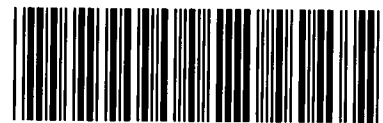


Registered company number: 06871042
Registered charity number: 1130254

**THE LADY ELEANOR HOLLES SCHOOL
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)
REPORT OF THE GOVERNORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

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COMPANIES HOUSE

DIRECTORS, CHARITY TRUSTEES AND GOVERNORS

The Directors of The Lady Eleanor Holles School ("LEH" or the "School") are also the Charity Trustees and the Governors of the School. The Directors have all served in office throughout the year ended 31 August 2019 except where indicated. They are:

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Christopher Stokes (Chairman)	Retired 31.08.19		✓	✓		✓		
David King (Chairman from 01.09.19)			✓	✓	✓			
Annabel Blair	Appointed 26.02.19		✓					
Martin George	Appointed 28.08.19			✓				✓
Sandeep Kamat	Resigned 03.12.18					✓		
Neil Lewis	Retired 31.08.19			✓		✓		
Sophie McCormick	Retired 31.08.19	✓		✓		✓	✓	✓
Alison Meyric Hughes	Retired 31.08.19	✓		✓			✓	
Robert Milburn			✓	✓	✓			
Cathy Millis				✓			✓	
Barbara Parson	Appointed 11.10.18	✓					✓	
Steven Pitchford	Appointed 20.06.19					✓		
Richard Price	Appointed 06.03.19		✓	✓		✓		
Charlotte Thomas					✓			
Catherine Thomas						✓		✓
Sister Paula Thomas	Appointed 17.09.18	✓		✓			✓	
Wendy Wildman (Vice Chair)		✓		✓			✓	

- 1 - Education Committee
- 2 - Finance Committee
- 3 - Nominations Committee
- 4 - Premises Committee
- 5 - Compliance and Risk Committee
- 6 - Staff Committee
- 7 - Development and Marketing Committee

During the year, the activities of the Governors were conducted through seven committees. The membership of each committee as at the date of this report (or, in the case of Governors who have retired or resigned during the year, at that date) is shown above for each Governor.

Mr Stokes retired as Chairman after completing two terms of three years and as a Governor after 9 years. The Board thanks him and the other Governors who retired during the year for their service and commitment to LEH.

The Board carried out an extensive search for a new chairman, including engaging the services of a recruitment consultant. After shortlisting, three candidates (of which two were not Governors) were invited for interview by the selection panel comprising the Vice Chair and four other Governors. Mr King, who had been a Governor since 24 April 2018, was the unanimous choice of the panel to be the new Chairman.

OFFICERS

Heather Hanbury
Michael Berkowitch
Sarah Whitehouse

Head Mistress
Director of Finance and Operations
Company Secretary

AUDITORS

Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

BANKERS

Barclays Bank plc
6 Clarence Street
Kingston Upon Thames
KT1 1HD

ADDRESS AND REGISTERED OFFICE

The Lady Eleanor Holles School
Hanworth Road
Hampton
Middlesex
TW12 3HF
Website: www.lehs.org.uk

The Governors present their annual report for the year ended 31 August 2019 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the Companies Act 2006, together with the audited financial statements for the year.

DIRECTORS' REPORT

STATUS AND ADMINISTRATION

The Cripplegate Schools Foundation was created in 1711 from a number of charitable gifts made for educational purposes to the Parish of St Giles without Cripplegate, in the City of London. The largest of these gifts were made by Elizabeth Palmer and later by Lady Eleanor Holles under her will of 1708. In the latter part of the nineteenth century the Vestry of the Parish ran three schools in the City of London and nearby Hackney. Today there is just the one school in Hampton, Middlesex, which is run as an independent, fee-paying, day school for girls.

The Lady Eleanor Holles School was incorporated as a charitable company, limited by guarantee, on 6 April 2009, and registered in England under company number 6871042 and charity number 1130254 and is the corporate trustee of the Cripplegate Schools Foundation.

The Foundation was originally registered with the Charity Commission under charity number 312493. Under a Charity Commission Scheme made on 1 November 2009 all unendowed assets and liabilities of the Foundation were transferred to the School and the endowed Foundation itself became a branch charity of the School with a new charity registration number (1130254-1) which is administered and accounted for by the School as its sole trustee.

On 4 April 2016, the School formed a wholly owned subsidiary, The Lady Eleanor Holles School International Limited, which is incorporated and registered in England as a limited company under company number 10099390. Its principal activity is to pursue opportunities for opening British schools outside the UK.

Under the Memorandum and Articles of Association, the Governors are the members and Directors of the School. The Governors and Senior Staff are listed on Page 2.

The Foundation's Permanent Endowment comprises the School's original land and its original buildings. The School uses the income from its other investments for the benefit of the School in the provision of scholarships, exhibitions, bursaries and prizes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The School is governed by its Memorandum and Articles of Association which have not been amended since incorporation in 2009.

Board of Governors

The Board is self-appointing. The term of office is four years and Governors may serve for two terms or more by agreement.

Governors are elected on the basis of nominations from the Governors, as determined by the Nominations Committee.

Recruitment, Induction and Training of Governors

Governors are recruited from a wide variety of professions, thus enhancing the standard of debate and strategic judgement. The professional background of current Governors covers education, property, accountancy, human resources, banking, law and marketing. In terms of locality, the aim is to provide a balance of those who know the School and the local area as well as those who come from farther away but are able to provide a wider strategic view of the market in which the School operates.

Former pupils and parents of former pupils may serve as Governors provided they have the requisite experience and skills and further provided that former pupils and parents of former pupils do not, except in exceptional circumstances, constitute in the aggregate more than half of the Board. It is the Governors' policy not to recruit parents of current pupils.

New Governors are inducted into the workings of the School, including Board and School policies and procedures, and typically attend specialist external courses on the role and responsibilities of directors and charity trustees.

Governors attend external trustee training and information courses to keep them informed and updated on current issues in the sector and regulatory requirements. Governors are also encouraged to attend lessons at least once a year as well as a variety of other events during the year.

Organisational Management

The members of the Board, as the charity trustees, are legally responsible for the overall management and control of the School. The Board of Governors typically meets four times a year and also holds an annual strategy day.

The detailed work of the Governors is conducted by seven committees: Education, Staff, Finance, Premises, Nominations, Compliance & Risk and Development & Marketing.

- The Finance Committee scrutinises the School's annual budget as well as management accounts showing actual revenues, expenses and capital expenditures. It also reviews and finalises the audited financial statements and annual report for approval by the Board. The Committee is chaired by Robert Milburn.
- The Education Committee reviews the educational objectives of the School and the means that it uses to achieve such objectives. During 2018/19, the Committee was chaired by Alison Meyric Hughes and since 1 September 2019, the Committee has been chaired by Sister Paula Thomas.
- The Staff Committee reviews matters relating to the recruitment, management and welfare of staff. The Committee is chaired by Cathy Millis.
- The Premises Committee reviews matters related to the land and buildings occupied by the School, including capital projects and annual maintenance budgets. The Committee is chaired by David King.
- The Compliance and Risk Committee reviews the risks and compliance obligations faced by the School as well as the measures taken by the School to mitigate such risks and ensure compliance with applicable regulations. During 2018/19, the Committee was chaired by Neil Lewis and since 1 September 2019 the Committee has been chaired by Richard Price.
- The Nominations Committee reviews the composition of the Board of Governors and recommends candidates for approval by the full Board. During 2018/19, the Committee was chaired by Christopher Stokes and since 1 September 2019 the Committee has been chaired by David King.
- The Development and Marketing Committee reviews matters related to fundraising, marketing and alumnae relations. During 2018/19, the Committee was chaired by Sophie McCormick and since 1 September 2019 the Committee has been chaired by Martin George.

Due to the importance of safeguarding the welfare of pupils, the Governors have appointed two safeguarding leads, Wendy Wildman and Cathy Millis, who review closely the procedures followed by the School to comply with applicable safeguarding regulations. All Governors also receive regular safeguarding training to ensure they remain up to date in their understanding of the constantly evolving regulatory requirements.

Each committee meets at least once a term, with the exception of the Premises Committee and the Development and Marketing Committee, which meet twice a year. Specialist sub-committees are formed to deal with specific issues as they arise.

The day to day running of the School is delegated to the Head Mistress and Director of Finance and Operations, who in turn are supported by the Senior Management Team. Collectively, this group constitutes the key management personnel.

The School's remuneration policy is set by the Board, with the objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the School's success.

The appropriateness of the School's remuneration practices is reviewed regularly, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purposes is primarily dependent on its staff and staff costs are the largest single element of expenditures. For this reason, the School seeks to recruit high quality staff and aims for the School's remuneration and other employment conditions to be competitive with similar independent schools.

