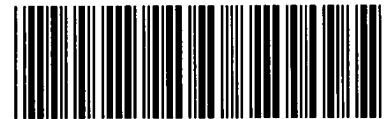


Registered company number: 06871042  
Registered charity number: 1130254

**THE LADY ELEANOR HOLLES SCHOOL  
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)  
REPORT OF THE GOVERNORS AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2017**

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**THE LADY ELEANOR HOLLES SCHOOL**  
**GOVERNORS REPORT**  
**YEAR ENDED 31 AUGUST 2017**

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**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 2017 (committee memberships shown are as at the date of this report) except where indicated. They are:

		(1)	(2)	(3)	(4)	(5)	(6)	(7)
Christopher Stokes (Chairman)			✓	✓		✓		
Gary Cox	Resigned 31.08.17		✓	✓				
Elizabeth de Vise Craig	Resigned 17.11.16	✓					✓	✓
Peter Gray	Resigned 31.08.17			✓	✓			
Sandeep Kamat						✓		
Neil Lewis				✓		✓		
Sophie McCormick		✓				✓	✓	✓
Alison Meyric Hughes		✓		✓			✓	
Robert Milburn	Appointed 13.12.16		✓	✓	✓			
Cathy Millis							✓	
Louise Stacey			✓					
Charlotte Thomas	Appointed 31.03.17				✓			
Catherine Thomas	Appointed 25.05.17							✓
Richard Welch			✓	✓	✓			
Wendy Wildman		✓		✓			✓	

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

During the year, the activities of the Governing Body were conducted through seven committees. The membership of each committee is shown above for each Governor.

**OFFICERS**

Heather Hanbury  
Michael Berkowitch

Head Mistress  
Director of Finance

**AUDITORS**

Crowe Clark Whitehill LLP  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

**ADDRESS AND REGISTERED OFFICE**

The Lady Eleanor Holles School  
Hanworth Road  
Hampton  
Middlesex  
TW12 3HF

Website: [www.lehs.org.uk](http://www.lehs.org.uk)

The Governors present their annual report for the year ended 31 August 2017 under the Charities Act 2011 and the Companies Act 2006, thus including the Directors' Report and Strategic Report under the 2006 Act, 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 the 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 Company. 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 Company 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.

#### **Governing Body**

The Governing Body is self-appointing. The term of office is four years and Governors may serve for two or more terms 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 higher education, property, accountancy, human relations, 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 it must operate.

Former pupils and parents of former pupils feature on the Governing Body provided they have the requisite experience and skills. It is the Governors' policy not to recruit parents of current pupils.

New Governors are inducted into the workings of the School, including Governing Body 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.

### **Organisational Management**

The members of the Governing Body, as the charity trustees, are legally responsible for the overall management and control of the School. The Governing Body meets at least once a term.

The detailed work of the Governing Body is conducted by seven committees: Education, Staff, Finance, Premises, Nominations, Compliance & Risk and Fundraising.

- 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 Governing Body. The Committee was chaired by Gary Cox until his resignation on 31 August 2017. It is now chaired by Richard Welch.
- The Education Committee reviews educational objectives of the School and the means that it uses to achieve such objectives. The Committee is chaired by Alison Meyric Hughes.
- The Staff Committee reviews matters relating to the recruitment, management and welfare of staff. The Committee was chaired by Wendy Wildman until 10 October 2017, when Cathy Millis assumed this role.
- The Premises Committee reviews matters related to the land and buildings occupied by the School, including capital projects and annual maintenance budgets. The Committee was chaired by Peter Gray until his resignation on 31 August 2017. It is now chaired by Robert Milburn.
- 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. The Committee is chaired by Neil Lewis. Because of the importance of safeguarding the welfare of pupils, the Governing Body has appointed two safeguarding leads 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.
- The Nominations Committee reviews the composition of the Governing Body and recommends candidates for approval by the Governing Body. The Committee is chaired by Christopher Stokes.
- The Fundraising Committee reviews matters related to fundraising by the School. The Committee is chaired by Sophie McCormick.

Each committee meets at least once a term, with the exception of the Premises Committee and the Fundraising 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, 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 Governing Body, 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.

### **JOINT VENTURES WITH HAMPTON SCHOOL**

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 at Hampton School and the Director of Finance 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 and Director of Finance 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 Foundation's Principal Scheme of 1910 laid down that LEH shall be a school to "supply to girls a liberal and practical education in accordance with the doctrines of the Church of England". The modern school has refined and more flexible charitable objects to suit today's changed social circumstances. 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 girls 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 to us from a very wide catchment area, from as far north as Ealing, as far south as Cobham, as far east as Chelsea and as far west as Windlesham, 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 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 Governing Body places 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 Governing Body recognises the importance of recruiting, retaining and developing high quality staff in order to achieve the School's academic and extra-curricular objectives. Accordingly, the Governing Body monitors the School's human relations policies, compensation strategy, staff welfare, and training initiatives.

## 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 five year strategic plan. Three particular priorities were the construction of a major extension to the School, completion of a comprehensive review of the School's curriculum and the announcement of an intention to open a school in China.

The School continued construction of a major capital project, known within the School as the Gateway, that will provide a new entry to the School for all sporting events and activities, new classrooms, new and refurbished IT and Design Technology facilities, new locker rooms for senior school pupils and enhanced training facilities for the School's sports departments. The purpose of the Gateway project was both to renovate facilities that were decades old as well as to improve our ability to deliver effectively a modern curriculum. Although construction was expected to be completed in August 2017, the project has encountered a number of delays. Gradual possession by the School of completed segments of the Gateway began in the autumn of 2017.

The School completed a wide scoping curriculum review to consider, among other things, possible changes to the structure of the school day, the subjects to be taught in each year group and how the pupils' pastoral needs could be best integrated with the academic curriculum. The review, which involved extensive consultation with teachers, identified a number of changes to the structure of the school day, the curriculum and the School's pastoral support programme. The changes are being implemented over the course of the 2017/18 and 2018/19 academic years.

