Handbook, which is a guide to the structure and management of the school and the key responsibilities of the trustees. New members also receive:

- A copy of the Constitutional Documents,
- Guidelines for Governors published by the Association of Governing Bodies of Independent Schools (AGBIS),
- A copy of the latest Financial Statements and other school publications,
- Charity Commission publication 'The Essential Trustee: What you need to know' (Reference CC3 reissued May 2018).

The core induction programme is supplemented by further tailored induction reflecting the particular knowledge, skills and experience of each individual.

Governors are encouraged to attend training courses and seminars organised by AGBIS and other organisations held regionally and nationally throughout the country. External experts on relevant topics are also invited to speak at meetings of the Board from time to time whilst relevant publications and articles on topical matters appearing in the educational media are circulated to all Governors.

Pay policy for senior staff

The Governors consider the senior leadership team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the school on a day to day basis. All governors give their time freely and no governor received remuneration in the year. Details of governors' expenses and related party transactions are disclosed in note 4 to the accounts.

The pay of the senior staff is reviewed annually and normally benchmarked against relevant comparators and performance considerations. In view of the nature of the charity, the Governors benchmark against pay levels in other independent schools of a similar size. The Governors set the level of pay for the Headmaster and the Bursar and the Headmaster sets the pay for the rest of the senior leadership team within the overall pay settlement parameters approved by the Board.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

STRATEGIC REPORT

OBJECTS, OBJECTIVES AND BUSINESS REVIEW

Charitable Objects

The objects of the Charity are set out in the Memorandum of Association and are to advance education by maintaining an independent day school for boys and girls in Solihull which shall have a religious character in accordance with the tenets of the Church of England and provide a liberal education. Within the objects, the Charity promotes the advancement of education and religion by making donations and offering other support to local maintained primary schools and parish churches.

Aims & Objectives

The aims of Solihull School are summarised under three themes: Ambition, Opportunity and Community.

Ambition

Staff and pupils are ambitious and seek to maximise potential in one another. We aim to engender an enduring thirst for learning and a sense of well-being, and all members of the school community are encouraged to extend themselves beyond their immediate interests and perceived capabilities. Doing one's best is uppermost and perseverance is very important in achieving our goals. Reflection is ongoing and the genuine belief that we can all be better drives us on.

Opportunity

We aim to provide breadth of opportunity and inspire depth of achievement. Learning takes place in and out of the classroom, at home and abroad, and staff and pupils are encouraged to balance over 450 years of tradition with innovation and creativity. New opportunities are welcomed and embraced and all are encouraged to take risks and learn from failure. The curriculum and co-curriculum are of equal importance and learning for learning's sake is a priority. Intelligence takes many forms and the acquisition of experience, knowledge and skills, whether academic or not and whether tested or not, is very important. Education is holistic and independent thought, exploration and fun are essential.

Community

Christian in our Foundation, we welcome pupils of all faiths into a supportive and caring environment. We aim to prepare them for adult life as happy, charitable, confident and intelligent people and all come to understand the value of a strong moral compass and global perspective. Pupils learn the importance of winning with humility and losing with dignity, and individuality and inclusivity permeate all areas of school life. Leadership skills are uncovered and developed and pupils lead with pride, compassion and integrity. Happiness and success are recognised as inextricably linked and all members of the school community are jointly responsible for pastoral care. Looking beyond the school gates, all Old Silhillians belong to a life-long community regardless of distance or the passage of time and are actively encouraged to remain engaged with the school forever.

Key Performance Indicators

A summary of key performance indicators is provided below.

Pupil Numbers. At the end of the Summer Term 2019 there were 1,080 pupils (2018: 1,045) in school being 30 above the target figure of 1,050.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

OBJECTS, OBJECTIVES AND BUSINESS REVIEW (continued)

Public Examination Results Summer 2019. Once again, a 100% pass rate was achieved at A Level. 81% of all A level passes were at A*/A or B, with 47% of these at A*/A. 29 of the 122 candidates were awarded at least 3 A*/A grades.

Of those leaving the Upper VI in 2019, nearly all pupils secured places at their chosen university in a wide range of subjects with several being offered highly competitive degree apprenticeships. Two pupils were awarded professional rugby contracts whilst one was awarded a place at the prestigious Royal Northern College of Music.

At GCSE, 94% of all grades were at 9-5, with 66% at 9-7. 52 of the 108 candidates achieved 8 grades of 9-7, with 29 of these achieving 8 or more grades of 9-8.

All of these results compare favourably with other schools in the Midlands.

Other Academic Achievements. Pupils participated in a wide range of other academic activities. In the Upper Sixth Biology Olympiad, 14 pupils were commended with 1 silver and 2 bronze medals awarded whilst in the Intermediate Biology Olympiad, 16 pupils were commended with 3 gold, 3 silver and 5 bronze medals awarded. In the Biology Challenge Competition, 34 pupils were awarded medals, 6 of which were gold. In the Chemistry Olympiad, all four entrants were awarded prizes.

In the UK Maths Team Challenge, the school team of 4 pupils was placed in the top 2% of schools in the UK. In the Junior, Intermediate and Senior Maths Challenges, 320 pupils were awarded Gold, Silver or Bronze certificates, a significant increase on the previous year. One pupil received a medal for achieving one of the highest scores in the UK in the Intermediate Maths Olympiad.

Pupils continue to participate in Young Enterprise whilst pupils took part again in the Engineering Education Scheme, where 12 pupils were awarded Industrial Cadets Gold Level awards with six going on to achieve the Gold Science Association CREST award.

Co-Curricular Activities. All of our pupils are provided with an ever expanding range of opportunities and challenges through the co-curricular programme. These include academic enrichment including debating, as well as music, drama, dance, sport, outdoor activities, visiting other countries and community service. We aim to provide as varied a life beyond lessons as we can, so that our pupils not only have the pleasure of activity when they are young, but also find and develop skills and interests which will form part of their adult lives. Many trips and residential visits are organised for pupils of all ages to support both the curriculum and co-curricular activities. The school's mountain cottage in Snowdonia is used regularly for both outdoor education and academic study retreats with all pupils in the Shell Form having the opportunity to climb Mount Snowdon. The school also hosts overseas visitors from various countries in Europe and South America.

Debating at the school remains hugely popular with clubs at all age groups in the senior school. Many students successfully take part in national and international competitions, including those at Oxford, Cambridge, Durham, Nottingham and Warwick Universities and the English Speaking Union, where 1 pupil won a Best Chairperson award.

Participation in the well-established Duke of Edinburgh award scheme remains popular. 27 Gold, 25 Silver and 74 Bronze medals were awarded during the year.

Many students take part in drama clubs culminating in a variety of performances. Over 100 pupils were involved, either on stage, in the orchestra or backstage in the school musical which this year was *Made in Dagenham*. Pupils of all ages directed, performed in or supported other productions including *The Glove Thief*, *The Royal Hunt of the Sun*, *A Midsummer Night's Dream*, and in the Junior School, *Rock Bottom*. The school's partnership with the Birmingham Repertory Theatre developed further during the year whilst 22 pupils received RADA Shakespeare Awards. Two additional Sixth Form productions, *Grimm Tales* and *Invisible*, were performed at the Edinburgh Fringe Festival during August 2019.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

OBJECTS, OBJECTIVES AND BUSINESS REVIEW (continued)

The newly formed school dance club held its first show during the year with over 50 pupils performing a variety of dance styles.