Charity Governance Code

With its trustees, the School has ensured that it is substantially compliant with the Charity Governance Code. The Code asks charities to "apply or explain" the provisions of the Code. The following are areas where the School has not applied the Code's provisions and why:

- The Charity's Articles allow a maximum of 18 trustees, a larger Board than the 12 recommended by the Code. The Company has a number of committees/working groups and a larger Board enables these groups to have sufficient membership to undertake their required functions properly.
- The Board last reviewed its performance in 2017/18, appointing an external company to gather responses to a questionnaire and report their findings to the Board. Performance of individual trustees is undertaken informally. The formalisation of individual trustee performance and external review of the Board every three years, as recommended in the Code, will be considered in future.
- Diversity is always considered in trustee recruitment. Formal targets for diversity of the Board have not previously been set and are under consideration.

JOINT VENTURES WITH HAMPTON SCHOOL

The School is situated adjacent to Hampton School, an independent boys day school. As a result of such proximity, the Governing Bodies of LEH and Hampton School have entered into two joint ventures.

Millennium Boathouse

The Millennium Boathouse is located on land leased from Thames Water and adjacent to the River Thames, approximately two miles from the location of the School. The land has been made available on a 125 year lease at a starting rent of £12,000 p.a. The two schools shared the capital cost of the project (£1,300,000) equally and each share is recorded as a tangible fixed asset in their respective books of account and depreciated in accordance with their accounting policies.

The administration of the facility is divided between the Bursar of Hampton School and the Director of Finance and Operations of LEH, with Hampton School having responsibility for the maintenance of the site and LEH having responsibility for all financial operations. For ease of administration, the complete revenue costs are initially recorded in the accounts of LEH and audited as part of the audit of LEH. A half-yearly reconciliation takes place between LEH and Hampton School to ensure that expenditure is evenly shared and recorded in the respective books of each school.

Pupilcoach Limited

Pupilcoach Limited is a joint trading company wholly owned by LEH and Hampton School. Pupilcoach Limited exists to provide a service to parents requiring help in getting their children to and from school.

Pupilcoach Limited carries over 1,000 pupils a day on 23 different routes. Those parents using the service pay for all costs, including overheads. The enterprise aims to break even over the course of the financial year and there is no subsidy from the two schools. Any profit or loss made by Pupilcoach Limited is shared equally by LEH and Hampton School, with profits being covenanted by way of gift aid.

Hampton School provides accommodation and administrative support for the staff of Pupilcoach Limited and LEH controls all financial operations. The Bursar of Hampton School and Director of Finance and Operations of LEH act as directors. The books of account are maintained and audited on a separate basis.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The purpose of the School, as set out in the Memorandum of Association, is to advance education for the public benefit at the School, educating pupils not older than nineteen years with a liberal and practical education in accordance with the doctrines of Christianity.

Aims and Intended Impact

LEH is one of the oldest and most distinguished girls' schools in the UK. Pupils successfully balance outstanding scholarship with impressive achievements in sport and exciting creativity in the arts and beyond. With superb facilities set in 24 acres, the School offers bright girls a well-rounded and challenging education in a happy, purposeful environment, preparing them well for higher education and their future lives.

The School educates approximately 900 girls aged seven to eighteen, with around 200 in the Junior School and 700 in the Senior School. Pupils come from a very wide catchment area, from as far north as Ealing, as far south as Cobham, as far east as Fulham and as far west as Ascot and from many different maintained and independent schools.

LEH's aim is to be a school full of opportunity, challenge and friendship; a place to take risks and become bold; a place to discover passions, talents and yourself; a place that nurtures remarkable young women.

The School encourages its pupils:

- to be exactly who they are, whatever their current interests or future aspirations.
- to benefit from the warmth, respect, and support of the entire School community as they stretch themselves to become their best, most confident selves, as students, and as citizens of the world.
- to have the freedom to experiment, express opinions, explore and take on new challenges.
- to be supported by strong role models and inspired by their peers.
- to find confidence and strength, and acquire and build the skills they need to succeed throughout their lives.

To promote the School's academic and extra-curricular activities, the Governors place a high priority on an ongoing programme of maintenance and capital expenditures designed to offer pupils and staff first class facilities while scrutinising proposed expenditures to ensure that the School obtains value for money. Such scrutiny is provided in the budgeting process and throughout the academic year through the involvement of the Premises Committee, Finance Committee and various working groups formed in connection with major construction projects. The Governors recognise the importance of recruiting, retaining and developing high quality staff in order to achieve the School's academic and extra-curricular objectives. Accordingly, the Governors monitor the School's human resources policies, compensation strategy, staff welfare, and training initiatives.

LEH's wholly-owned subsidiary, The Lady Eleanor Holles School International Limited, was formed as a vehicle through which to conduct the School's overseas activities. As described in further detail in the Strategic Report, the School expects to open one or more schools in China over the next several years. The School believes that such activities will generate revenue at minimal cost and that the net profit from such activities will help support the School to pursue its charitable objects in the UK. The cost of establishing such overseas schools, together with the responsibility for operating them, will be borne by third party organisations selected by the School.

STRATEGIC REPORT

Objectives and Strategies for the Year

During the year covered by this report, the main objectives have been to continue implementing the appropriate aspects of the School's existing five year strategic plan while beginning to develop a strategic plan for the next five years (2020-25).

Following a wide scoping curriculum review involving extensive consultation with teachers, the School completed in 2018/19 a series of changes to the structure of the school day, the subjects to be taught in each key stage and the ways that the School could best meet pupils' pastoral needs both within and outside of the academic curriculum. Such changes were complemented by a number of initiatives designed to increase the intellectual challenge, resilience and independence of thought of our pupils. Some of these initiatives were undertaken jointly with Hampton School, reflecting the desire of both schools to develop further the links between the two schools where appropriate and mutually beneficial.

As the School and Governors begin to develop the School's strategy plan for the next five years, they are mindful of the political and financial challenges which lie ahead for the School and other independent schools. Accordingly, the School has begun to consider how best to ensure its ability to meet its strategic objectives while retaining the financial flexibility to adapt to a changing operating environment. This work will continue in 2019/20.

The School has continued to work with Trumpftech, a leading provider of educational services in China and Hong Kong, to prepare to open a school in Foshan, China ("LEH Foshan"). The primary focus during the 2018/19 academic year was to progress the construction of the school and to recruit the senior management team, the initial group of teachers and an administrative team. Collectively, the staff and Headmaster of LEH Foshan worked to prepare the operating plan for the school.

During the course of the year the Head Mistress has made regular reports to the Board of Governors, either directly or via its committees, on these and other topics. She has held regular meetings with the Chairman of Governors and consulted widely with other Governors at appropriate times.

All School policies were reviewed by the Governors during the course of the year.

Public Benefit

The School actively supports the attainment of the highest educational standards, partly by networking with other schools (independent and maintained) and partly by peer group studies to evaluate quality and performance improvement methods. We also co-operate with many local charities in our on-going endeavours to widen public access to quality education, to optimise the educational use of our cultural and sporting facilities and to develop our pupils' social awareness of the wider community in which the School operates.

In the furtherance of these aims the Governors, as the charity Trustees, have carefully considered and complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when considering the School's objectives and activities.

Bursaries and Scholarships

The School is committed to providing financial assistance to families whose daughters meet the School's entrance criteria but who are of limited financial means. The principal form of such assistance is through the award of bursaries, which range from 50% to 100% of fees. The provision of bursaries is widely advertised and, where available bursary funds are less than the demand from academically qualified applicants, awards are made on the basis of the applicant's performance in the entrance examination. Each award is subject to annual financial assessment.

During 2017/18, the Governors and management completed a review of the School's bursary policy as part of their continuing desire to widen access to the School. Against the background of ever higher tuition fees, the Governors decided to increase the School's awards of bursaries and other forms of means-based financial assistance, primarily by increasing the family income ceiling beneath which applicants typically qualify for financial assistance from approximately £65,000 per year to £90,000 per year. This policy change has contributed significantly to increasing bursary expenditure in 2018/19 by approximately 39% compared with 2017/18.

To help achieve the School's goal of increasing the level of financial assistance provided to parents, the School has devoted a much greater level of effort to fundraising campaigns (see "*Fundraising*" below), the primary focus of which is to increase donations to the School's bursary fund. The School is very pleased that such efforts have begun to bear fruit, with significant donations to the bursary fund in the last two years. Of the £320,000 increase in bursary expenditure in 2018/19, £120,000 was made possible by bursary donations.

The School also provides financial hardship assistance in certain circumstances when parents (or the fee payer) of girls already in the School suffer unexpected financial hardship. Each case is assessed on an individual basis and the form of assistance is determined according to specific circumstances.

In addition to the means-tested forms of financial assistance described above, the School also awards academic, music, drama, art and sports scholarships to exceptional candidates who are assessed on the basis of written examinations, interview and/or audition. Such scholarships are generally worth no more than 10% of fees and are not means tested. Staff whose daughters attend the School are also entitled to a remission on school fees based on a percentage which varies depending on the year in which they were employed by the School.