In January 2017, the School announced the agreement to open a school in Foshan, China in a joint venture with Trumplech, a leading provider of educational services in China and Hong Kong. During the course of 2017, LEH worked with Trumplech and advisors to design the construction of a new school, agree the school's curriculum and define the school's staffing requirements. In October 2017, LEH and Trumplech announced the appointment of the founding headmaster of LEH Foshan.

During the course of the year the Head Mistress has made regular reports to the Governing Body, 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 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.

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.

The School also awards academic, music, 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.

In 2016/17, 169 pupils (19% of the total number at the School) received bursaries, hardship assistance and scholarships having a value of £1,236,000 (7.8% of gross fee income). Of these, 54 received financial support through bursaries, of which 29 were full bursaries.

### ***Other Activities***

The School places great emphasis on the development of the well-rounded individual, while striving for academic excellence. We seek to provide opportunities for wide-ranging achievement; we encourage each girl to develop her values, individuality, strength of character and purpose, and her particular talents, so that she may not only gain personal fulfilment, but be a responsible member of society. We hope that the girls will leave us well prepared for adult life, possessed of a joy in learning and in all the opportunities life offers, and a belief in the values of education, civilisation, humanity and community.

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 the School's 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 coordinates 3 schools in Hampton (Hampton School, Hampton High and LEH) for the Borough Literary Quiz for the Schools Library Service. She also coordinates a Carnegie Shadowing Group which is composed of the same 3 schools.

Members of the PE Department coach and select for county and national teams and facilitate Borough wide sporting competition and additional sports coaching. For example, they organised and hosted the Borough Swimming Gala and Trampolining competition and assisted in the organisation of Borough athletics and Cross Country.

The Head of Rowing is the junior representative for the Thames London region and, as part of that role, runs the regional team as well as sitting on the Junior Rowing Committee of British Rowing. In addition, two of our coaches were part of the coaching and support team for the England Rowing Team.

A member of the School's staff assists with the organisation and delivery of the Hampton School CCF. She is head of the army section under command of the Contingent Commander at Hampton School and also assists 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. The School hosts a Public Speaking day and runs a Model United Nations Conference for partnership schools. The Careers Department also ran a UCAS reference writing continuing professional development session for staff from partnership schools.

During the year covered by this report, the School jointly hosted a Music Partnership day, where musicians from partnership schools joined the School and Hampton School for orchestral and choral workshops, followed by an evening concert. The music department also organised an orchestral workshop with partnership schools and 30 professional orchestral players from the BBC Concert Orchestra which culminated in a performance of works by Dvorak and Shostakovich.

Teaching staff assist in the delivery of A/A\* and C/D borderline revision courses for marginal pupils in the partnership schools, the aim being to raise attainment and assist pupils to realise their potential.

42 Year Five children from ten local state Primary Schools attended our SHINE Serious Fun on Saturdays programme which runs from November to March. The programme is run by staff and pupil volunteers and is designed to inculcate a love of learning, raise confidence and improve literacy.

Over 70 students volunteer at local state primary schools and at Clarendon School, where they work with children with specific needs and learning disabilities. Members of the Service Volunteers group raise funds to accompany children with special needs from two schools to Legoland each summer. The same group hosts tea parties for local elderly residents in September and before Christmas.

The Careers Department invited over thirteen neighbouring state schools to attend our annual Higher Education and Gap Year Fairs (attended by 34 universities).

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.

LEH's Holles Singers also joined forces with pupils from Carlisle Infant School and Hampton Hill Junior School, together with a professional band for a performance of a work entitled 'Henry's Revel' written by the School's Composer in Residence. The proceeds went towards percussion instruments for the schools involved.

The School's Sports Department assisted with the running of the Key Steps Level 1 gymnastics competition held at a local primary school.

A number of secondary schools came to English Speaking Union competition heats and debates hosted at LEH.

### ***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 runs regular campaigns as well as hosting a very successful Secret Policeman's Ball. Year 11 pupils also joined 'The Challenge' – the UK's largest provider of the National Citizen Service Programme – during the summer holiday and 5 pupils completed it during the summer vacation of 2017. There are strong links with a number of residential homes and the School welcomes nearly 300 local elderly residents to our biannual tea parties.

### ***Charity Fundraising***

Charity fundraising involves the whole School community in raising money and awareness for good causes. The Junior and Senior Schools each 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](http://www.lehs.org.uk)). In 2016/17 over £11,000 was raised for Momentum, a local charity supporting children with cancer or life-limiting conditions. A sizeable donation of tinned food was presented to Spear, a local charity



supporting people who are homeless or at risk of becoming homeless, and hundreds of shoeboxes were delivered via Operation Christmas Child.

### ***Cultural Contribution and Sporting Facilities***

The LEH Drama department provides production, logistical and staffing support to Hampton High in the form of technical expertise, staging, costume and props for their shows. Free tickets are also offered to Hampton High for school and academic productions and their students to take part in specialist workshops offered by LEH.

In addition, pupils from LEH create an annual musical production which tours local primary schools over four lunchtimes every summer.

The School gives free use of its sports facilities for the sports days of a local state school and use of its swimming pool to a local special needs school. The swimming pool is leased at a reduced rate to a range of local swimming clubs and other sports facilities are used by netball clubs, lacrosse squads, gymnastics associations, etc. We regularly host rounds of National Netball competitions, and regional tournaments for lacrosse, netball and gymnastics.

### ***The Environment***

The School recycles food waste and cardboard from the dining halls. Girls engaged in the Duke of Edinburgh Award Scheme volunteer at the Mortlake Wetlands Centre and with the Friends of Crane Park.