In music, nearly 10,000 instrumental lessons were given over the year and over 200 instrumental examinations taken, 80% of which were rewarded with a merit or distinction. There were numerous formal and informal orchestral and vocal concerts at the School showcasing a huge range of styles, genres and periods. In addition, there were a number of master classes held with professional musicians and pupils travelled to London to perform in Steinway Hall as part of our participation in the Steinway Initiative.

Three pupils gained Performer's Diplomas, a post Grade 8 certificate rarely achieved by pupils of school age. Two were in piano with one in musical theatre.

One pupil reached the European Piano Teachers Association (EPTA) grand final whilst three others were part of national music ensembles; one each in the National Youth Orchestra of Great Britain, the National Children's Orchestra and CBSO Youth Orchestra. Many pupils were awarded prizes at local orchestral and vocal festivals. The school choirs took part in a wide range of external events including singing Evensong at St. Paul's Cathedral, London. Organ recitals linked to Compline services in the school chapel continued through the year.

Boys and girls participate in many different sports. Borough, county or regional championship victories at age groups from under 9 to under 19 were achieved in athletics, cricket, golf, boys' and girls' hockey, netball, rounders, rugby, sailing, skiing, swimming and tennis with many pupils earning selection for representative teams. Notable achievements included one pupil being selected for the Warwickshire County Cricket 1st XI, one representing England U18 at rugby, one representing Great Britain at the European junior swimming championships with another being the fastest schoolgirl at the English skiing championships. From a team perspective, notable success was achieved across the rugby teams with the under 14 squad being rated as national champions and many age-group sevens tournament titles whilst the under 15 netball squad were winners of the national Sisters in Sport tournament.

Facilities. The school is committed to providing outstanding facilities in all areas of school life. Further investments have been made in the school's ICT infrastructure, as well as general and specialist teaching rooms and equipment. The summer saw the commencement of work to renew and update the school kitchen and refectory facilities, bringing benefits to food production efficiency, legislative requirement compliance as well as environmental benefit impacts. This new facility opened during the Christmas Term 2019.

Staff. The pupil/teacher ratio in the school is 10.3 which compares favourably with benchmark levels for independent day schools. There have been a number of staff changes at the end of the academic year including the appointment of a new Head of the Sixth Form and a number of internal promotions. The school continues to acknowledge the professional and dedicated contribution of all staff, both in the classroom and outside.

The school is an equal opportunities employer and is committed to providing equal opportunities in its employment practices and policies. The school is also focused on supporting the continued professional development of all staff, both teaching and non-teaching. This is provided via a mixture of internal and external courses and workshops.

Mental Health/Wellbeing. The school continued to work with a locally based charity, Safeline to provide a wide range of counselling and mental health support services to pupils and the wider school community. Over 70 staff are trained in Youth Mental Health First Aid.

Wellbeing and character education is now fully integrated into the curriculum across all year groups and delivered by a number of teaching staff.

Building on the success of a range of parental seminars, a new initiative in 2018/19 was a training course on resilience for parents. It was popular and will be repeated in future years.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

OBJECTS, OBJECTIVES AND BUSINESS REVIEW (continued)

Staff wellbeing is continually reviewed by both senior management and Governors with a number of initiatives evidenced throughout the year, including yoga, languages and dance classes. An Employee Assistance Programme is available to all staff.

Trading Subsidiary. In January 2018, the school established a new trading subsidiary, Solihull School Enterprises Ltd. The principal activity of this subsidiary is the provision and hiring of facilities to third parties.

Financial Report

Net income for the year amounted to £939,242 (2018: net expenditure £1,043,257). Higher pupil numbers and fee levels resulted in higher fee income for the year. Additional donations, together with increased educational and trading income resulted in an increase in total income of £1,191,621 in the year (2018: increase of £799,761).

The school's cost base is kept under close control. Cost increases were experienced in a range of areas, including a proportion of the governance costs incurred to date related to the proposed merger with Saint Martin's (Solihull) during 2019/20 (see note 3), staff costs (see note 4), depreciation charges (see notes 5 and 7) and a range of pupil focused initiatives. These were offset by a number of savings across a range of cost centres.

The governors have considered the projected significant impact of increased employer contributions to the Teachers' Pension Scheme (TPS) which commenced in September 2019. Whilst no action in relation to the TPS is planned in the near future, the school's position will be kept under continual review.

During the year the governors re-valued the portfolio of investment properties resulting in an unrealised gain of £183,936 (2018: unrealised loss of £135,000). A new property was purchased during the year at a cost of £861,064.

Realised gains on the disposal of listed and other investments amounted to £38,548 (2018: £17,458). Unrealised losses on listed and other investments amounted to £15,043 (2018: gain of £155,052).

Expenditure from the restricted and endowment funds during the year amounted to £102,821 (2018: £99,072).

Details of the analysis of the income and expenditure between the various fund accounts is given in notes 13 - 15 to the financial statements while details of the movement in tangible fixed assets of the school are given in note 7.

Internal Financial Controls. A policy is in place to record the internal controls employed to ensure the good management of the Company's financial affairs. The Policy conforms to guidelines issued by the Charity Commission in leaflet CC8 'Internal Financial Controls for Charities'.

Investment Policy. The Trustees' aim is to achieve growth in income and capital over the long term, with an emphasis on preservation of capital and reasonable liquidity.

The Investment Strategy was endorsed by the Trustees again during the year and will undergo a formal review in 2019/20. The Trustees retain investment advisers and the portfolio is regularly reviewed by the Property and Investment Sub-Committees.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

FUTURE PLANS

Strategic Plan

A Strategic Plan is in place and the intent of the Governors is to build upon the identified key themes of school aims being Ambition, Opportunity and Community, each one underpinned by the school motto of *Perseverantia*. Specific aspects of this plan include:

- To maintain and improve the current high standards of academic achievement as measured by external public examinations and internally generated data,
- To provide a rigorous and flexible academic curriculum that is relevant to society both today and into the future whilst also challenging pupils and facilitating their success whilst building resilience and independence,
- Through the merger with Saint Martin's (Solihull), to create the Midlands' leading 3-18 co-educational independent day school, evidenced by a balanced curriculum with opportunities to participate and excel in all co-curricular activities, regardless of gender, race, religion, belief or sexuality,
- To attract and retain high quality staff in all areas of school life and to support them in their professional development and welfare,
- To deliver and maintain an effective pastoral care system that supports the physical and mental health and wellbeing of all members of the school community,
- To ensure that pupils understand the meaning and value of a strong moral compass and global perspective,
- To ensure that the school fully supports both the local and wider community and maintains a broad social mix by widening access to the school, including the provision of means tested bursaries,
- To continue to improve and develop the facilities provided by the school in the light of expected demands.