In 2018/19, 171 pupils (18% of the total number at the School) received bursaries, hardship assistance, scholarships or staff fee remissions having a value of £1,520,000 (8.4% of gross fee income). Of these, 58 received financial support through bursaries, of which 42 were full bursaries.

Community Activities

Through its Public Benefit activities, the School endeavours to foster the aims of its founder by engaging with local, national and international bodies, fostering strong relations with the local community and encouraging its pupils to contribute positively, willingly and with altruism, for the greater good.

The School's mission statement for its community activities, by which all of our current and future Public Benefit and Community activities should be judged, is as follows:

- Acknowledge that by attending LEH, pupils receive an outstanding education, which brings with it responsibility to society;
- Inculcate a culture of participation in the service of the community, locally, nationally and internationally;
- Raise pupils' awareness of issues which challenge their perceptions of others;
- Provide opportunities for pupils to engage in activities with members of the local community, in particular school children and the elderly;
- Provide a stimulating extra-curricular programme which embraces engagement with national and international bodies;
- Engage the whole school in charitable giving;
- Facilitate the use of the school buildings by groups and schools in the local area;
- Develop educational partnerships with local cluster schools.

Active Service by Staff

Members of staff are involved in, lead and often accompany pupils who participate in a variety of outreach work.

Individual members of staff served in a variety of capacities for the benefit of the public during the year, including leading local choral, dramatic and sporting groups as well as organising events for the benefit of others. For example, the School Librarian coordinated three schools in Hampton (Hampton School, Hampton High and LEH) for the Kingston Borough Literary Quiz for the Schools Library Service. She also coordinated a Carnegie Shadowing Group which is composed of the same three schools. A member of the School's senior management team also served, at the request of the School, as a governor of the Reach Academy in Feltham (see below).

Members of the PE Department coach and select for national teams and facilitate Borough-wide sporting competition. For example, they organised and hosted the Borough Swimming Gala and Trampolining competition and assisted in the organisation of Borough athletics, cross country and rowing.

Two members of the School's staff assisted with the organisation and delivery of the Hampton School CCF. Our Outward Bound Coordinator continued to be Head of the Army section under command of the Contingent Commander at Hampton School and one of our physics teachers also assisted with the organisation of the RAF contingent.

Links with Local Maintained Schools

The School continues as an active member of the Hampton Independent and State Schools' Partnership, a group of seven secondary schools (of which five are maintained schools) within the Richmond Borough, with the aims of raising standards, encouraging cooperation and collaboration, and promoting social cohesion. During the year, the School hosted a Languages day, a Drama day and ran a Model United Nations Conference for partnership schools. Various academic lectures were also attended by pupils from our partnership schools. In addition, pupils from six local state schools came together with pupils from LEH for a day of music-making to work on a range of musical pieces. The day culminated in a rousing concert which included a series of ensemble, orchestral and choral performances.

A series of evening parent talks on a variety of PSHE (Personal, Social and Health Education) topics, organised and hosted by LEH, were advertised to partnership schools and very well attended by parents from the schools.

During the year, LEH arranged a visit from globally renowned violinist, Nicola Benedetti. She coached a vast string orchestra which included pupils from nine local state schools and hosted a masterclass for all the string soloists.

We also provided the opportunity for pupils from our local state schools to take their Associated Board Music Exams at LEH so that they could avoid travelling long distances to an examination centre.

Forty six Year 5 children from eleven local state primary schools attended our SHINE Serious Fun on Saturdays programme which runs from November to March. The programme is run by LEH staff and pupil volunteers and is designed to inculcate a love of learning, raise confidence and improve literacy.

Over thirty pupils volunteered at local state primary schools and at Marjory Kinnon School, where they worked with children with specific needs and learning disabilities. Our Year 7 pupils also raised funds to buy presents for pupils at Marjory Kinnon School.

In a new initiative sixth form pupils travelled each week to Twickenham School to give small groups of Year 11 pupils targeted help in science.

Members of the Service Volunteers group raised funds to accompany children with special needs from two schools on trips to Legoland and Hobbledown Farm.

The Careers Department invited six neighbouring state schools to attend our annual Higher Education Fair. It also hosted the Business Game, which was attended by three neighbouring state schools.

The School's Composer in Residence gave his services for free in accompanying the House Singing Competition at Hampton Hill Junior School and our Director of Music judged the competition, further cementing links between the two schools.

At the request of the School, its Deputy Head became the LEH Governor on the Local Governing Board of Reach Academy, Feltham. In this role, she provided advice on academic standards and was paired with another Governor to carry out a day of learning walks to assess the efficacy of the academic strand of the School Development Plan. In return, LEH hosted the two Reach Assistant Heads for Teaching & Learning for a day which included opportunities to discuss various aspects of LEH's curriculum and staff provision. This was furthered by two members of Reach staff joining us at Guy Claxton's presentation on the Learning Power Approach and the ensuing discussion on our April INSET day. LEH invited Reach's first female Oxbridge candidates to take part in our preparation and support sessions and some subjects, such as Physics, included Reach in their enrichment activities beyond the classroom.

This year our Mathematics department hosted an inaugural Mathematics Outreach Day for four local state primary schools. Sixty-eight pupils spent the day completing team mathematics challenges in mixed groups.

Links with Other Organisations

In addition to the above, the School raises awareness of a number of issues through links with other organisations. The School's Amnesty group raised money by hosting a very successful Secret Policeman's Ball.

There are strong links with a number of residential homes and the School welcomed nearly 250 local elderly residents to our two tea parties. Members of our sixth form also worked with the local Rotary Club to help with money collections in the run up to Christmas.

Charity Fundraising

Charity fundraising involves the whole School community in raising money and awareness for good causes. The School elects a charity for the year, which becomes the major focus of charitable giving; charities alternate between an overseas charity and a UK based charity. This focus does not preclude other charitable giving, and each year there are a number of smaller charities which benefit from the School's fundraising efforts. Full details of recent fundraising events are displayed on the School's website (www.lehs.org.uk). In 2018/19 over £7,000 was raised for the charity Warchild, which is dedicated to improving the lives of children affected by war throughout the world. A sizeable donation of tinned food was presented to the Stanwell Food Bank.

Cultural Contribution and Sporting Facilities

The LEH Drama department provided support to Hampton High in the form of technical expertise, together with staging and props for their shows. Free tickets were also offered to Hampton High for school and academic productions and their students took part in specialist workshops offered by LEH.

Another new initiative was 'Write the Girl'. This is a collaboration with a neighbouring state school which seeks to develop a new commissioning process with the aim of creating new material for young women. Pupils from the neighbouring state school were involved in 'Write the Girl' workshops and the first play from this initiative was commissioned and will be performed in the coming year.

In addition, pupils from LEH created a musical production of Snow White which toured local primary schools over four lunchtimes during the summer term and the LEH theatre was let free of charge to a local charity for a charity fundraising concert.

The School gave free use of its sports facilities to a local state school and to the Scouts and Sea Cadets. The swimming pool was leased at a reduced rate to a range of local swimming clubs and three local state schools were given free weekly access to the pool. Other sports facilities were used by netball clubs, lacrosse squads, gymnastics associations, etc. We regularly hosted rounds of National Netball competitions, and regional tournaments for lacrosse, netball and gymnastics.

The Charity 'Crisis at Christmas' used the whole of the School's vehicle fleet over the Christmas and New Year period.

The Environment

The School recycles food waste and cardboard from the dining halls. During the year in review, the student led EcoSquad proactively worked towards reducing the use of plastic and paper in school and pupils engaged in the Duke of Edinburgh Award Scheme volunteered at local charity shops, libraries and the Richmond Talking Newspaper.

Future Developments and Plans

As noted in *Objectives and Strategies for the Year*, the School maintains a five year strategic plan which is reviewed annually. This plan identifies a range of medium term objectives and strategies for achieving such objectives. As part of this plan, the School is considering possible further development of the School's facilities and curriculum to ensure that they continue to meet the needs of pupils and staff. As previously noted, the Governors and senior management are in the process of finalising the School's strategy for the next five years (2020-25).

The School and Hampton School meet regularly to identify opportunities of working collaboratively to maximise the benefits to both schools. Building on a long history of producing joint musical and drama productions as well as organising a wide range of career advisory programmes together and operating a joint school coach service, the two schools now offer combined curriculum enrichment activities for sixth form students of each school. We expect such collaborative opportunities to continue to increase over the next several years.

REVIEW OF ACHIEVEMENTS AND ACADEMIC PERFORMANCE FOR THE YEAR

During the academic year under review, LEH had an average of 927 pupils of whom 191 were in the Junior School and 736 were in the Senior School. Demand for places at the School remains strong, both in terms of numbers and the quality of the applicants. There is every expectation that this situation will continue in the future.

The Governors wish to congratulate the public examination candidates on their outstanding results at both GCSE and A level.