### ***Future Developments and Plans***

As noted in *Objectives and Strategies for the Year*, the School maintains a 5 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. The School is also looking to increase opportunities of working collaboratively with Hampton School to maximise the benefits to both schools.

## **REVIEW OF ACHIEVEMENTS AND ACADEMIC PERFORMANCE FOR THE YEAR**

During the academic year under review, LEH had an average of 873 pupils of whom 187 were in the Junior Department and 684 were in the senior department. 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, 80% of exams were at A\* or A Grade and 97% in the A/B range (excluding General Studies). Most girls go on to very highly regarded universities in the UK. At GCSE level, 94% of exams achieved grades A\* or 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 £2,630,000 for the financial year ended 31 August 2017 (2016: £2,082,000). The consolidated investment surplus for the year ended 31 August 2017 includes LEHI's net profit of £42,000 (2016: (£42,000)).

The level of surplus available for investment over the longer term is a crucial factor in the long term health of the School and the Governors have set a target range of 8% - 10% (investment surplus as a percentage of gross fees).

The level of consolidated investment surplus for the year ended 31 August 2017 represented 16.5% of gross fees (2016: 13.6%). Although such level of surplus exceeded the target range, 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 and as discussed in "*Objectives and Strategies for the Year*" and "*Capital Development Programme*", 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.

### ***Capital Development Programme***

As noted previously in the section "*Objectives and Strategies for the Year*", the School continued the next phase of its capital development programme. Construction of the Gateway began in the summer of 2016 and will be completed during the 2017/18 year. All costs associated with the Gateway, which amounted to £7.1 million as of 31 August 2017, have been capitalised.

### ***Investment Powers, Policy and Performance***

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

Following a review last year, the Governors have updated the School's investment policy to provide that:

- Long term investments are to be invested in low cost passively managed equity funds whose performance tracks the overall UK equity market;
- 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***

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

At the Balance Sheet date, the School held total funds of £19,281,000 which consisted of unrestricted funds totalling £14,348,000, endowed funds of £4,444,000 and restricted funds of £489,000. Free reserves are calculated as unrestricted funds less tangible fixed assets, designated funds and loans to procure fixed assets. At the Balance Sheet date, free reserves were £973,000. This equates to approximately 23 days' expenditure, which is somewhat below the School's target of 30 days' revenue expenditure.

### ***Pension Liability***

As indicated in Note 18 to the accounts, the School had a liability at the balance sheet date of £1,468,000 (2016 £1,655,000) 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 School's liability will be funded over a period of decades, the School expects that it will be able to meet this liability as it falls due.

## **RISK MANAGEMENT**

The Governing Body is responsible for the management of the risks faced by the School. Detailed consideration of risk is delegated to the appropriate committee (primarily the Finance Committee as well as the Compliance and Risk Committee), which receive reports from senior management and independent professional advisors. Risks are identified, assessed and controls established throughout the year. A formal review of risk management processes is undertaken on an annual basis.

The key areas where risks are seen to exist are:

- Governance
- Finance
- Serious incident and/or loss of reputation
- Compliance
- Operational: Quality of staff and premises and maintenance of academic standards

In assessing these risks, the Governing Body has in place key controls that include:

- Formal mechanisms for the operation of the Governing Body
- Terms of reference for all committees
- Comprehensive strategic planning, budgeting and accounting procedures
- Established organisational structure and lines of reporting
- Formal written policies
- Clear authorisation and approval levels

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that the systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. The risk register is updated regularly and reviewed by the Compliance and Risk Committee as well as the School's senior management team.

The principal risk identified by the Governors at the present time is one faced by independent schools across the country, namely the affordability of fees by parents 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 Governing Body is cognisant of the financial pressures faced by many of the School's parents in paying school fees. As a consequence, the School is actively exploring ways of generating a higher level of non-fee trading income, including the opening of schools outside the UK (see "*Objectives and Strategies for the Year*") and donations.

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 Governing Body 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.

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.

## AUDITORS

Crowe Clark Whitehill 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 Governing Body of the School on 30 January 2018, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



Christopher Stokes  
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 2017 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheet, the Group Cash Flow and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

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.

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 2017 and of the group's incoming resources and application of resources 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 were:

- 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 [11], 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



**Tina Allison**  
Senior Statutory Auditor  
For and on behalf of  
**Crowe Clark Whitehill LLP**  
Statutory Auditor  
St Bride's House  
10 Salisbury Square  
London EC4Y 8EH

15 February 2018

**THE LADY ELEANOR HOLLES SCHOOL**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**YEAR ENDED 31 AUGUST 2017**

(Incorporating an income and expenditure account)

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2016/17 £	Total 2015/16 £ Note 19
<b>Income and Endowments from:</b>						
School Fees	2	14,655,974	-	-	14,655,974	14,213,712
Other Income	5	2,152,967	-	-	2,152,967	2,225,502
<b>Other Trading Activities</b>						
Activities of subsidiaries		200,000	-	-	200,000	635,961
Millennium Boat House		71,875	-	-	71,875	49,408
<b>Investments</b>						
Investment Income	4	72,843	7,839	-	80,682	82,547
Bank and Other Interest	4	6,051	-	-	6,051	22,428
<b>Voluntary sources</b>						
Donations		4,433	77,140	-	81,573	76,606
<b>Total Income</b>		<b>17,164,143</b>	<b>84,979</b>	<b>-</b>	<b>17,249,122</b>	<b>17,306,164</b>
<b>Expenditure on:</b>						
Activities of subsidiaries		71,515	-	-	71,515	692,618
Raising Funds & Development		8,519	-	-	8,519	5,818
Cost of finance	8	295,535	-	-	295,535	341,780
<b>Charitable Activities</b>						
Education & grant making		15,122,711	11,922	-	15,134,633	15,018,419
<b>Total Expenditure</b>	6	<b>15,498,280</b>	<b>11,922</b>	<b>-</b>	<b>15,510,202</b>	<b>16,058,635</b>
<b>Net income from operations before transfers and investment gains</b>		<b>1,665,863</b>	<b>73,057</b>	<b>-</b>	<b>1,738,920</b>	<b>1,247,529</b>
Gains on Investments	10	133,924	17,980	52,143	204,047	159,609
Loss in joint venture	3	(18,027)	-	-	(18,027)	-
Transfers between funds	15	601,550	(7,200)	(594,350)	-	-
<b>Net income and capital inflow</b>		<b>2,383,310</b>	<b>83,837</b>	<b>(542,207)</b>	<b>1,924,940</b>	<b>1,407,138</b>
<b>Balances brought forward</b>		<b>11,964,300</b>	<b>404,948</b>	<b>4,986,542</b>	<b>17,355,790</b>	<b>15,948,652</b>
<b>Balances carried forward</b>		<b>14,347,610</b>	<b>488,785</b>	<b>4,444,335</b>	<b>19,280,730</b>	<b>17,355,790</b>