School Development

During the year, the school updated the school improvement plan, having completed many of the targets set for 2018-19. For 2019-20, an updated set of targets were agreed with the aim of fulfilling every individual's potential with specific focus on:

- Successful completion of the merger with Saint Martin's (Solihull) and preparation for the "go-live" of a two-site, co-educational day school for pupils aged 3-18 in September 2020,
- Further development and refinement of the "Curriculum 2020" project, to allow for implementation in September 2020, involving ongoing curriculum review with particular attention to skills acquisition and development, including project based learning, increased tutor time for all pupils and additional academic enrichment opportunities.
- Review of the school timetable, focussing on lesson number, duration and allocation,
- Continue to develop an effective transition process at all key levels across the school,
- Greater sharing of best practice and professional development of staff,
- Further facility development to reflect demands across both school sites,
- Continued development and implementation of the school ICT strategy,
- Further advance links with the school alumni and wider community.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

Risk Management

The Board of Governors is responsible for the management of the risks faced by the Group. Risks are identified, assessed and controls established.

The key controls used by the Group include:

- A detailed risk register, reviewed regularly by the Board and Senior Leadership Team,
- Formal agendas and minutes for all Committee and Board meetings,
- Committee minutes circulated to all Board members,
- Detailed terms of reference for the responsibilities and powers of the Governors,
- Comprehensive strategic planning, budgeting and termly management accounting,
- An established organisational structure and lines of reporting,
- Internal financial controls,
- Formal written policies including the Health and Safety and Safeguarding and Child Protection Policies, which are regularly reviewed,
- Enhanced disclosure vetting procedures for all members of the teaching staff, non-teaching staff, visitors, volunteers and the Board of Governors.

The major risks are considered to be:

- Political policy change that might lead to a loss of charitable status and/or the imposition of taxes on school fees in the independent sector,
- The challenge of ensuring a successful delivery of the merger with Saint Martin's (Solihull).
- Impact to the reputation of the school in the event of litigation, fraud, and/or accident and resulting adverse media coverage,
- Rising staff costs, both salaries, teaching staff pensions and other related costs,
- Fee affordability and increased competition from other local schools leading to a decline in pupil numbers,
- Difficulties in recruiting and retaining appropriate staff,
- Loss of building(s), utilities or ICT provision,
- Failure in compliance with key school policies and/or statutory legislation.

The Governors are satisfied that the major risks identified have been adequately managed. However, it is recognised that no system can give absolute assurance against risk.

The Public Benefit Delivered by Solihull School

The Governors attach great importance to providing financial assistance to individuals of ability who cannot afford the fees and also to the school's relationship and involvement with the local community. Our wider charitable obligations are well recognised. Beside financial benefits, our facilities have been used throughout the year for public benefit by outside organisations, local maintained schools and the local community. The school values and promotes the ethos of service and staff and pupils alike are active members of the local community. Any consideration of the public benefit is related to our stated objectives.

The Governors have complied with the duty in Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission.

Some of the detailed activities that contribute to the public benefit are shown below:

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

Grant Making Policy

This year the value of bursaries and scholarships made out of unrestricted funds totalled £1,102,901 (2018: £991,198). A further £51,501 was made out of restricted funds (2018: £38,206). Such financial assistance helps the school maintain its ethos, academic performance and achievements. The Governors' policy, in line with that of other independent schools, is to make scholarship awards on a wide variety of abilities including academic, art, sport, music, theatre arts and design technology. Bursaries are advertised and are made to applicants on the basis of their financial circumstances. Such awards are means tested and reviewed annually. In 2019, bursaries awarded totalled £808,852 (2018: £708,011) and given to 115 pupils (2018: 101 pupils), which equates to 62 full fees or 6.7% of net fee income (2018: 59 full fees or 5.8% of net fee income).

Assistance to the Local Education Authority (LEA) and Local Maintained Schools

- This year, the school entered into a formal partnership arrangement with Tile Cross Academy, a local co-educational secondary school for pupils aged 11-16, providing a range of support and educational opportunities to the communities at both schools.
- As part of our outreach programme, the school arranges and hosts a variety of activities involving local maintained primary schools, including gifted and talented sessions on a variety of academic topics as well as providing sports coaching and tournaments.
- The school extended its Oxbridge preparation procedures to a range of local maintained schools. Potential candidates participate in interview practice sessions and specific application preparation seminars.
- Our Senior Deputy Headmaster chairs, and the school hosts, the Local Independent Schools Safeguarding Board which reports into the Local Children's Safeguarding Partnership
- Our Music department visits local maintained primary schools to give vocal coaching via Solihull Sings and puts on concerts for these schools in our performing arts centre.
- Our Art Department regularly hosts staff, pupils, and displays exhibits from, many local maintained primary schools and this year, hosted the Springfield Special School Christmas art workshop. They also provided advice and exemplar materials for maintained sector school A-Level photography students.
- Our Classics Department has visited local maintained primary schools promoting the study of Latin and Greek, whilst also playing active roles in the Birmingham Classics Association and the Association for Latin Teachers.
- Our Science Department has hosted CLEAPPS Health and Safety training for many local school science technicians.
- Our English Society events are also attended by local maintained sector school pupils.
- Our Languages Department host local maintained primary schools to the European Day of Languages, promoting the use and study of a range of European languages.
- Our Sports Department host a range of training events for individual clubs and schools.
- Our Debating Society hosts events for local secondary schools, both independent and maintained, involving training, judging and attendance at our Big Debate event.
- Our Community Service Enrichment programme provides students to help with reading and literacy in local primary schools.
- Our Drama department visited a number of local schools to promote drama, performing a short play based on *Grimm's Fairy Tales*.
- Greswolde School, Solihull and Sharman's Cross Junior School, Solihull used our performing arts centre for their summer drama productions.
- Pupils from Reynalds Cross School, Solihull, which caters for pupils with severe to profound multiple learning difficulties, have visited the school and used our art, sporting and music facilities. In addition, our pupils visit them to assist in a range of subject lessons and other projects whilst our grounds team have also helped run the gardening club at Reynalds Cross.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

- Donations are made to St Alphege Infant and Junior Schools, Solihull, and Sharman's Cross Junior School, Solihull to assist in the provision of facilities for education.
- Equipment and text books no longer required by the school are donated to local schools and organisations.

University & Academic Links

- The school hosts PGCE students from various Universities.
- The school is a member of the King Edward's Consortium for teacher training, providing low cost training for unqualified teachers considering a career in the profession.
- Members of our teaching staff are members of national and regional educational and examination committees.
- The school has hosted Birmingham and South Warwickshire Patoss (Professional Association of Teachers of Students with Specific Learning Difficulties) training events.
- The school has hosted training events for the South Solihull Sport Partnership and the Mindfulness in Schools Project.