At A level, 77% of exams were at A* or A Grade and 91% in the A/B range. Most girls go on to very highly regarded universities in the UK. At GCSE level, 91% of exams achieved grades 9,8 or 7 (equivalent to A*/A).

Whilst naturally proud of the School's premier status in national league tables, of greater note is that all the girls made the very best use of their time at the School and benefited greatly from the quality of the teaching and the resources offered.

Whilst academic excellence is at the core of the School's work, equal priority is given to the development of the girl as an individual, and to providing opportunities in sport, music, drama and a large range of extra-curricular activities. As ever, the School provided a range of trips and visits both in the UK and overseas.

One of the great assets of the School is its superb facilities and ample grounds. Whilst it is not possible to list all achievements, the School is proud of those girls who have achieved national and international recognition in rowing, lacrosse, gymnastics and swimming. A significant number of girls represent their County teams, and we are delighted that such a large percentage of the pupils continue to represent the School at all levels. As a leading UK girls school in both rowing and lacrosse, it is pleasing to see the number of girls involved in these sports and the level of dedication and excellence that is achieved.

Music and drama continue to thrive at the School, playing a central role in the life of pupils at LEH. The Music Department again staged a significant number of concerts throughout the year, providing both formal and informal opportunities for pupils of all ages and abilities to perform. The ensembles in the School continue to perform to the highest standards.

Members of staff continue to provide outstanding opportunities for pupils to extend their love of learning through a wide variety of events, including those targeted at gifted pupils. These included events organised with other schools in science, drama and public speaking.

Opportunities for pupils to explore and develop cultural and academic connections with other countries continued to be offered with overseas trips, including language study, pupil exchanges and a geography study.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The School achieved a consolidated investment surplus (net income from operations plus depreciation) of £1,902,000 for the financial year ended 31 August 2019 (2018: £2,817,000). The consolidated investment surplus for the year ended 31 August 2019 includes LEH's net loss of £58,000 (2018: £60,000).

The level of consolidated investment surplus for the year ended 31 August 2019 represented 10.5% of gross fees (2018: 16.5%). Notwithstanding the reduction in investment surplus for the year in review, the Governors consider the surplus appropriate to enable the School to finance its ongoing capital expenditures as well as meet its debt service requirements related to its long term loan facilities. Over the past 10 years in particular, the School has spent considerable sums to expand and improve its facilities. To spread over a prolonged period the impact of such expenditure on the School's cash flow, the School borrowed a portion of such expenditures. Such debt facilities are repayable over a 10 year period from 2016.

The Governors are mindful of the recent significant increase in the required contributions by schools, including independent schools, to the Teachers' Pension Scheme and of proposals made by various political parties regarding the future taxation of independent schools. Such changes are likely to result in lower investment surpluses for the foreseeable future than those of recent years. With this in mind, the School is reviewing carefully its cost base to identify possible opportunities of reducing expenditure without materially impacting teaching and learning.

Investment Powers and Policy

The Trustees' investment powers are governed by the constitutional documents, which permit the School's funds to be invested in any security listed on the London Stock Exchange.

Pursuant to the School's investment policy, the School investments are managed in accordance with the following principles:

- To optimise long term investment returns, long term investments are to be invested in low cost passively managed equity funds whose performance tracks the overall UK equity market;
- To avoid risks of short term capital losses, funds intended to be used over the short to medium term are to be invested in short term deposits with Barclays Bank or other similarly rated UK banks.

Reserves Policy

The School's reserve policy is to maintain sufficient available unrestricted reserves to meet the School's short term liabilities in the event of unexpected costs or a revenue shortfall. The Governors regularly review the reserves policy in light of the macro-economic and political environment in which the School operates. Despite the cost pressures facing independent schools nationally, the Governors believe that the School remains in good financial health with largely predictable and strong income. The School also maintains short term credit facilities that are available in the event of an unexpected cash flow shortfall. Accordingly, the Governors believe that the School's reserve policy is appropriate and that unrestricted reserves as well as external financing facilities provide adequate financial liquidity.

Note 15 to the accounts shows the assets and liabilities attributable to the various funds by type.

At the Balance Sheet date, the Group held total funds of £21,834,000 which consisted of unrestricted funds totalling £16,320,000, endowed funds of £4,444,000 and restricted funds of £1,069,000. Most of the Group's unrestricted reserves are invested in fixed assets. Free reserves at the Balance Sheet Date were £888,000 (2018: £1,249,000).

Pension Liability

As indicated in Note 17 to the accounts, the School had a liability at the balance sheet date of £1,078,000 (2018 £1,245,000) related to the Cripplegate Foundation Pension and Assurance Scheme, a defined benefit pension scheme that was closed to future accrual in 2006. This liability reflects the present value of expected future contributions by the School to the Scheme until the Scheme's liabilities have been fully met. Because the Scheme's liabilities will be paid over a period of decades, the School expects that it will be able to meet its required contributions as they fall due.

Fundraising

Fundraising is only carried out by LEH staff and fundraising activities are not outsourced to professional fundraisers or commercial participators. The charity is registered with the Fundraising Regulator and is committed to adhering to the Code of Fundraising Practice. No complaints have been received about the fundraising carried out by the charity. The charity has signed up to receiving suppressions under the Fundraising Preference Service. All of our fundraising and customer service staff follow best-practice guidelines for dealing with vulnerable people.

Economic Impact

Oxford Economics, a leader of global forecasting and quantitative analysis with a worldwide client base of 1500 international companies, governments and universities, published in 2018 a report in conjunction with The Independent Schools Council that considered the economic contribution that independent schools make to the UK economy and to the local communities in which they operate. The report concluded that independent schools contribute over £13 billion to the UK economy and more than £4 billion in tax revenues through their employment of staff as well as purchase of goods and services. Using an econometric model developed by Oxford Economics and the ISC that enables individual schools to assess their own impact, the School estimates that it contributes a total of approximately £28.6m to UK GDP, of which over £15m is contributed to the local economy surrounding the School. LEH's activities support the employment of over 290 people and generate more than £6.7m of tax revenue.

RISK MANAGEMENT

The Governors are responsible for the strategic oversight of the risks faced by the School. Risks are identified and categorised under the following broad headings:

- Finance
- Operational
- Governance
- External
- Serious incident and/or loss of reputation

The risk level is calculated and controls are recorded that either lower the impact of a risk and/or reduce the likelihood of a risk materialising. Detailed consideration of risk is delegated to the Compliance and Risk Committee which reviews the Risk Register (including controls in place) once a term. A formal review of the Risk Register and the Risk Management Policy (setting out the detailed processes in place) is undertaken by all Governors annually.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated insofar as possible. It is recognised that the systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The principal risks identified by the Governors at the present time are as follows:

1. The introduction of new legislation/regulation imposing obligations on schools in general, or just independent schools, with financial and operational implications (e.g. imposition of VAT, a further increase in employer contributions to the Teachers' Pension Scheme (TPS) and/or removal of business rates relief). The School closely monitors and comments on proposed legislation or regulatory initiatives by working with, and providing input to, the Independent Schools Council and other industry associations. In addition, the School considers the potential impact of possible new legislation in the School's medium to

long term financial planning and stress tests its financial forecasts to reflect different possible legislative scenarios.

2. The affordability to parents of fees (a risk faced by independent schools across the country) and the potential effect it could have on pupil numbers or quality in the medium to longer term. Although the School receives many more high quality applications than available places, the Governors are cognisant of the financial pressures faced by many of the School's parents in paying school fees and of the increased competition from the maintained sector. As a consequence, the School continues to explore actively ways of generating a higher level of non-fee income, including the opening of schools outside the UK (see "*Objectives and Strategies for the Year*") and donations.
3. Any element of the full suite of policies and procedures in place not being adhered to and resulting in a serious accident or incident (which could in turn mean reputational damage for the School). To mitigate this risk, the School's senior management and Governors undertake annual reviews of relevant policies. Staff are also provided training and updates throughout the year. The Compliance and Risk Committee monitors implementation of school policies during its regular meetings.
4. Difficulty in recruiting teachers in some subjects. To mitigate this risk, the School has introduced a programme to train non-qualified candidates straight from university or older graduates seeking a career change and who otherwise meet the School's employment standards.
5. A loss of data, in particular paper records, which cannot be replicated. To mitigate this risk, the School backs up electronic data nightly and is increasingly moving from paper to electronic records.

The principal risks of the School's subsidiary (LEHI) and joint venture with Hampton School (Pupilcoach) are primarily financial and reputational, although the activities of LEHI and Pupilcoach are more limited and focused than those of running the School. Such risks are also monitored by the Board of Governors through its committees and working groups. The risks associated with Pupilcoach's activities are also monitored through close consultation between the senior management of both the School and Hampton School.

STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES

The Governors (who are also directors of the School for the purposes of company law) are responsible for preparing the Strategic Report, the Governors' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

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

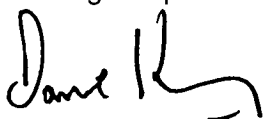
DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as each of the Governors of the School at the date of approval of this report is aware, there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each Governor has taken all of the steps that he/she should have taken as a Governor in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

Crowe U.K. LLP has expressed its willingness to continue as auditor for the next financial year.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governors of the School on 29 January 2020, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:

A handwritten signature in black ink, appearing to read 'David King', with a stylized flourish at the end.

David King
Chairman

Independent Auditor's Report to the Members of The Lady Eleanor Holles School

Opinion

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

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the 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 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 the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' 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 strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent 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 trustees' responsibilities statement 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 or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative 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 located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.



Tina Allison

Senior Statutory Auditor

For and on behalf of

Crowe U.K. LLP

Statutory Auditor

London

4 February 2020

THE LADY ELEANOR HOLLES SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 AUGUST 2019

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2018/19 £	Total 2017/18 £ Note 18
Income and endowments from :						
School fees	2	16,668,831	-	-	16,668,831	15,881,775
Other income	5	2,648,030	-	-	2,648,030	2,326,919
Other trading activities						
Millennium Boat House		67,477	-	-	67,477	68,544
Investments						
Investment income	4	84,400	9,053	-	93,453	88,658
Bank and other interest	4	37,299	-	-	37,299	12,511
Voluntary sources						
Donations		30,545	301,323	-	331,868	439,047
Total income		19,536,582	310,376	-	19,846,958	18,817,454
Expenditure on:						
Activities of subsidiaries		58,311	-	-	58,311	59,520
Raising funds & development		12,049	-	-	12,049	22,185
Cost of finance	8	394,697	-	-	394,697	352,942
Charitable activities						
Education & grant making		18,486,126	144,642	-	18,630,768	16,553,057
Total expenditure	6	18,951,183	144,642	-	19,095,825	16,987,704
Net income from operations before transfers and investment gains		585,399	165,734	-	751,133	1,829,750
(Losses) / gains on investments	10	(80,175)	(7,815)	-	(87,990)	39,081
Gain in joint venture	3	-	-	-	-	21,642
Net income and capital inflow		505,224	157,919	-	663,143	1,890,473
Balances brought forward		15,815,604	911,264	4,444,335	21,171,203	19,280,730
Balances carried forward		16,320,828	1,069,183	4,444,335	21,834,346	21,171,203

The notes on pages 23 to 41 form part of these financial statements

THE LADY ELEANOR HOLLES SCHOOL
CONSOLIDATED AND SCHOOL BALANCE SHEETS
YEAR ENDED 31 AUGUST 2019

	Notes	2019 £ Group	2018 £ Group	2019 £ School	2018 £ School
FIXED ASSETS					
Intangible assets	9	-	2,504	-	2,504
Tangible assets	9	32,664,512	32,681,734	32,664,512	32,681,734
Investments	10	2,329,238	2,417,227	2,329,239	2,417,228
		34,993,750	35,101,465	34,993,751	35,101,466
CURRENT ASSETS					
Stock		18,233	27,698	18,233	27,698
Debtors	11	655,686	584,153	777,529	646,140
Cash at bank and in hand		5,977,947	5,941,624	5,966,645	5,919,568
		6,651,866	6,553,475	6,762,407	6,593,406
CREDITORS: falling due within one year	12	(6,523,110)	(6,033,766)	(6,515,821)	(6,014,178)
NET CURRENT ASSETS		128,756	519,709	246,586	579,228
TOTAL ASSETS LESS CURRENT LIABILITIES		35,122,506	35,621,174	35,240,337	35,680,694
CREDITORS: falling due after one year					
Creditors payable after one year	13	(12,210,492)	(13,204,955)	(12,210,492)	(13,204,955)
Pension scheme funding deficit	17	(1,077,668)	(1,245,016)	(1,077,668)	(1,245,016)
TOTAL NET ASSETS		21,834,346	21,171,203	21,952,177	21,230,723
FUNDS					
Endowment funds					
- Permanent	15	4,444,335	4,444,335	4,444,335	4,444,335
Restricted funds	15	1,069,183	911,264	1,069,183	911,264
Unrestricted funds	15				
- Corporate reserves		14,243,838	13,658,436	14,361,669	13,717,956
- Other funds		2,076,990	2,157,168	2,076,990	2,157,168
		16,320,828	15,815,604	16,438,659	15,875,124
		21,834,346	21,171,203	21,952,177	21,230,723

No separate SOFA has been presented for the School alone, as permitted by Section 408 of the Companies Act 2006. The net income of the School was £721,455 (2018; £1,949,993).

Approved by the Governors and authorised for issue on 29 January 2020
and signed on their behalf by


David King (Chairman)

The notes on pages 23 to 41 form part of these financial statements

**THE LADY ELEANOR HOLLES SCHOOL
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 AUGUST 2019**

	<u>2019</u> <u>£</u>	<u>2018</u> <u>£</u>
Cashflows from operating activities:		
Net cash provided by operating activities (i)	2,092,115	2,737,067
Cash flows from investing activities		
Purchase of tangible fixed assets	(1,322,352)	(2,693,026)
Proceeds from sale of tangible fixed assets	19,138	6,100
Purchase of investments	-	(28,027)
Writeback of investment	-	(3,615)
Proceeds from sale of investments	-	12,948
Investment income	130,752	101,169
Net cash used in investing activities	(1,172,462)	(2,604,451)
Cash flows from financing activities		
Net loans (repaid) / drawn down	(883,330)	239,394
Net cash used in financing activities	(883,330)	239,394
Change in cash and cash equivalents in the reporting period:		
Increase in cash in the period	36,323	372,010
Cash and cash equivalents at the beginning of the reporting period	5,941,624	5,569,614
Cash and cash equivalents at the end of the reporting period	5,977,947	5,941,624

The notes on pages 23 to 41 form part of these financial statements

**THE LADY ELEANOR HOLLES SCHOOL
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 AUGUST 2019**

	<u>2019</u>	<u>2018</u>
	<u>£</u>	<u>£</u>
(i) Reconciliation of net income to net cash flow from operating activities		
Net income for the reporting period	663,143	1,890,473
Adjustments for:		
Investment income	(130,752)	(101,169)
Non-cash pension related expense/(income)	37,000	(20,000)
Cripplegate pension deficit contributions	(204,348)	(202,863)
Unrealised loss/(gain) on investments	87,990	(36,918)
Realised gain on investments	-	(2,161)
Depreciation charge	1,151,077	987,064
Fixed asset impairment	191,000	-
Profit on sale of fixed assets	(19,138)	(6,100)
Decrease/(increase) in stock	9,465	(11,698)
(Increase)/decrease in debtors	(71,533)	118,155
Increase in creditors	378,211	122,284
Net cash flow from operations	2,092,115	2,737,067

The notes on pages 23 to 41 form part of these financial statements

**THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019**

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared by The Lady Eleanor Holles School ("LEH" or the "School") in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

These financial statements are prepared under the historical cost convention, as modified by the revaluation of investments.

After making enquiries, the Governors have reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities on page 14.

These financial statements present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and School balance sheets comprising the consolidation of the School with its wholly owned subsidiary, The Lady Eleanor Holles School International Limited (LEHI), and the School's 50% share ownership of Pupilcoach Limited. In accordance with the requirements of Financial Reporting Standard 102, Pupilcoach Limited has been accounted for as a joint venture. Pupilcoach's results and net assets position are set out in note 3.

The School has taken advantage of the exemption, available to a qualifying entity under FRS 102, from the requirement to present a school only cash flow statement with the consolidated financial statements.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 6 April 2009 (company number: 6871042) and registered as a charity (charity number 1130254).

LEHI was incorporated in England as a limited company on 4 April 2016 (company number: 10099390).

Critical accounting judgments and key sources of estimation uncertainty

In the application of the accounting policies, Governors are required to make judgments, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

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

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

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019

b) Fixed assets

Tangible fixed assets excluding land are depreciated in equal annual instalments over their estimated useful lives, which are as follows:

Buildings	50 years
Boiler plant	20 years
Tractor	15 years
Other plant and equipment	10 years
Portakabins	5 years
Rowing equipment	5 years
Security system	5 years
Motor Vehicles	4 years
IT Equipment	3 years

Intangible fixed assets are amortised in equal annual instalments over their expected useful lives, which are as follows:

Software	3 years
----------	---------

Fixed asset additions are capitalised where appropriate and depreciated in accordance with the above policy for individual items in excess of £5,000. All assets are stated at cost, net of accumulated depreciation.

c) Investments

Investments are revalued as at the balance sheet date and the surplus or deficit of this revaluation is shown as unrealised gains or losses on the face of the Statement of Financial Activities. Realised gains and losses represent the difference between the sale proceeds and the opening market value of an investment or cost if purchased during the year. Investments in subsidiaries are valued at cost less provision for impairment.