The notes on pages 19 to 37 form part of these financial statements

**THE LADY ELEANOR HOLLES SCHOOL  
CONSOLIDATED AND SCHOOL BALANCE SHEETS  
YEAR ENDED 31 AUGUST 2017**

	Notes	2016/17 £ Group	2015/16 £ Group	2016/17 £ School	2015/16 £ School
<b>FIXED ASSETS</b>					
Intangible Assets	9	12,259	22,014	12,259	22,014
Tangible Assets	9	30,966,017	25,130,177	30,966,017	25,130,177
Investments	10	2,359,454	2,155,407	2,359,455	2,155,409
		<b>33,337,730</b>	<b>27,307,598</b>	<b>33,337,731</b>	<b>27,307,600</b>
<b>CURRENT ASSETS</b>					
Stock		16,000	5,699	16,000	5,699
Debtors	11	702,308	542,577	801,439	637,695
Cash at Bank and In Hand		5,569,614	5,529,814	5,432,399	5,526,528
		<b>6,287,922</b>	<b>6,078,090</b>	<b>6,249,838</b>	<b>6,169,922</b>
<b>CREDITORS: falling due within one year</b>	12	<b>(5,732,852)</b>	<b>(4,502,072)</b>	<b>(5,694,769)</b>	<b>(4,548,408)</b>
<b>NET CURRENT ASSETS</b>		<b>555,070</b>	<b>1,576,018</b>	<b>555,069</b>	<b>1,621,514</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>33,892,800</b>	<b>28,883,616</b>	<b>33,892,800</b>	<b>28,929,114</b>
<b>CREDITORS: falling due after one year</b>					
Creditors payable after one year	13	(13,144,191)	(9,872,826)	(13,144,191)	(9,872,826)
Pension Scheme funding deficit	18	(1,467,879)	(1,655,000)	(1,467,879)	(1,655,000)
<b>TOTAL NET ASSETS</b>		<b>19,280,730</b>	<b>17,355,790</b>	<b>19,280,730</b>	<b>17,401,288</b>
<b>FUNDS</b>					
Endowment Funds					
- Permanent	15a	(4,444,335)	(4,986,542)	(4,444,335)	(4,986,542)
Restricted Funds	15a & b	(488,785)	(404,948)	(488,785)	(404,948)
Unrestricted Funds	15a & c				
- Corporate reserves		(12,226,746)	(10,571,711)	(12,226,747)	(10,617,209)
- Other funds		(2,120,864)	(1,392,589)	(2,120,863)	(1,392,589)
		<b>(14,347,610)</b>	<b>(11,964,300)</b>	<b>(14,347,610)</b>	<b>(12,009,798)</b>
		<b>(19,280,730)</b>	<b>(17,355,790)</b>	<b>(19,280,730)</b>	<b>(17,401,288)</b>

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

30 January 2018



Christopher Stokes (Chairman)

The notes on pages 19 to 37 form part of these financial statements



**THE LADY ELEANOR HOLLES SCHOOL  
CONSOLIDATED CASH FLOW STATEMENT  
YEAR ENDED 31 AUGUST 2017**

		<u>2016/17</u> £	<u>2015/16</u> £
<b>Cashflows from operating activities:</b>			
Net cash provided by operating activities	(i)	3,088,902	2,323,669
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(6,713,108)	(1,338,278)
Proceeds from sale of tangible fixed assets		-	9,900
Purchase of investments		(3,614)	(2,192,994)
Impairment of investment		3,615	-
Proceeds from sale of investments		-	2,285,559
Investment income		<u>86,733</u>	<u>104,975</u>
<b>Net cash used in investing activities</b>		<b>(6,626,374)</b>	<b>(1,130,838)</b>
<b>Cash flows from financing activities</b>			
Loans drawn down / (repaid)		<u>3,577,272</u>	<u>(550,000)</u>
<b>Net cash used in financing activities</b>		<b>3,577,272</b>	<b>(550,000)</b>
<b>Change in cash and cash equivalents in the reporting period:</b>			
Increase in cash in the period		39,800	642,831
Cash and cash equivalents at the beginning of the reporting period		<u>5,529,814</u>	<u>4,886,983</u>
Cash and cash equivalents at the end of the reporting period		<u>5,569,614</u>	<u>5,529,814</u>

The notes on pages 19 to 37 form part of these financial statements

**THE LADY ELEANOR HOLLES SCHOOL  
CONSOLIDATED CASH FLOW STATEMENT  
YEAR ENDED 31 AUGUST 2017**

	<u>2016/17</u>	<u>2015/16</u>
	<u>£</u>	<u>£</u>
(i) <b>Reconciliation of net income to net cash flow from operating activities</b>		
Net income for the reporting period	1,924,940	1,407,138
Adjustments for:	-	-
Investment income	(86,733)	(104,975)
Non-cash pension related expenses	15,000	144,000
Cripplegate pension deficit contributions	(202,121)	(216,000)
Unrealised gain on investments	(204,047)	(145,042)
Realised gain on investments	-	(14,567)
Depreciation charge	887,023	834,348
Loss on sale of fixed assets	-	4,975
Increase in stock	(10,301)	(382)
Increase in debtors	(159,731)	(220,360)
Increase in creditors	924,872	634,534
<b>Net cash flow from operations</b>	<b>3,088,902</b>	<b>2,323,669</b>

The notes on pages 19 to 37 form part of these financial statements

**THE LADY ELEANOR HOLLES SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2017**

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**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.