The Local Community

- The Solihull Youth Musicians Support Association, the Midlands Early Music Forum, Solihull Choral Society, the St Alphege Church Choir and the Solihull Symphony Orchestra are amongst organisations that use our performing arts centre and music school as their rehearsal and performance venue.
- Our performing arts centre, chapel and other facilities are made available to local societies including charities at generous concessional rates.
- Our extensive car parking facilities are made available to local churches, charities and societies when requested.
- The school as a whole is involved in a wide range of local and more widespread charity fundraising not only to benefit the community but to develop social responsibility of those engaged in such work. Over £40,000 was raised for international, national and local charities through the year. The school also sends text books, laboratory and other equipment, including glasses and shoes, to various countries in Asia, Africa and South America. Staff and pupils volunteer abroad every year, supporting educational and other development projects.
- We help the Solihull Care NHS Trust with their scheme to support adults with learning difficulties into employment opportunities.
- We have a full programme of community service particularly working with the elderly, the local Marie Curie Hospice and other organisations such as Solihull Life Opportunities, Air Ambulance charity shops and the Solihull Volunteers Forum.
- We are the venue for many Solihull sporting activities. Borough, District and County squads train and play fixtures on our pitches and in our sports hall whilst the swimming pool is used by local swimming clubs. Many of these activities are helped by our staff who fulfil a wide range of roles within regional sport.
- The School Chaplain is involved with many church and charity activities around Birmingham, including work in hospices, food banks and urban priority charities.
- With the charity, YIVO Institute for Jewish Research, the school hosted the British premiere of "*No Asylum: The Untold Chapter of Anne Frank's Story*", a film exploring the struggles of the Frank family before the Nazi invasion of the Netherlands. In addition, there was a panel discussion with three concentration camp survivors. The event was open to local schools and also the local community.
- The school are recipients of a community action award from the charity, Remembering Srebrenica, and continue to work with the charity to promote information regarding genocide.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

- We have provided art and photographic exhibits to local offices and community centres and provide judging and exhibition space to local societies.
- The local police force uses our facilities for dog training.
- Our minibuses are used on occasion by local community groups and clubs for transport to events.
- Donations are made to the Parish Church of St Alphege, Solihull and the Salter Street and Shirley Team Ministry, Shirley for the advancement of religion.

Reserves Policy

The school maintains substantial reserves in unrestricted funds. Excluding fixed assets used for school purposes these were valued as at 31 August 2019 at £18,500,915 (2018: £18,302,436). They are almost entirely investments in property, fixed interest bonds, cash and equities. In the year to 31 August 2019 these investments generated an income of £1,365,533 (2018: £1,368,237) a significant proportion of which was used to fund scholarships and bursaries.

The Governors regularly monitor the level of reserves and the income generated. They take into account the economic factors and the variability of income generation and its impact on the levels of school expenditure.

The Governors have decided that reserves should be sustained at current levels to ensure that scholarships and bursaries are sustainable and adequately funded both in the short and long term.

AUDITORS

The Board has decided to recommend RSM UK Audit LLP for re-appointment as auditors to the Company. RSM UK Audit LLP has indicated its willingness to continue in office. A resolution re-appointing them will be submitted to the forthcoming Annual General Meeting.

PROVISION OF INFORMATION TO AUDITORS

The Governors who were in office on the date of approval of these financial statements have confirmed, as far they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Governors' Report, including the Strategic Report, was approved by the Board on 16 December 2019 and signed on their behalf by:



M T Houghton FCA
Chairman of the Board

SOLIHULL SCHOOL

GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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

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

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

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

In so far as the governors are aware:

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLIHULL SCHOOL

Opinion

We have audited the financial statements of Solihull School (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2019, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows 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 FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the parent charitable company's affairs as at 31 August 2019 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent 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 group's or parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The 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.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report, which includes the Directors' Report and the Strategic Report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report and the Strategic Report included within the Governors' Report have been prepared in accordance with applicable legal requirements.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLIHULL SCHOOL (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Governors' 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 by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 14, the trustees (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 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 group's and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is provided on the Financial Reporting Council's website at <http://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 the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RSM UK Audit LLP

GARETH JONES (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Leicester
Leicestershire
LE19 1SD

Date 14/1/20

Solihull School

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 August 2019

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2019 £	Total 2018 £
Income and endowments from:						
Donations and legacies		32,786	428,139	-	460,925	135,175
Charitable activities:						
School fees		11,985,853	-	-	11,985,853	11,230,180
Other educational income		66,048	-	-	66,048	56,709
Other ancillary trading income		885,693	-	-	885,693	786,005
Investments	2	1,365,533	1,595	23,078	1,390,206	1,389,035
Total Income		<u>14,335,913</u>	<u>429,734</u>	<u>23,078</u>	<u>14,788,725</u>	<u>13,597,104</u>
Expenditure on:						
Raising funds		(203,275)	-	-	(203,275)	(221,701)
Charitable activities:						
School operating costs		(13,750,828)	(81,005)	(21,816)	(13,853,649)	(13,092,808)
Defined benefit scheme cessation charge		-	-	-	-	(1,363,362)
Total Expenditure	3	<u>(13,954,103)</u>	<u>(81,005)</u>	<u>(21,816)</u>	<u>(14,056,924)</u>	<u>(14,677,871)</u>
Net gains/(losses) on investments:						
Net gains/(losses) on investment properties		183,936	-	-	183,936	(135,000)
Net gains on other investments		6,086	-	17,419	23,505	172,510
Total net gains on investments		<u>190,022</u>	<u>-</u>	<u>17,419</u>	<u>207,441</u>	<u>37,510</u>
Net income and net movement in funds		<u>571,832</u>	<u>348,729</u>	<u>18,681</u>	<u>939,242</u>	<u>(1,043,257)</u>
Reconciliation of funds:						
Total funds brought forward		<u>48,039,861</u>	<u>225,586</u>	<u>518,073</u>	<u>48,783,520</u>	<u>49,826,777</u>
Total funds carried forward		<u><u>48,611,693</u></u>	<u><u>574,315</u></u>	<u><u>536,754</u></u>	<u><u>49,722,762</u></u>	<u><u>48,783,520</u></u>


The Statement of Financial Activities also complies with the requirement for an Income and Expenditure Account under the Companies Act 2006.


Solihull School
CONSOLIDATED BALANCE SHEET
31 August 2019

Company Registration No. 6337650

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	7	30,110,778	29,737,425
Investments	8	19,663,196	21,361,503
		<u>49,773,974</u>	<u>51,098,928</u>
Current assets			
Debtors	9	740,424	443,860
Short term deposits		1,887,222	372,435
Cash at bank and in hand		2,063,996	2,501,967
		<u>4,691,642</u>	<u>3,318,262</u>
Creditors: Amounts falling due within one year	10	(3,299,587)	(4,036,766)
		<u>1,392,055</u>	<u>(718,504)</u>
Net current assets/(liabilities)			
Total assets less current liabilities		51,166,029	50,380,424
Creditors: Amounts falling due after more than one year	11	(1,443,267)	(1,596,904)
		<u>49,722,762</u>	<u>48,783,520</u>
Total net assets			
The funds of the Group:			
Endowment	15	536,754	518,073
Restricted	14	574,315	225,586
Unrestricted	13	48,611,693	48,039,861
		<u>49,722,762</u>	<u>48,783,520</u>
Total Group funds			

Approved by the Board of Governors and authorised for issue on 16th December 2019.