Investment income is included in the Statement of Financial Activities on an accruals basis and credited to the fund to which it relates.

d) Fees

Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School but include contributions received from Restricted Funds for Scholarships, Bursaries and other grants. Fees received in advance of education to be provided in future years under an Advance Fee Payments Scheme contract are held as interest-bearing liabilities until either taken to income in the term when used or else refunded. Fees received in advance are treated as deferred income.

e) Deposits

Deposits are included as a liability until refunded or, on ceasing to be refundable, are credited to income. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the School, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and balance of the deposits held is thus included within current liabilities.

f) Donations

Donations receivable for the general purpose of the School are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are binding on Governors. Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019

g) Expenditure

Expenditure is charged to the Statement of Financial Activities as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned to categories based on the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expense to which it relates. Governance costs comprise the costs of running the charity, including strategic planning for its future development, also external audit, any legal advice for the Governors and all the costs of complying with constitutional and statutory requirements.

h) Leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

i) Pension Costs

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme actuary and advised to the Board by the Scheme Administrator. Until the date of closure on 31 August 2006, the School also participated in the Cripplegate Foundation Pension and Assurance Scheme for non-teaching staff. Both schemes are multi-employer pension schemes and it is not possible to identify the assets and liabilities of each scheme that are attributable to the School. In accordance with FRS 102 the Schemes are accounted for as defined contribution schemes. With effect from 1 September 2006 the School is contributing to individual stakeholder pension schemes for non-teaching staff at a rate which depends on the contributions made by employees but which is approximately 10% of annual pay on average.

j) Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost or, in the case of investments, at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors (excluding prepayments). A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except deferred income, social security and other taxes and provisions.

k) Joint Venture

The School accounts for its 50% interest in Pupilcoach, the School's joint venture with Hampton School, pursuant to the equity method. Accordingly, 50% of the profit or loss of the Joint Venture is included in the consolidated statement of financial activities. An asset is held in the consolidated balance sheet, equal to the School's investment in Pupilcoach.

**THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019**

2 Charitable Activities - Fees Receivable

(a) The School's fee income comprised:	2019 £	2018 £
Gross fees	18,069,162	17,065,258
Less: Bursaries, scholarships & staff remissions	<u>(1,520,366)</u>	<u>(1,186,025)</u>
	16,548,796	15,879,233
Add Bursaries & scholarships funded by restricted funds	120,035	2,542
	<u>16,668,831</u>	<u>15,881,775</u>
 (b) Staff remissions & scholarships	 388,635	 371,696
School bursaries paid by general funds	1,011,696	811,787
School bursaries & scholarships paid by restricted funds	120,035	2,542
	<u>1,520,366</u>	<u>1,186,025</u>

Scholarships, bursaries and other awards were provided to 171 pupils (2018: 174). Within this, means-tested awards totalling £1,131,732 were provided to 58 pupils (2018: £814,329 to 47 pupils).

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019

3. JOINT VENTURE WITH HAMPTON SCHOOL

The School owns 50% of the issued share capital of Pupilcoach Limited, which provides a coach service for pupils attending the School and Hampton School. The remaining 50% of the share capital is owned by Hampton School, which is also a registered charity. The figures below reflect only the School's 50% share.

	2019	2018
	£	£
Turnover	705,796	658,106
Cost of sales	(653,545)	(600,012)
	<hr/>	<hr/>
Gross profit	52,251	58,093
Administrative expenses	(23,540)	(22,823)
	<hr/>	<hr/>
Profit before donation	28,711	35,271
Donations to School	(28,711)	(13,629)
	<hr/>	<hr/>
Profit after donation	-	21,642
	<hr/>	<hr/>
	2019	2018
	£	£
Current assets		
Debtors	2,709	5,001
Cash at bank and in hand	51,168	38,814
	<hr/>	<hr/>
	53,877	43,815
Current liabilities	(22,235)	(12,173)
	<hr/>	<hr/>
Net assets	31,642	31,642
	<hr/>	<hr/>
Capital and reserves:		
Called up share capital	31,642	31,642
Profit and loss account	-	-
	<hr/>	<hr/>
	31,642	31,642
	<hr/>	<hr/>

The joint venture donates its accumulated taxable profits (after offsetting losses incurred in prior years) in equal shares to the School and Hampton School under the Gift Aid scheme.

**THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019**

4. INVESTMENT INCOME

	2019 £	2018 £
Dividends from UK investment portfolio	93,454	88,658
Bank interest	37,299	12,511
	<u>130,753</u>	<u>101,169</u>

5. OTHER INCOME

	2019 £	2018 £
Charitable activities		
Other educational income	685,835	591,980
Registration fees	62,875	55,510
Rental income	76,402	61,411
Ancillary income	1,822,918	1,618,018
	<u>2,648,030</u>	<u>2,326,919</u>

Other educational income relates principally to income from trips and activities.

Ancillary income relates principally to income from extra curricular activities and catering.

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
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6. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs Note 7	Other costs	Depreciation and impairment	2019	2018
	£	£	£	£	£
Activities of subsidiaries	-	58,311	-	58,311	59,520
Cost of raising funds & development	-	12,049	-	12,049	22,185
Cost of finance	-	394,697	-	394,697	352,942
	-	465,057	-	465,057	434,647
Charitable activities					
Teaching	9,090,549	1,141,214	-	10,231,763	9,358,250
Other educational expenditure	-	673,877	-	673,877	594,725
Welfare	-	831,648	-	831,648	769,340
Premises and estates	951,656	1,677,474	1,342,077	3,971,207	3,153,105
Millennium Boathouse	-	134,953	-	134,953	137,090
Support costs*	1,573,240	1,142,990	-	2,716,230	2,486,747
Governance costs+	16,329	54,761	-	71,090	53,800
	<u>11,631,774</u>	<u>5,656,917</u>	<u>1,342,077</u>	<u>18,630,768</u>	<u>16,553,057</u>
	<u>11,631,774</u>	<u>6,121,974</u>	<u>1,342,077</u>	<u>19,095,825</u>	<u>16,987,704</u>

	2019 £	2018 £
Governance costs include:		
Statutory audit fee	19,240	18,720
Statutory audit fee for subsidiary and joint venture	4,680	4,560
	<u>23,920</u>	<u>23,280</u>

* Support costs comprise administrative staff costs, general office expenses, recruitment costs, marketing costs, training costs and postage and stationery costs.

+ Governance costs in 2019 and 2018 include salary costs in connection with duties and processes related to Governors' meetings.

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
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7. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	9,464,312	8,728,372
Social security costs	956,862	880,203
Life assurance & private medical cover	27,165	24,896
Pension costs	1,183,435	1,081,472
	<u>11,631,774</u>	<u>10,714,944</u>

Aggregate employee-benefits of key management personnel	<u>£1,262,602</u>	<u>£1,228,710</u>
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The average number of employees during the year was:	291	280
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The following number of employees exceeding £60,000 emoluments:

£60,001 - £70,000	12	7
£70,001 - £80,000	6	6
£80,001 - £90,000	1	1
£120,001 - £130,000	1	1
£180,001 - £190,000	0	1
£210,001- £220,000	1	0

During the year, there were redundancy or termination payments made amounting to £17,089 (2018: £65,284).

The Governors received no remuneration during the current and preceding year. Travel expenses of £412 were reimbursed to 5 governors (2018: £625, 4 governors).

Governors donated a total of £2,000 during the year (2018: £1,000).

PENSION CONTRIBUTIONS

During the period, the School contributed:

- £952,663 to the Teachers' Pension Scheme (2018:£887,460)
- £230,772 to a stakeholder pension scheme for non teaching staff (2018:£194,012)
- £204,348 to the Cripplegate Foundation Pension & Assurance Scheme, the closed defined benefit scheme for non-teaching staff (2018:£202,836).
- As explained in note 18b, an additional funding charge in respect of the Cripplegate Foundation Pension & Assurance Scheme was recognised in the current and prior year.

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019

8. COST OF FINANCE

	2019 £	2018 £
Fees In advance debt-financing cost	18,881	20,456
Bank loan interest	355,816	315,486
Pension scheme financing cost	20,000	17,000
	<u>394,697</u>	<u>352,942</u>

9. FIXED ASSETS

Group and School	Tangible Assets			Intangible Assets	
	Freehold Land & Buildings £	Motor Vehicles & Equipment £	Assets Under Construction £	2019 Total £	2019 Software £
Cost or valuation					
At 1 September 2018	38,782,966	3,042,699	40,167	41,865,832	29,264
Additions	275,928	746,738	299,686	1,322,352	-
Disposals	-	(43,772)	-	(43,772)	-
Impairment	-	-	(191,000)	(191,000)	-
	<u>39,058,894</u>	<u>3,745,665</u>	<u>148,853</u>	<u>42,953,412</u>	<u>29,264</u>
Depreciation					
At 1 September 2018	6,809,324	2,374,774	-	9,184,098	26,760
Charge in year	842,084	306,490	-	1,148,574	2,504
Disposals	-	(43,772)	-	(43,772)	-
	<u>7,651,408</u>	<u>2,637,492</u>	<u>-</u>	<u>10,288,900</u>	<u>29,264</u>
Net book value at 31 August 2019	<u>31,407,486</u>	<u>1,108,173</u>	<u>148,853</u>	<u>32,664,512</u>	<u>-</u>
Net book value at 31 August 2018	<u>31,973,642</u>	<u>667,925</u>	<u>40,167</u>	<u>32,681,734</u>	<u>2,504</u>

Tangible fixed assets with a carrying value of £31,407,487 (2018: £31,973,642) are pledged as security for the Group's bank loans.