The School owns 50% of the share capital 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.

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 11.

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. 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 in 2016/17 was £1,921,325 (2016 £1,421,736).

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 2017**

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**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.

**c) Stock**

Stocks are carried at the lower of cost and estimated selling price less costs to sell.

**d) Investments**

Investments are included at mid-market value at the balance sheet date. Investments are revalued to mid-market value 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.

**e) 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.

**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 2017**

**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. 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 social security and other taxes and provisions.

**2 Charitable Activities - Fees Receivable**

(a) The School's fee income comprised	2017	2016
	£	£
Gross Fees	15,889,948	15,355,841
Less: Bursaries, scholarships & staff remissions	(1,236,303)	(1,144,786)
	14,653,645	14,211,055
Add back scholarships funded by restricted funds	2,329	2,657
	14,655,974	14,213,712
(b) Staff Remissions & Scholarships	306,131	321,714
School Bursaries	930,172	823,072
	1,236,303	1,144,786

Scholarships, bursaries and other awards were provided to 169 pupils (2016: 169). Within this, means-tested bursaries totalling £930,172 were provided to 54 pupils (2016: £823,072 to 51 pupils).

**THE LADY ELEANOR HOLLES SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2017**

**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.

	2017	2016
	£	£
<b>Turnover</b>	596,783	585,961
<b>Cost of Sales</b>	(592,056)	(577,590)
	<hr/>	<hr/>
<b>Gross Profit</b>	4,727	8,371
<b>Administrative expenses</b>	(22,754)	(23,144)
	<hr/>	<hr/>
<b>Profit before interest received</b>	(18,027)	(14,773)
<b>Interest income</b>	-	175
	<hr/>	<hr/>
<b>Loss for the Year</b>	(18,027)	(14,598)
	<hr/>	<hr/>
	2017	2016
	£	£
<b>Current Assets</b>		
<b>Debtors</b>	3,854	-
<b>Cash at bank and in hand</b>	7,093	3,286
	<hr/>	<hr/>
	10,947	3,286
<b>Current Liabilities</b>	(28,974)	(6,900)
	<hr/>	<hr/>
<b>Net Liabilities</b>	(18,027)	(3,614)
	<hr/>	<hr/>
<b>Capital and reserves:</b>		
<b>Called up share capital</b>	3,615	1
<b>Profit and loss account</b>	(21,642)	(3,615)
	<hr/>	<hr/>
	(18,027)	(3,614)
	<hr/>	<hr/>

The subsidiary donates its taxable profits 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 2017**

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**4. INVESTMENT INCOME**

	2017	2016
	£	£
Dividends from UK investment portfolio	80,682	82,547
Bank Interest	6,051	22,428
	<u>86,733</u>	<u>104,975</u>

**5. OTHER INCOME**

	2017	2016
	£	£
<b>Charitable Activities</b>		
Other Educational Income	420,095	624,371
Registration Fees	53,600	46,900
Hire Charges	45,471	55,686
Ancillary Income	1,633,801	1,498,545
	<u>2,152,967</u>	<u>2,225,502</u>

**THE LADY ELEANOR HOLLES SCHOOL**  
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**6. ANALYSIS OF TOTAL EXPENDITURE**

	Staff Costs	Other Costs	Depreciation	2017	2016
	£	£	£	£	£
Activities of Subsidiaries	-	71,515	-	71,515	692,618
Cost of Raising Funds	-	8,519	-	8,519	5,818
Cost of Finance	-	295,535	-	295,535	341,780
	-	375,569	-	375,569	1,040,216
<b>Charitable Activities</b>					
Teaching	7,802,259	1,032,165	-	8,834,424	8,527,136
Other Educational Expenditure	-	424,327	-	424,327	638,783
Welfare	-	747,279	-	747,279	743,341
Premises and Estate	820,160	1,085,649	887,022	2,792,831	2,715,752
Millennium Boathouse	-	144,611	-	144,611	98,817
Support Costs*	1,296,348	846,928	-	2,143,276	2,251,212
Governance costs+	15,695	32,190	-	47,885	43,378
	9,934,462	4,313,149	887,022	15,134,633	15,018,419
Note 7	9,934,462	4,688,718	887,022	15,510,202	16,058,635

	2017	2016
	£	£
Governance costs include:		
Auditor's remuneration – audit	18,140	17,200
Audit fee for subsidiary and joint venture	4,410	4,250
	<u>22,550</u>	<u>21,450</u>

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

+ Governance costs in 2017 and 2016 include salary costs in connection with duties and Processes related to Governor's meetings.



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NOTES TO THE FINANCIAL STATEMENTS  
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**7. STAFF COSTS**

	2017	2016
	£	£
Wages and Salaries	8,096,772	7,904,017
Social Security Costs	817,746	728,313
Life assurance & private medical cover	22,634	28,720
Pension Costs	997,310	1,096,720
	<u>9,934,462</u>	<u>9,757,770</u>
Note 6		
Aggregate employee-benefits of key management personnel	£1,188,131	£1,009,749
 The average number of employees during the year was:	 268	 266
 The following number of employees exceeding £60,000 emoluments:		
£60,001 - £70,000	7	6
£70,001 - £80,000	2	4
£80,001 - £90,000	1	0
£110,001-£120,000	1	1
£140,001 - £150,000	0	1
£170,001-£180,000	1	0

During the year, there were redundancy or termination payments made amounting to £3,360 (2016: £53,689).