Mr M T Hopton Chairman


Mr R Bate Bursar and Company Secretary

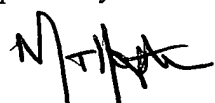
Solihull School
CHARITY BALANCE SHEET
31 August 2019

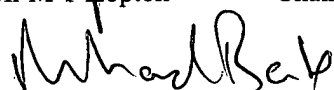
Company Registration No. 6337650

	Notes	2019 £	2018 £
Fixed assets			
Tangible assets	7	30,110,778	29,737,425
Investments	8	19,663,197	21,361,504
		<u>49,773,975</u>	<u>51,098,929</u>
Current assets			
Debtors	9	771,898	459,329
Short term deposits		1,887,222	372,435
Cash at bank and in hand		2,030,584	2,485,231
		<u>4,689,704</u>	<u>3,316,995</u>
Creditors: Amounts falling due within one year	10	<u>(3,299,077)</u>	<u>(4,036,766)</u>
Net current assets/(liabilities)		<u>1,390,627</u>	<u>(719,771)</u>
Total assets less current liabilities		51,164,602	50,379,158
Creditors: Amounts falling due after more than one year	11	<u>(1,443,267)</u>	<u>(1,596,904)</u>
Total net assets		<u>49,721,335</u>	<u>48,782,254</u>
The funds of the charity:			
Endowment	15	536,754	518,073
Restricted	14	574,315	225,586
Unrestricted	13	48,610,266	48,038,595
		<u>49,721,335</u>	<u>48,782,254</u>
Total charity funds		<u>49,721,335</u>	<u>48,782,254</u>

Net movement in funds for the parent charity was a £939,081 increase in funds (2018: £1,044,521 decrease in funds). Net income/expenditure for the parent charity was £939,081 net income (2018: £1,044,521 net expenditure).

Approved by the Board of Governors and authorised for issue on 16th December 2019.


Mr M T Hopton Chairman


Mr R Bate Bursar and Company Secretary

Solihull School

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 August 2019

	2019 £	2018 £
Cash flows from operating activities:		
Net cash used in operating activities	(1,234,032)	(609,915)
Cash flows from investing activities:		
Dividends, interest and other income from investments	1,367,128	1,368,326
Purchase of investments	(421,404)	(1,225,662)
Purchase of investment properties	(861,064)	-
Proceeds from sales of investments	3,191,689	2,489,134
Purchase of tangible fixed assets	(980,710)	(1,285,774)
Net cash generated by investing activities	2,295,639	1,346,024
Cash flows from financing activities		
Receipts/(payments) of endowment	18,681	(53,075)
Change in cash and cash equivalents in the reporting period	1,080,288	683,034
Cash and cash equivalents at the beginning of the reporting period	3,005,258	2,322,224
Cash and cash equivalents at the end of the reporting period	4,085,546	3,005,258
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the reporting period	939,242	(1,043,257)
Adjustments for:		
Depreciation charges	607,358	533,968
Net (incoming)/outgoing endowment resource	(18,681)	53,075
Gains on investments	(207,441)	(37,510)
Dividends, interest and other income from investments	(1,367,128)	(1,368,326)
(Increase)/decrease in debtors	(296,565)	(16,087)
Increase/(decrease) in creditors	(890,817)	1,268,222
Net cash (used in)/generated by operating activities	(1,234,032)	(609,915)
Analysis of changes in cash and cash equivalents	2019 £	2018 £
Cash at bank	2,063,996	2,501,967
Cash awaiting reinvestment	134,328	130,856
Short term deposits	1,887,222	372,435
Total cash and cash equivalents	4,085,546	3,005,258

Solihull School

ACCOUNTING POLICIES

GENERAL INFORMATION

Solihull School is a charitable company incorporated in England and does not have share capital. The group consists of the charity and its one subsidiary Solihull School Enterprises Limited. The nature of the group's operations is set out in the Governors' Report.

The address of the Charity's registered office is 793 Warwick Road, Solihull, West Midlands B91 3DJ.

BASIS OF ACCOUNTING

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) (issued on 16 July 2014) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

In accordance with FRS 102 the parent charity has taken advantage of the exemption from the disclosure requirements of Section 7 'statement of cashflows' – Presentation of a Statement of Cashflows.

The financial statements are presented in sterling which is also the functional currency of the charity. Amounts in these financial statements are rounded to the nearest £, except where otherwise stated.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below:

BASIS OF CONSOLIDATION

The group accounts consolidate the financial statements of Solihull School ('the Charity') and its trading subsidiary Solihull School Enterprises Limited. All financial statements have been drawn up to 31 August 2019. The financial statements consolidate the results of the Charity and the trading subsidiary on a line by line basis with all intra-group transactions and balances being eliminated on consolidation. Surpluses and deficits of organisations entering or leaving the group are included from the date of acquisition or up to the date of disposal. The charity has taken advantage of the exemption available under section 408 of the Companies Act 2006, to omit its profit and loss account from the statutory group accounts.

SCHOOL FEES AND OTHER INCOME

School fees and other operating income comprise amounts receivable in respect of the school year.

Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school. Fees received in advance of education to be provided in future years are treated as deferred income and included within creditors.

INCOME FROM INVESTMENTS

Income from investment properties comprises amounts receivable in respect of the school year.

Income from investments, deposits and loans are credited to the statement of financial activities on a receivable basis.

DONATIONS, GIFTS AND LEGACIES

Donations, gifts and legacies are accounted for on a receivable basis. Where assets have been donated, a cash equivalent is included.

Solihull School

ACCOUNTING POLICIES (continued)

EXPENDITURE

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

Investment management costs comprise the amounts incurred in managing the investment property and listed investments.

School operating costs comprise amounts incurred, other than investment management, in respect of the current school year. Expenditure incurred in advance of the following school year is carried forward in prepayments.

Governance costs comprise the costs of running the Group, including strategic planning for its future development, external audit, any legal advice for the Governors, professional indemnity insurance for Governors and officers, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

LEASED ASSETS

Rentals under operating leases are recognised on a straight-line basis over the lease term.

FUND ACCOUNTING

Funds held by the Group are:

Unrestricted general funds

These are funds which can be used in accordance with the charitable objects at the discretion of the Governors. In addition, the Governors have designated certain funds for particular purposes.

Restricted funds

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

Endowment funds

These are funds held permanently by the Group, principally investments. Income arising on these investments can be used in accordance with the terms of the endowments and is unrestricted.

TANGIBLE FIXED ASSETS AND DEPRECIATION

School properties

No depreciation is provided on freehold land and buildings and integral fixtures and fittings except for the artificial turf pitches (see below). In the opinion of the Governors, the freehold buildings have a useful economic life of more than fifty years, with high residual values, and any depreciation would be immaterial. The policy of the Governors is to maintain these buildings and integral fixtures and fittings in good condition, and an annual impairment review of fixed assets is carried out.

Other tangible fixed assets

Depreciation is provided to write off the cost less estimated residual value by equal instalments over their estimated useful economic lives as follows:

Artificial turf pitches (included in freehold land and buildings)	- 10 years
Chapel organ (included in furniture and equipment)	- 20 years
Furniture and equipment	- 3 to 15 years
Computer equipment	- 4 years

Assets in the course of construction are not depreciated.

Solihull School

ACCOUNTING POLICIES (continued)

TANGIBLE FIXED ASSETS AND DEPRECIATION (continued)

Fixed assets with a zero net book value at the beginning of an accounting year are treated as if they are no longer in use and written off the fixed asset records during the year.

REFURBISHMENT COSTS

All costs in respect of refurbishment of the school are charged to the statement of financial activities in the period incurred. Additionally, accruals are made for all expenditure that the school has incurred at the year end.

INVESTMENTS

Investments are carried at fair value at the year end. For listed investments, this is the market value, as advised by the investment manager. For investment properties, this is the fair value as determined by the Governors. All movements in value arising from a change in the fair value of an investment are shown in the statement of financial activities as an unrealised gain or loss. Realised gains and losses on investments are calculated as the difference between the disposal proceeds and the amount at which the investment was valued at the beginning of the year, or cost if purchased during the year.

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any impairment. An assessment for impairment is made at each reporting date.