	2019 £	2018 £
Capital Commitments		
Capital expenditure contracted that has not been provided for in the financial statements	<u>-</u>	<u>-</u>

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019

10. FIXED ASSET INVESTMENTS

	2019	2018
	Market Value	Market Value
	£	£
Group investments		
At 1 September	2,385,586	2,359,454
Liquidations	-	(12,950)
Realised and unrealised (losses) / gains in market value	(87,990)	39,081
	<u>2,297,596</u>	<u>2,385,585</u>
Investment in joint venture	31,642	31,642
Group investments at 31 August	<u>2,329,238</u>	<u>2,417,227</u>
Investment in subsidiary	1	1
School investments at 31 August	<u>2,329,239</u>	<u>2,417,228</u>

11. DEBTORS

	Group	Group	School	School
	2019	2018	2019	2018
	£	£	£	£
Fees receivable	59,192	112,948	59,192	112,948
Amounts owed by subsidiary and affiliated companies	-	-	121,843	80,064
Other debtors	150,641	159,228	150,641	141,151
Prepayments and accrued income	445,853	311,977	445,853	311,977
	<u>655,686</u>	<u>584,153</u>	<u>777,529</u>	<u>646,140</u>

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019

12. CREDITORS

	Group	Group	School	School
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due within 1 Year				
Advance fees	1,825,422	1,833,622	1,825,422	1,833,622
Fees in advance scheme	470,100	505,789	470,100	505,789
Trade creditors	775,099	619,163	775,099	619,163
Other creditors	1,030,764	835,951	1,030,764	817,924
Place deposits refundable	1,169,150	1,163,450	1,169,150	1,163,450
Bank loan	883,333	883,333	883,333	883,333
Accruals	369,242	192,458	361,953	190,897
	6,523,110	6,033,766	6,515,821	6,014,178

Advance fees refers to fees received in a given year which relate to the provision of education in the immediately following academic year.

Fees received which relate to the provision of education in more than one future academic year are reported as Fees in advance scheme (also see note 13).

13. CREDITORS

	Group	Group	School	School
	2019	2018	2019	2018
	£	£	£	£
Amounts falling due after 1 year				
From one to two years:				
Fees in advance scheme	172,412	395,293	172,412	395,293
Bank loan	883,333	883,333	883,333	883,333
	1,055,745	1,278,626	1,055,745	1,278,626
From two to five years:				
Fees in advance scheme	133,910	22,162	133,909	22,162
Bank loan	2,650,000	2,650,000	2,650,000	2,650,000
	2,783,910	2,672,162	2,783,909	2,672,162
More than five years:				
Bank loan	8,370,837	9,254,167	8,370,838	9,254,167
	12,210,492	13,204,955	12,210,492	13,204,955

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
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The bank loan is secured by a charge over the freehold land and buildings of the School. The loan is repayable over 10 years from 2016 and interest is charged based on Libor rate plus the bank's margin.

Fees in Advance Scheme

Parents may enter into a contract to pay the School up to the equivalent of five years' tuition fees in advance. The money may be returned subject to specific conditions on receipt of one term's notice. In the table above, Fees in Advance Scheme creditors have been classified according to the year in which the fees are expected to be applied (assuming pupils remain in school). The balance shown below represents the total accrued liability under the contracts. The movements during the period were:

	£
Balance at 1 September 2018	923,242
Plus funds received during 2018/19	447,820
Amounts utilised in payment of fees:	(594,640)
	<u>776,422</u>

Reconciliation of Advance Fees

	£
Balance at 1 September 2018	1,833,622
Deferred income released during 2018/19	(1,833,622)
Income deferred during 2018/19	1,825,422
	<u>1,825,422</u>

14. FINANCIAL INSTRUMENTS

	<u>2019</u> £	<u>2018</u> £
Financial assets measured at amortised cost (a)	6,333,855	6,204,546
Financial assets measured at fair value (b)	2,329,238	2,417,227
Financial liabilities measured at amortised cost (c)	(16,124,066)	(16,432,188)

(a) Financial assets held at amortised cost include cash, trade and fee debtors, other debtors, accrued income and amounts due from subsidiaries

(b) Financial assets held at fair value include assets held as investments

(c) Financial liabilities held at amortised cost include deposits, trade creditors and other creditors

Income received in the year from financial assets measured at amortised cost totalled £37,299 (2018: £12,511) with impairment losses of £41,731 (2018: £35,576). During the year total gains (losses) in relation to financial assets held at fair value totalled (£87,990) (2018: £39,081) and income received totalled £93,454 (2018: £88,658).

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019

15. FUNDS

The School's reported funds are divided into three categories:

- 1) Unrestricted Funds – Constitute assets which can be spent by the School's trustees at their discretion in furtherance of the School's charitable objects.
- 2) Restricted Funds - Constitute assets which have been donated to the School for specific aspects of the School's charitable objects. The trustees must spend such funds for the stated purposes defined by the respective donors.
- 3) Permanent Endowment Funds - Constitute assets (including land, buildings or cash) which must be held permanently in furtherance of the School's charitable objects. The Trustees are able to spend at their discretion the income generated by such funds.

Analysis of Group Net Assets Between Funds

	Tangible Fixed Assets	Intangible Fixed Assets	Investments	Net Current Assets / (liabilities)	Long Term Creditors	Pension Liability	Total 2019
	£	£	£	£	£	£	£
Unrestricted funds							
Corporate reserves	28,220,177	-	-	(688,179)	(12,210,492)	(1,077,668)	14,243,838
Other funds	-	-	2,076,990	-	-	-	2,076,990
	<u>28,220,177</u>	<u>-</u>	<u>2,076,990</u>	<u>(688,179)</u>	<u>(12,210,492)</u>	<u>(1,077,668)</u>	<u>16,320,828</u>
Restricted funds	-	-	252,248	816,935	-	-	1,069,183
Endowment funds	-	-	-	-	-	-	-
Permanent endowment	4,444,335	-	-	-	-	-	4,444,335
	<u>32,664,512</u>	<u>-</u>	<u>2,329,238</u>	<u>128,756</u>	<u>(12,210,492)</u>	<u>(1,077,668)</u>	<u>21,834,346</u>

	Tangible Fixed Assets	Intangible Fixed Assets	Investments	Net Current Assets / (liabilities)	Long Term Creditors	Pension Liability	Total 2018
	£	£	£	£	£	£	£
Unrestricted funds							
Corporate reserves	28,237,399	2,504	-	(131,496)	(13,204,955)	(1,245,016)	13,658,436
Other funds	-	-	2,157,168	-	-	-	2,157,168
	<u>28,237,399</u>	<u>2,504</u>	<u>2,157,168</u>	<u>(131,496)</u>	<u>(13,204,955)</u>	<u>(1,245,016)</u>	<u>15,815,604</u>
Restricted funds	-	-	260,059	651,205	-	-	911,264
Endowment funds	-	-	-	-	-	-	-
Permanent endowment	4,444,335	-	-	-	-	-	4,444,335
	<u>32,681,734</u>	<u>2,504</u>	<u>2,417,227</u>	<u>519,709</u>	<u>(13,204,955)</u>	<u>(1,245,016)</u>	<u>21,171,203</u>

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019

Movement in funds

	2018					2019
	Balance Brought Forward £	Income £	Expenditure £	Transfers £	Investment / JV losses	Balance carried forward £
Endowment funds						
Land & buildings	4,444,335	-	-	-	-	4,444,335
	4,444,335	-	-	-	-	4,444,335
Restricted funds						
Bursary funds	659,067	270,485	(120,035)	-	(4,309)	805,208
Building funds	7,941	6,100	-	-	-	14,041
Sundry restricted funds	244,256	33,791	(24,607)	-	(3,506)	249,933
	911,264	310,376	(144,642)	-	(7,815)	1,069,183
Unrestricted funds						
Designated fixed asset reserves	14,566,565	-	-	866,107	-	15,432,672
Unrestricted free reserves	1,249,039	19,536,582	(18,951,183)	(866,107)	(80,175)	888,156
	15,815,604	19,536,582	(18,951,183)	-	(80,175)	16,320,828
Total funds	21,171,203	19,846,958	(19,095,825)	-	(87,990)	21,834,346

	2017					2018
	Balance Brought Forward £	Income £	Expenditure £	Transfers £	Investment / JV gains/(losses)	Balance carried forward £
Endowment funds						
Land & buildings	4,444,335	-	-	-	-	4,444,335
	4,444,335	-	-	-	-	4,444,335
Restricted funds						
Prize funds	-	995	(468)	-	(527)	-
Bursary funds	345,227	317,193	(5,067)	-	1,714	659,067
Building funds	-	7,941	-	-	-	7,941
Sundry restricted funds	143,558	107,977	(8,867)	-	1,588	244,256
	488,785	434,106	(14,402)	-	2,775	911,264
Unrestricted funds						
Designated fixed asset reserves	13,374,578	-	-	1,191,987	-	14,566,565
Unrestricted free reserves	973,032	18,383,348	(16,973,302)	(1,191,987)	57,948	1,249,039
	14,347,610	18,383,348	(16,973,302)	-	57,948	15,815,604
Total funds	19,280,730	18,817,454	(16,987,704)	-	60,723	21,171,203

Restricted funds consist of prize funds, scholarship funds, rowing funds for equipment (including a donation by the Hampton & Holles Boat Club), sports funds, donations to various bursary funds and donations to support sciences at the School.