The governors received no remuneration during the current and preceding year. Travel expenses of £321 were reimbursed to 3 governors (2016 £385, 3 governors).

Governors donated a total of £1,500 during the current year (2016 None).

**PENSION CONTRIBUTIONS**

During the period the School contributed:

£846,619 to the Teachers' Superannuation Scheme (2016:£835,570)

£170,534 to a stakeholder pension scheme for non teaching staff (2016:£156,525)

£202,121 to the Cripplegate Foundation Pension & Assurance Scheme, the closed defined benefit scheme for non-teaching staff (2016:£104,625).

As explained in note 18b an additional funding charge in respect of the Cripplegate Foundation Pension & Assurance Scheme, the closed defined benefit scheme for non teaching staff was recognised in the current and prior year.

**THE LADY ELEANOR HOLLES SCHOOL**  
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**8. COST OF FINANCE**

	2017 £	2016 £
Fees In Advance debt-financing cost	16,815	15,753
Bank Loan Interest	260,720	282,027
Pension Scheme financing cost	18,000	44,000
	<u>295,535</u>	<u>341,780</u>

**9. FIXED ASSETS**

Group and School

	Tangible Assets			Intangible Assets	
	Freehold Land & Buildings £	Motor Vehicles & Equipment £	Assets Under Construction £	2017 Total £	2017 Software £
<b>Cost or Valuation</b>					
At 1 September 2016	28,875,580	2,534,619	1,094,885	32,505,084	29,264
Additions	532,840	182,384	5,997,884	6,713,108	-
Disposals	-	-	-	-	-
	<u>29,408,420</u>	<u>2,717,003</u>	<u>7,092,769</u>	<u>39,218,192</u>	<u>29,264</u>
<b>Depreciation</b>					
At 1 September 2016	5,515,914	1,858,993	-	7,374,907	7,250
Charge in Year	603,971	273,297	-	877,268	9,755
Disposals	-	-	-	-	-
	<u>6,119,885</u>	<u>2,132,290</u>	<u>-</u>	<u>8,252,175</u>	<u>17,005</u>
Net Book Value at 31 August 2017	<u>23,288,535</u>	<u>584,713</u>	<u>7,092,769</u>	<u>30,966,017</u>	<u>12,259</u>
Net Book Value at 31 August 2016	<u>23,359,666</u>	<u>675,626</u>	<u>1,094,885</u>	<u>25,130,177</u>	<u>22,014</u>

	2017 £	2016 £
<u>Capital Commitments</u>		
Capital expenditure contracted that has not been provided for in the financial statements	<u>1,980,559</u>	<u>5,635,667</u>

**THE LADY ELEANOR HOLLES SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**10. FIXED ASSET INVESTMENTS**

	2017 Market Value £	2016 Market Value £
<b>Group Investments</b>		
1 September 2016	2,155,407	2,088,364
Liquidations	-	(2,270,993)
Purchases	-	2,192,994
Unrealised Gains in Market Value	204,047	145,042
<b>Group investments at 31 August 2016</b>	<u>2,359,454</u>	<u>2,155,407</u>
Investment in subsidiary	1	2
<b>School investments at 31 August 2016</b>	<u>2,359,455</u>	<u>2,155,409</u>
Investments representing 5% or more of the total portfolio were:		
Blackrock Charitrak Fund	<u>2,337,388</u>	<u>2,132,325</u>

**11. DEBTORS**

	Group 2017 £	Group 2016 £	School 2017 £	School 2016 £
Fees Receivable	167,999	17,419	167,999	17,419
Amounts owed by subsidiary & affiliated companies	54,490	5,035	156,676	100,153
Other Debtors	110,632	239,078	107,577	239,078
Prepayments and accrued income	369,187	281,045	369,187	281,045
	<u>702,308</u>	<u>542,577</u>	<u>801,439</u>	<u>637,695</u>

**THE LADY ELEANOR HOLLES SCHOOL  
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**12. CREDITORS**

	Group 2017	Group 2016	School 2017	School 2016
	£	£	£	£
<b>Amounts falling due within 1 Year</b>				
Advance Fees	1,536,601	1,237,770	1,536,601	1,237,770
Fees in Advance Scheme	494,820	452,212	494,820	452,212
Trade Creditors	693,200	520,403	693,200	520,403
Other Creditors	369,536	230,364	331,453	276,700
Place Deposits Refundable	1,133,050	1,080,050	1,133,050	1,080,050
Bank Loan	716,667	550,000	716,667	550,000
Accruals	788,978	431,273	788,978	431,273
	<u>5,732,852</u>	<u>4,502,072</u>	<u>5,694,769</u>	<u>4,548,408</u>

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 other future academic years are reported as Fees In Advance Scheme (see note 13).

**13. CREDITORS**

	Group 2017	Group 2016	School 2017	School 2016
	£	£	£	£
<b>Amounts falling due after 1 year</b>				
<b>From one to two years:</b>				
Fees in Advance Scheme	251,431	290,126	251,431	290,126
Bank Loan	883,333	550,000	883,333	550,000
	<u>1,134,764</u>	<u>840,126</u>	<u>1,134,764</u>	<u>840,126</u>
<b>From two to five years:</b>				
Fees in Advance Scheme	177,988	278,533	177,988	278,533
Bank Loan	2,650,000	1,650,000	2,650,000	1,650,000
	<u>2,827,988</u>	<u>1,928,533</u>	<u>2,827,988</u>	<u>1,928,533</u>
<b>More than five years:</b>				
Bank Loan	9,181,439	7,104,167	9,181,439	7,104,167
	<u>13,144,191</u>	<u>9,872,826</u>	<u>13,144,191</u>	<u>9,872,826</u>