DEBTORS

Trade and other debtors which are receivable within one year are initially recognised at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

SHORT TERM DEPOSITS

Short term deposits represent amounts on deposit for greater than three months but less than one year.

CASH AND BANK BALANCES

Cash and bank balances includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

TRADE CREDITORS AND LIABILITIES

Trade creditors payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Refundable parental deposits are shown as due within one year to reflect that deposits are repayable once any individual pupil has left the school and that parents need only give the school one term's notice of an intention to leave.

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 measured at their settlement value.

TAXATION

The school is exempt from taxation on all of its charitable activities. Profits made by the subsidiary trading company are distributed to the parent charity under gift aid.

RETIREMENT BENEFITS

Retirement benefits to employees of the school are provided by the Teachers' Pension Scheme ('TPS'), the Local Government Pension Scheme ('LGPS') and a Standard Life Group Personal Pension scheme. The first two are defined benefit schemes, are contracted out of the State Second Pension, and the assets are held separately from those of the school. The LGPS scheme closed to future accrual in October 2017. All non-teaching staff are offered membership of the Standard Life scheme, a defined contribution scheme, in accordance with pension auto-enrolment legislation.

Solihull School

ACCOUNTING POLICIES (continued)

RETIREMENT BENEFITS (continued)

The Government TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the school is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the school in separate trustee administered funds.

The Standard Life Group Personal Pension scheme is a defined contribution scheme. Pension contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of the scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

LIQUID RESOURCES

Liquid resources detailed in the statement of cash flows comprise short term investments which can be readily converted into cash.

GOING CONCERN

The financial statements have been prepared on a going concern basis. The governors consider that the Group has adequate funds to meet anticipated future objectives.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Aside from the artificial turf pitches, no depreciation is provided on freehold land and buildings and integral fixtures and fittings as, in the opinion of the Governors, the freehold buildings have a high residual value, and any depreciation would be immaterial.

Investment properties are included at fair value taking into account items such as current and expected market yields, local market conditions, length of leases and covenant strength.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

1 COMPARATIVE INFORMATION – STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2018 £
Income and endowments from:				
Donations and legacies	23,815	111,360	-	135,175
Charitable activities:				
School fees	11,230,180	-	-	11,230,180
Other educational income	56,709	-	-	56,709
Other ancillary trading income	786,005	-	-	786,005
Investments	1,368,326	-	20,709	1,389,035
Total Income	13,465,035	111,360	20,709	13,597,104
Expenditure on:				
Raising funds	(221,701)	-	-	(221,701)
Charitable activities:				
School operating costs	(12,993,736)	(71,959)	(27,113)	(13,092,808)
Defined benefit scheme cessation charge	(1,363,362)	-	-	(1,363,362)
Total Expenditure	(14,578,799)	(71,959)	(27,113)	(14,677,871)
Net gains/(losses) on investments:				
Net (losses)/gains on investment properties	(135,000)	-	-	(135,000)
Net gains/(losses) on other investments	219,181	-	(46,671)	172,510
Total net gains/(losses) on investments	84,181	-	(46,671)	37,510
Net movement in funds	(1,029,583)	39,401	(53,075)	(1,043,257)
Reconciliation of funds:				
Total funds brought forward	49,069,444	186,185	571,148	49,826,777
Total funds carried forward	48,039,861	225,586	518,073	48,783,520

Solihull School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

2	INVESTMENT INCOME	Unrestricted funds £	Restricted Funds £	Endowment funds £	Total 2019 £	Total 2018 £
	Investment income comprises:					
	Income from investments listed on a recognised stock exchange	265,674	1,595	23,078	290,347	398,161
	Income from investment properties	1,069,055	-	-	1,069,055	977,519
	Bank and other interest	30,804	-	-	30,804	13,355
		<u>1,365,533</u>	<u>1,595</u>	<u>23,078</u>	<u>1,390,206</u>	<u>1,389,035</u>

3 EXPENDITURE

	Staff costs £	Depreciation £	Other costs £	Total 2019 £	Total 2018 £
Raising funds:					
Investment management	-	-	203,275	203,275	221,701
Charitable activities:					
School operating costs	8,506,734	607,358	4,488,264	13,602,356	13,031,173
Governance costs	34,550		216,743	251,293	61,635
Defined benefit scheme cessation charge	-	-	-	-	1,363,362
	<u>8,541,284</u>	<u>607,358</u>	<u>4,908,282</u>	<u>14,056,924</u>	<u>14,677,871</u>
				2019 £	2018 £
Total support costs included in expenditure are				<u>1,191,522</u>	<u>999,612</u>

The support costs represent the management and administrative costs of the School and charged directly to the School operating costs category of the Statement of Financial Activities.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

4	STAFF COSTS	2019 Number	2018 Number
	The average monthly number of persons employed by the Group during the year was:		
	Academic	121	121
	Non-academic	51	48
		<u>172</u>	<u>169</u>
		2019 £	2018 £
	Staff costs for above persons:		
	Wages and salaries	6,901,121	6,496,347
	Social security costs	703,723	674,582
	Other pension costs	936,440	896,300
		<u>8,541,284</u>	<u>8,067,229</u>

Pension costs are allocated to expenditure in line with staff costs and are wholly charged to unrestricted funds.

The Governors received no remuneration during the year (2018: £nil).

The Group has purchased trustee indemnity insurance. The cost is disclosed in note 5.

During the year, 1 (2018:1) Governor received reimbursement of travel expenses totalling £1,056 (2018: £512).

The number of employees who received emoluments in the following bands were:	2019 Number	2018 Number
£60,001 - £70,000	4	2
£70,001 - £80,000	1	2
£80,001 - £90,000	1	-
£90,000 - £100,000	1	1
£170,000 - £180,000	1	1

At 31 August 2019, 7 higher paid employees were members of a defined benefit pension scheme (2018: 5) whilst 1 (2018: 1) was a member of a defined contribution pension scheme. Pension contributions paid in respect of these individuals amounted to £102,691 (2018: £80,487).

During the year the total compensation including national insurance and pension contributions payable to key management personnel of the group was £859,918 (2018: £715,028).

In accordance with the charities SORP (FRS 102) the benefit to the charity provided by general volunteers is not reflected in the Statement of Financial Activities.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

5	MOVEMENT IN FUNDS FOR THE YEAR	2019 £	2018 £
	The movement in funds for the financial year is after charging:		
	Auditors' remuneration		
	For audit services	21,885	23,382
	Other financial services	46,740	4,860
	Depreciation of tangible fixed assets		
	Owned assets	607,358	533,968
	Staff costs (see note 4)	8,541,284	8,067,229
	Operating lease rentals	51,098	44,572
	Bad debt charge	55,747	60,930
	Trustee indemnity insurance	912	840
		<u> </u>	<u> </u>

6 TAX PAYABLE

The School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

The charitable company owns the entire issued share capital of Solihull School Enterprises Limited and taxable profits arising in that company are donated to its parent under a gift aid arrangement.