Designated fixed asset reserves reflect funds used by the School to purchase its tangible fixed assets to date.

16. COMMITMENTS

**THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019**

16. COMMITMENTS

- (a) On a joint basis with Hampton School, the Governors have leased land adjacent to the River Thames on the site of a redundant filter bed at the nearby Hampton Waterworks. The freehold of the land is owned by Thames Water plc and the lease is for 125 years at a starting rental of £12,000 p.a. The purpose of the acquisition was to construct a boathouse and club facility for the joint benefit of both schools.

On the 9th October 2018 Thames water carried out a review of the annual rent in accordance with the rent adjustment clause. Subject to the clause the annual rent was adjusted to £19,826 p.a.

The lease became operative in October 2000 and, on this basis, the School's undiscounted share of the liabilities is assessed as:

	<u>Due within 1 year</u>	<u>Due within 2-5 years</u>	<u>Due after 5 years</u>
2018/19	£9,913	£39,652	£1,011,126
2017/18	£6,000	£24,000	£618,000

- (b) The School is committed to making the following minimum lease payments under operating leases:

	Equipment 2019 £	Equipment 2018 £
Contracts due to expire in less than one year	48,334	54,109
Contracts due to expire within one and two years	32,328	47,695
Contracts due to expire in two to five years	10,855	55,630
	<u>91,517</u>	<u>157,433</u>

For the year ended 31 August 2019, total operating lease expense was £50,441 (2018: £55,193).

**THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019**

17. PENSIONS

(a) Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £952,362 (2018: £887,460) and at the year-end £0 (2018 - £0) was accrued in respect of contributions to this scheme.

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.

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.

(b) Cripplegate Foundation Pension and Assurance Scheme

The School participates in the Cripplegate Foundation Pension and Assurance Scheme (the "Scheme"), a pension scheme providing defined benefits based on final pay. The Scheme was closed to future accrual in 2006. The assets of the Scheme are held separately from those of the employers participating in the Scheme and are invested in exempt investment funds. The Trustee of the Scheme is required to act in the best interest of the Scheme's beneficiaries.

The Scheme is a non-segregated multi-employer scheme and, as a result, it is not possible in the normal course of events to identify on a reasonable and consistent basis the share of the assets belonging to individual participating employers. The assets are comingled for investment purposes and the benefits are paid out of total Scheme assets.

A funding assessment as at 5 April 2017 was carried out for the Trustee of the Scheme by a qualified independent actuary. As at this date, the fair value of the Scheme's assets was £10.0m and the present value of funded obligations was £12.0m giving a deficit for the Scheme as a whole of £2.0m as at 5 April 2017. The School's share of the deficit was estimated to be 43.13% of the total.

It is understood that the Scheme's Trustee has the discretion to segregate on cessation of participation by an employer. For a participating employer to cease to participate in circumstances where it has not become insolvent, it would be required to pay into the Scheme its share of the shortfall in the Scheme determined on a discontinuance basis.

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
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The Scheme is a multi-employer scheme as defined in FRS 102 and, under the provisions of FRS 102 relating to multi-employer schemes, the School accounts for contributions paid to the Scheme as though it were a defined contribution scheme.

Under FRS 102, a liability is recognised in respect of the future contributions due under any commitment to make good the shortfall in the Scheme and to cover the Scheme's expenses.

During the year to 31 August 2018, the Trustee and employers agreed a new Schedule of Contributions, certified by the Scheme Actuary on 18 May 2018, which required total contributions to the Scheme of £473,808 per annum between 1 May 2018 and 31 January 2025, of which LEHS is required to pay £204,348 per annum over the period.

A "liability" has been recognised, representing the present value, as at 31 August 2019, of the future contributions payable under the commitment in force at that date (that is, under the Schedule of Contributions). The discount rate used to value the liability was 1.0% p.a. (2018: 1.6% p.a.)

The movements in the pension liability during the years ended 31 August 2019 and 31 August 2018 were as follows:

	2019 £	2018 £
Movements during the year:		
Balance at start of year	1,245,016	1,467,879
Unwinding of the discount rate	20,000	17,000
Contributions paid	(204,348)	(202,863)
Additional funding charge	17,000	(37,000)
Balance at end of year	1,077,668	1,245,016
Amount recorded in the Balance Sheet		
Multi-employer scheme liability- past deficit	1,077,668	1,245,016

The amounts recognised in the SOFA for the years ended 31 August 2019 and 31 August 2018 were as follows:

Amount recognised in the SOFA:		
Unwinding of the discount rate	20,000	17,000
Additional funding charge		
- due to change of basis	17,000	(37,000)

- (c) With effect from 1 September 2006 the School introduced a Legal & General Group Stakeholder pension scheme for non-teaching staff. Provided the employee contribution is 6% or more, the employer makes a contribution of 10% of annual pay.

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18. Consolidated Statement of Financial Activities – Comparative figures by fund-type

Year ended 31 August 2018	Unrestricted £	Restricted £	Endowment £	Funds Total £
Income and endowments from:				
School fees	15,881,775	-	-	15,881,775
Other income	2,326,919	-	-	2,326,919
Other trading activities				
Other activities	-	-	-	-
Millennium Boat House	68,544	-	-	68,544
Investments				
Investment income	79,940	8,718	-	88,658
Bank and other interest	12,511	-	-	12,511
Voluntary sources				
Donations	13,659	425,388	-	439,047
Total income	18,383,348	434,106	-	18,817,454
Expenditure on:				
Activities of subsidiaries	59,520	-	-	59,520
Raising funds & development	22,185	-	-	22,185
Cost of finance	352,942	-	-	352,942
Charitable activities				
Education & grant making	16,538,655	14,402	-	16,553,057
Total expenditure	16,973,302	14,402	-	16,987,704
Net income from operations before transfers and investment gains	1,410,046	419,704	-	1,829,750
Gains on investments	36,306	2,775	-	39,081
Loss in joint venture	21,642	-	-	21,642
Transfers between funds	-	-	-	-
Net income and capital inflow	1,467,994	422,479	-	1,890,473
Net movements in funds for the year	1,467,994	422,479	-	1,890,473
Balances brought forward	14,347,610	488,785	4,444,335	19,280,730
Balances carried forward	15,815,604	911,264	4,444,335	21,171,203

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20. SUBSIDIARY

As indicated in Note 1, the School owns all of the issued share capital of LEHI (Company Number 10099390), a company formed in 2016 to explore the possibility of opening British schools overseas. The School has entered into a support agreement with LEHI pursuant to which (i) the School has licensed certain intellectual property rights and provides a variety of services to LEHI and (ii) LEHI pays to the School a sum for such rights and services based on estimated market rates or a pro-rata allocation of the cost incurred by the School in providing such services.

During the year ended 31 August 2019, LEHI had a turnover of NIL (2018: NIL), gross loss of £10,000 (2018: gross loss £10,000) and a loss before tax and gift aid of £58,300 (2018: loss £59,500).

At 31 August 2019, LEHI had total assets of £11,300 (2018: £22,100), total liabilities of £129,100 (2018: £81,600) and shareholder's funds of (£117,800) (2018: (£59,500)).

21. Related Party Transactions

During the year ended 31 August 2019, the School charged LEHI £43,700 (2018: £41,900) for the provision of staff, administrative services and use of certain intellectual property belonging to the School. At 31 August 2019, the School had a net debtor from LEHI of £121,800 (2018: £80,100).

As indicated in Note 3, the School owns 50% of Pupilcoach Limited, a joint venture with Hampton School. The School has one employee who works exclusively on matters relating to Pupilcoach and whose salary and benefits are recharged by LEH to Pupilcoach. During the year ended 31 August 2019, the School charged Pupilcoach £38,200 (2018: £37,400) for such services and at 31 August 2019 had a net creditor with Pupilcoach of £1,800 (2018: net creditor £6,400).