**THE LADY ELEANOR HOLLES SCHOOL  
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The bank loan is secured by a charge over the freehold land and buildings at the School, Hanworth Road, Hampton, Middlesex, TW12 3HF. The loan is repayable over 15 years from September 2014 and interest is charged at the current 3 month 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 in this Note, 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 2016	1,020,871
Plus funds received during 2016/17	432,186
Amounts utilised in payment of fees:	(528,818)
	924,239

**14. FINANCIAL INSTRUMENTS**

	<u>2017</u> £	<u>2016</u> £
Financial assets measured at amortised cost (a)	5,955,237	5,781,296
Financial assets measured at fair value (b)	2,359,454	2,155,407
Financial liabilities measured at amortised cost (c)	(16,357,765)	(12,141,640)

(a) Financial assets 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 include deposits, fees in advance, trade creditors and other creditors

Income received in the year from financial assets measured at amortised cost totalled £6,051 (2016: £22,428) with impairment losses of £30,835 (2016: £5,545). During the year total gains in relation to financial assets held at fair value totalled £204,047 ((2016: £159,609) and income received totalled £80,682 (2016: £82,547).

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**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. Trustees are able to spend at their discretion the income generated by such funds.

**a) Analysis of Net Assets Between Funds Group**

	Tangible Fixed Assets	Intangible Fixed Assets	Investments	Net Current Assets / (liabilities)	Long Term Creditors	Pension Liability	Total 2017
	£	£	£	£	£	£	£
Unrestricted Funds							
- Corporate reserves	26,806,017	12,259	-	20,540	(13,144,191)	(1,467,879)	12,226,746
- Other funds	-	-	2,120,864	-	-	-	2,120,864
	26,806,017	12,259	2,120,864	20,540	(13,144,191)	(1,467,879)	14,347,610
Restricted Funds	-	-	238,590	250,195	-	-	488,785
Endowment Funds	-	-	-	-	-	-	-
- Permanent endowment	4,160,000	-	-	284,335	-	-	4,444,335
	30,966,017	12,259	2,359,454	555,070	(13,144,191)	(1,467,879)	19,280,730

	Tangible Fixed Assets	Intangible Fixed Assets	Investments	Net Current Assets / (liabilities)	Long Term Creditors	Pension Liability	Total 2016
	£	£	£	£	£	£	£
Unrestricted Funds							
- Corporate reserves	20,970,177	22,014	-	2,009,096	(10,774,576)	(1,655,000)	10,571,711
- Other funds	-	-	1,392,589	-	-	-	1,392,589
	20,970,177	22,014	1,392,589	2,009,096	(10,774,576)	(1,655,000)	11,964,300
Restricted Funds	-	-	220,611	184,337	-	-	404,948
Endowment Funds	-	-	-	-	-	-	-
- Permanent endowment	4,160,000	-	542,207	284,335	-	-	4,986,542
	25,130,177	22,014	2,155,407	2,477,768	(10,774,576)	(1,655,000)	17,355,790

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**b) Restricted Funds**

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 the bursary fund in the name of Anne Watson and donations to support sciences at the School. Movements during the year were:

	2016 Balance Brought Forward £	Income £	Expenditure £	Transfers / Investment Gains £	2017 Balance carried forward £
<b>(b) Restricted Funds</b>					
Prize Funds	2,867	1,195	(3,441)	(621)	0
Nora Nickalls	21,534	344	-	(396)	21,482
Keilich Trust	101,701	2,329	(2,329)	5,987	107,688
Standford Prize	7,987	187	-	479	8,653
Mitchell Scholarship	57,440	1,458	-	4,873	63,771
Rowing Equipment	8,062	-	-	-	8,062
FLEHS	24,189	6,274	(2,680)	-	27,783
Alumnae	36,654	1,202	(350)	3,086	40,592
Morrill Donation	50,240	1,779	(3,000)	4,572	53,591
Anne Watson Bursary	64,014	60,068	-	-	124,082
Elizabeth Candy Scholarship	25,260	2,943	-	-	28,203
PJ Goswell	5,000	-	(122)	-	4,878
Hampton & Holles Boat Club	-	7,200	-	(7,200)	-
	<u>404,948</u>	<u>84,979</u>	<u>(11,922)</u>	<u>10,780</u>	<u>488,785</u>

	2015 Balance Brought Forward £	Income £	Expenditure £	Transfers / Investment Gains £	2016 Balance carried forward £
Prize Funds	12,935	1,170	(12,400)	1,162	2,867
Nora Nickalls	20,450	344	-	740	21,534
Keilich Trust	96,723	2,657	(2,657)	4,978	101,701
Standford Prize	7,377	212	-	398	7,987
Mitchell Scholarship	53,687	189	-	3,564	57,440
Rowing Equipment	12,762	-	(4,700)	-	8,062
FLEHS	25,963	148	(1,922)	-	24,189
Alumnae	31,945	2,643	(500)	2,566	36,654
Morrill Donation	45,883	2,055	(1,500)	3,802	50,240
Anne Watson Bursary	44,474	19,540	-	-	64,014
Elizabeth Candy Scholarship	-	25,260	-	-	25,260
PJ Goswell	-	5,000	-	-	5,000
LSGA	-	450	(450)	-	-
Hampton & Holles Boat Club	-	20,400	-	(20,400)	-
Music Fund Donation	-	482	(482)	-	-
Oyster Card Donation	-	120	(120)	-	-
	<u>352,199</u>	<u>80,670</u>	<u>(24,731)</u>	<u>(3,190)</u>	<u>404,948</u>