7 TANGIBLE FIXED ASSETS (group and charity)

	<i>Freehold land and buildings</i> £	<i>Furniture and equipment</i> £	<i>Computer equipment</i> £	<i>Assets in course of construction</i> £	<i>Total</i> £
Cost or valuation					
1 September 2018	27,456,072	3,353,729	785,504	59,805	31,655,110
Additions	259,857	68,615	94,437	557,802	980,711
Eliminations	(412,328)	-	(145,286)	-	(557,614)
Transfers	-	-	-	-	-
31 August 2019	<u>27,303,601</u>	<u>3,422,344</u>	<u>734,655</u>	<u>617,607</u>	<u>32,078,207</u>
Depreciation					
1 September 2018	493,195	978,641	445,849	-	1,917,685
Charged in the year	110,426	331,170	165,762	-	607,358
Eliminations	(412,328)	-	(145,286)	-	(557,614)
31 August 2019	<u>191,293</u>	<u>1,309,811</u>	<u>466,325</u>	<u>-</u>	<u>1,967,429</u>
Net book value					
31 August 2019	<u>27,112,308</u>	<u>2,112,533</u>	<u>268,330</u>	<u>617,607</u>	<u>30,110,778</u>
31 August 2018	<u>26,962,877</u>	<u>2,375,088</u>	<u>339,655</u>	<u>59,805</u>	<u>29,737,425</u>

Solihull School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

7 TANGIBLE FIXED ASSETS (continued)

Freehold properties were revalued in January 1958 and are shown at that valuation together with additions at cost since that date. Historical cost information is not available. All tangible fixed assets are used for direct charitable purposes.

8 INVESTMENTS	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Investment properties at fair value	13,031,000	11,986,000	13,031,000	11,986,000
Listed and other investments at fair value	6,632,196	9,375,503	6,632,196	9,375,503
Investment in subsidiaries at cost	-	-	1	1
	<u>19,663,196</u>	<u>21,361,503</u>	<u>19,663,197</u>	<u>21,361,504</u>

Analysed as follows:

	2019 £	2018 £
Investment properties at fair value:		
Brought forward	11,986,000	12,121,000
Additions at cost	861,064	-
Net gain/(loss) on investment properties	183,936	(135,000)
	<u>13,031,000</u>	<u>11,986,000</u>
At 31 August		

Investment properties were revalued at fair value by the Governors on both 31 August 2018 and 31 August 2019. The annual valuation of investment properties is reviewed in detail by the Property Sub Committee in accordance with guidelines set out by the Royal Institute of Chartered Surveyors. Individual properties are examined in detail and the proposed valuation discussed and agreed with professional advisors. The Governors recognise that current conditions in the property investment market are challenging with the retail sector under particular pressure. The diversity of the portfolio provides some protection against this pressure with valuations taking into account items such as current and expected market yields, local market conditions, length of leases and individual covenant strengths.

The cost of investment properties at 31 August 2019 was £7,069,056 (2018: £6,207,992).

	2019 £	2018 £
Listed and other investments at fair value:		
Brought forward	9,375,503	10,461,252
Additions at cost	421,404	1,225,662
Disposal proceeds	(3,191,689)	(2,489,133)
Net gain on investments	23,505	172,510
Disposal proceeds awaiting reinvestment	3,473	5,212
	<u>6,632,196</u>	<u>9,375,503</u>
At 31 August		

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

8 INVESTMENTS (continued)

The cost of listed and other investments at 31 August 2019 was £4,817,941 (2018: £7,618,226).

	2019 £	2018 £
Listed and other investments at fair value comprise:		
Listed investments	6,497,868	9,244,647
Cash awaiting reinvestment	134,328	130,856
	<u>6,632,196</u>	<u>9,375,503</u>

9 DEBTORS

	Group		Charity	
	2019 £	2018 £	2019 £	2018 £
Other debtors	8,654	11,635	8,654	10,736
Amount due from Group undertakings	-	-	31,474	16,368
Prepayments and accrued income	731,770	432,225	731,770	432,225
	<u>740,424</u>	<u>443,860</u>	<u>771,898</u>	<u>459,329</u>

10 CREDITORS: Amounts falling due within one year

	Group		Charity	
	Reanalysed		Reanalysed	
	2019 £	2018 £	2019 £	2018 £
Trade creditors	283,502	341,230	283,502	341,230
Other creditors	361,272	159,383	361,272	159,383
Refundable parent deposits	438,500	426,900	438,500	426,900
Other tax and social security creditors	180,396	159,887	180,396	159,887
Deferred income	1,495,000	1,272,874	1,495,000	1,272,874
Accruals	307,656	202,492	307,146	202,492
Pension scheme cessation creditor	233,261	1,474,000	233,261	1,474,000
	<u>3,299,587</u>	<u>4,036,766</u>	<u>3,299,077</u>	<u>4,036,766</u>

The school has provided security to the LGPS in respect of the pension scheme cessation creditor included above from the investment property portfolio described in Note 8.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

11	CREDITORS: Amounts falling due after more than one year	Group		Charity	
		2019	Reanalysed 2018	2019	Reanalysed 2018
		£	£	£	£
	Deferred income	49,119	78,904	49,119	78,904
	Pension scheme cessation creditor	1,394,148	1,518,000	1,394,148	1,518,000
		<u>1,443,267</u>	<u>1,596,004</u>	<u>1,443,267</u>	<u>1,596,004</u>

The school has provided security to the LGPS in respect of the pension scheme cessation creditor included above from the investment property portfolio described in Note 8. Full repayment is due to be completed in 2025. Included in the above is £404,280 (2018: £660,541) falling due after 5 years.

Deferred income represents fees received in advance.

	2019 £	2018 £
At 1 September	1,351,778	1,366,224
Funds received in year	1,465,018	1,229,414
Amounts released	<u>(1,272,677)</u>	<u>(1,243,860)</u>
At 31 August	<u>1,544,119</u>	<u>1,351,778</u>

12	FINANCIAL INSTRUMENTS	Group		Charity	
		2019	2018	2019	2018
		£	£	£	£
	Financial assets:				
	Debt instruments measured at amortised cost	8,654	11,635	40,128	27,104
		<u>8,654</u>	<u>11,635</u>	<u>40,128</u>	<u>27,104</u>
	Financial liabilities:				
	Measured at amortised cost	2,572,869	3,847,786	2,572,869	3,847,786
		<u>2,572,869</u>	<u>3,847,786</u>	<u>2,572,869</u>	<u>3,847,786</u>

Solihull School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

13 MOVEMENT ON UNRESTRICTED FUNDS (group)

	Designated Foundation Fund £	Revenue account £	Total £
Balance at the start of the year	48,019,861	20,000	48,039,861
Income	1,343,320	12,992,593	14,335,913
Expenditure	(239,194)	(13,714,909)	(13,954,103)
Net income/(expenditure) before transfers	1,104,126	(722,316)	381,810
Transfer between funds	380,585	(380,585)	-
Transfer re bursaries/scholarships	(1,102,901)	1,102,901	-
Net income/(expenditure) before revaluations and investment asset disposals	381,810	-	381,810
Net gains on investments	190,022	-	190,022
Balance at the end of the year	48,591,693	20,000	48,611,693

13 MOVEMENT ON UNRESTRICTED FUNDS (charity)

	Designated Foundation Fund £	Revenue account £	Total £
Balance at the start of the year	48,018,595	20,000	48,038,595
Income	1,398,320	12,905,270	14,303,590
Expenditure	(239,194)	(13,682,747)	(13,921,941)
Net income/(expenditure) before transfers	1,159,126	(777,477)	381,649
Transfer between funds	325,424	(325,424)	-
Transfer re bursaries/scholarships	(1,102,901)	1,102,901	-
Net income/(expenditure) before revaluations and investment asset disposals	381,649	-	381,649
Net gains on investments	190,022	-	190,022
Balance at the end of the year	48,590,266	20,000	48,610,266

DESIGNATED FUND

Foundation Fund

The Foundation Fund holds the investments of the School, which are used to fund scholarships, bursaries and to facilitate improvements to school buildings and property. There are no restrictions as to expenditure through the Fund. Transfers are made from this Fund to the revenue account for the provision of scholarships and bursaries during the year.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

Revenue account

All income and expenditure generated by the principal activity of the School is charged through the revenue account. Any surplus income for the year is transferred into the Foundation Fund.

During the year, the School provided scholarships and bursaries to pupils from unrestricted funds of £1,102,901 (2018: £991,198).

14 MOVEMENT ON RESTRICTED FUNDS (charity and group)

	E.G. Wilcox Fund £	Silhillian Fund £	Other Restricted £	Total £
Balance at start of year	103,758	112,628	9,200	225,586
Total income	45,000	382,185	2,549	429,734
Total expenditure	(45,000)	(35,260)	(745)	(81,005)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at end of year	<u>103,758</u>	<u>459,553</u>	<u>11,004</u>	<u>574,315</u>

The E G Wilcox Fund provides funds for Sixth Form scholarships (£16,241) and sports facilities (£28,759).

The Silhillian Fund provides funds for bursaries.

Other Restricted Funds represent donations where the donor has specified that they should be used for a specific purpose.

15 MOVEMENTS ON ENDOWMENTS (charity and group)

	<i>Endowments for Educational purposes £</i>
Balance at the start of the year	518,073
Income	23,078
Expenditure	(21,816)
Net income	<hr/> 1,262
Net gain on investments	17,419
Balance at the end of the year	<hr/> <u>536,754</u>

Solihull School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

15 MOVEMENTS ON ENDOWMENTS (continued)

Major endowments within the portfolio include:

- The Trevor Blundell Scholarship and OSA Bushell Funds which contribute to sixth form scholarship awards.
- The Leonard Stevens Fund which provides prizes and bursaries to school leavers studying science at University.
- The Ahlefeldt Pierson and W F Bushell Funds which provides funds for pupils to undertake educational projects overseas.

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS (group)

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 August 2019 were:				
Tangible fixed assets	30,110,778	-	-	30,110,778
Investments	19,126,442	-	536,754	19,663,196
Net current assets	817,740	574,315	-	1,392,055
Liabilities: amounts falling due after more than one year	(1,443,267)	-	-	(1,443,267)
	<u>48,611,693</u>	<u>574,315</u>	<u>536,754</u>	<u>49,722,762</u>

ANALYSIS OF NET ASSETS BETWEEN FUNDS (charity)

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 August 2019 were:				
Tangible fixed assets	30,110,778	-	-	30,110,778
Investments	19,126,443	-	536,754	19,663,197
Net current assets	816,312	574,315	-	1,390,627
Liabilities: amounts falling due after more than one year	(1,443,267)	-	-	(1,443,267)
	<u>48,610,266</u>	<u>574,315</u>	<u>536,754</u>	<u>49,721,335</u>

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

17 TEACHERS' PENSION SCHEME

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff.

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.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the School has taken the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme and the implications for the School in terms of the anticipated rates.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

	2019 £	2018 £
Teacher's Pension Scheme contribution cost	771,722	747,670

There were £103,950 accrued contributions, relating to the final month of the year, included within other creditors as at 31 August 2019 (2018: none).

18 WARWICKSHIRE COUNTY COUNCIL PENSION SCHEME

Warwickshire County Council Pension Fund (WCCPF) is part of the Local Government Pension Scheme (LGPS). The WCCPF is a funded defined benefit scheme with the assets held in separate trustee administered funds. The LGPS scheme closed to active membership and future accrual from 6 October 2017. As a result, the Charity agreed a cessation deficit figure of £2,992,000 and settlement terms with the scheme. An initial payment of £1,250,000 was made in February 2019 which has been followed by 2 further payments during the year which will be followed by a further 26 equal repayments, subject to an annual interest charge of 2.4%. The total amount due is included within the Group's creditors (notes 10 and 11).

The amounts recognised in the Statement of Financial Activities is as follows:

	2019 £'000	2018 £'000
Current service cost (net of employer contributions)	-	(20)
Total operating charge	-	(20)
Changes in the present value of the defined benefit obligations were as follows:		
Opening defined benefit obligation	-	8,424
Member contributions	-	6
Cessation agreement	-	(8,430)
Closing defined benefit obligation	-	-
Changes in the fair value of scheme assets were as follows:		
Opening scheme assets	-	6,918
Employer contributions	-	20
Member contributions	-	6
Cessation agreement	-	(6,944)
	-	-

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2019

19 STANDARD LIFE PENSION SCHEME

This is a defined contribution scheme for non-teaching staff which commenced in May 2016.

	2019 £	2018 £
Standard Life Pension Scheme contribution cost	164,718	128,675

There was an outstanding contribution of £21,518 relating to the final month of the year included within other creditors as at 31 August 2019 (2018: £19,492).

20 COMMITMENTS

Capital commitments at the end of the financial year for which no provision has been made, are as follows:

	2019 £	2018 £
Contracted	854,930	-

At 31 August the school had total future commitments under non-cancellable operating leases as follows:

	2019 £	2018 £
Amounts payable within 1 year	46,119	36,827
Amounts payable within 2 – 5 years	112,179	107,350
	153,468	144,177

21 SUBSIDIARY COMPANY

The charitable company owns the entire issued share capital of Solihull School Enterprises Limited, a company incorporated in England and Wales on 15 January 2018 (registered number 11150476). The principal activity of Solihull School Enterprises Limited is that of providing facilities for external use. The results of Solihull School Enterprises Limited are consolidated into these accounts. For the period ended 31 August 2019, Solihull School Enterprises Limited recorded turnover of £88,588 (2018: £17,658), cost of sales and expenses of £32,162 (2018: £16,393) and corporation tax of £nil (2018: £nil) giving rise to a retained profit of £56,426 (2018: £1,265). The taxable profits arising in Solihull School Enterprises Limited are donated to the charitable company under a gift aid arrangement.

Net assets at 31 August 2019 were £1,427 (2018: £1,266).

22 RELATED PARTY TRANSACTIONS

During the year, the Charity charged Solihull School Enterprises Limited £27,024 (2018: £16,369) in respect of staff and facilities costs. At the year end, the Charity was owed £31,474 (2018: £16,368) by Solihull School Enterprises Limited.

Details of governors' expenses and related party transactions are disclosed in note 4 to the accounts.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

23 POST BALANCE SHEET EVENT

At their meeting on 9 September 2019, the Trustees agreed to exchange contracts for the Charity to merge with another Charity, Saint Martin's (Solihull). Legal completion of the transaction is scheduled for January 2020 with operational merger to take place from September 2020.

The net assets of Saint Martin's (Solihull) as at 31 August 2018 were £6.3m.

Looking forward, it is anticipated that the newly combined school will total some 1,500 pupils across the full 3-18 age range. As a result, total annualised income for the year 2020/2021 is projected to be in the region of £20m.