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**(c) Unrestricted Funds**

	2016						2017
	Balance					Joint	Balance
	Brought					Venture	Carried
	Forward	Income	Expenditure	Transfer	Gain/(loss)	Loss	Forward
	£	£	£	£	£	£	£
Designated Fixed Asset Reserves	11,116,010	-	-	2,258,568	-	-	13,374,578
Unrestricted	848,290	17,164,143	(15,498,280)	(1,657,018)	133,924	(18,027)	973,032
	<u>11,964,300</u>	<u>17,164,143</u>	<u>(15,498,280)</u>	<u>601,550</u>	<u>133,924</u>	<u>(18,027)</u>	<u>14,347,610</u>

	2015						2016
	Balance						Balance
	Brought						Carried
	Forward	Income	Expenditure	Transfer	Gain/(loss)		Forward
	£	£	£	£	£	£	£
Designated Fixed Asset Reserves	10,098,968	-	-	1,017,042	-	-	11,116,010
Unrestricted	579,953	17,225,494	(16,033,904)	(1,012,642)	89,389		848,290
	<u>10,678,921</u>	<u>17,225,494</u>	<u>(16,033,904)</u>	<u>4,400</u>	<u>89,389</u>		<u>11,964,300</u>

Designated Fixed Asset Reserves reflect funds used by the School to purchase its tangible fixed assets to date.

**16. CHARITY COMMISSION ORDERS**

Since 1992 and 1999, the School was subject to two recoupment orders issued by the Charity Commission. These related to certain authorised expenditures of permanent endowment to finance major capital expenditure. Pursuant to the recoupment orders, the total £800,000 of such expenditures was to be recouped over a stated period of time through annual transfers of a specified amount from unrestricted reserves to the permanent endowment. As of 31 August 2017, a total of £394,000 had been transferred in this way and such funds were invested in marketable securities having a value at 31 August 2017 of £594,350.

During the year ended 31 August 2017, the Charity Commission authorised the Governors to spend the investments made from the cumulative transfers under the recoupment orders. The Charity Commission also released the School from making any further transfers under the recoupment orders, which were declared null and void by the Charity Commission. Accordingly, the School has recorded a transfer of £594,350 from permanent endowment to unrestricted reserves in the year ended 31 August 2017.



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**17. 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.

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

<u>Due within 1 year</u>	<u>Due within 5 years</u>	<u>Due after 5 years</u>
£6,000	£30,000	£624,000

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

	Equipment 2017 £	Equipment 2016 £
Contracts due to expire in less than one year	39,759	42,737
Contracts due to expire within one and two years	26,232	19,946
Contracts due to expire >2 years and < 5 years	38,307	4,180
	104,298	66,863

For the year ended 31 August 2017, total operating lease expense was £49,167.

**18. PENSIONS**

**(a) Teachers' Pension**

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 £846,619 (2016: £835,570) and at the year-end £0 (2015 - £0) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

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**(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 6 April 2014 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 £7,281,000 and the present value of funded obligations was £10,439,000, giving a deficit for the Scheme as a whole of £3,158,000 as at 6 April 2014. The School's current share of the deficit is estimated to be 42.66% of the total.

It is understood that the Scheme is a multi-employer scheme with 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 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 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 is now recognised.

During the year to 31 August 2015, the Trustee and employers agreed a Schedule of Contributions, signed by the Trustee on 24 June 2015 (the "Schedule of Contributions"), which required total contributions to the Scheme of £376,597 between 6 July 2015 and 5 April 2016, and then £473,796 per annum from 6 April 2016 to 5 April 2025. The School's current share of this contribution amount is estimated to be 42.66% of the total.

A "liability" has been recognised, representing the present value, as at 31 August 2017, 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 1.15% p.a.

The movements in the pension liability during the years ended 31 August 2017 and 31 August 2016 were as follows:

**Movements during the year:**

Balance at start of year	1,655,000	1,727,000
Unwinding of the discount rate	18,000	44,000
Contributions paid	(202,121)	(216,000)
Additional funding charge	(3,000)	100,000
Balance at end of year	<u>1,467,879</u>	<u>1,655,000</u>

**Amount recorded in the Balance Sheet**

Multi-employer scheme liability- past deficit	1,467,879	1,655,000
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**THE LADY ELEANOR HOLLES SCHOOL  
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The amounts recognised in the SOFA for the years ended 31 August 2017 and 31 August 2016 were as follows:

**Amount recognised in the SOFA:**

Unwinding of the discount rate	<b>18,000</b>	44,000
Additional funding charge	<b>(3,000)</b>	100,000
- due to new Recovery Plan	-	-
- due to change of basis	<b>(3,000)</b>	100,000

- (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.

**THE LADY ELEANOR HOLLES SCHOOL**  
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**19. Consolidated Statement of Financial Activities – Comparative figures by fund-type**

Year Ended 31 August 2016	Unrestricted £	Restricted £	Endowment £	Funds Total £
<b>Income and Endowments from:</b>				
School Fees	14,213,712	-	-	14,213,712
Other Income	2,225,502	-	-	2,225,502
<b>Other Trading Activities</b>				
Other Activities	635,961	-	-	635,961
Millennium Boat House	49,408	-	-	49,408
<b>Investments</b>				
Investment Income	75,206	7,341	-	82,547
Bank and Other Interest	22,428	-	-	22,428
<b>Voluntary sources</b>				
Donations	3,277	73,329	-	76,606
<b>Total Income</b>	<b>17,225,494</b>	<b>80,670</b>	<b>-</b>	<b>17,306,164</b>
<b>Expenditure on:</b>				
Activities of subsidiaries	692,618	-	-	692,618
Raising Funds & Development	5,818	-	-	5,818
Cost of finance	341,780	-	-	341,780
<b>Charitable Activities</b>				
Education & grant making	14,993,688	24,731	-	15,018,419
<b>Total Expenditure</b>	<b>16,033,904</b>	<b>24,731</b>	<b>-</b>	<b>16,058,635</b>
<b>Net income from operations before transfers and investment gains</b>	<b>1,191,590</b>	<b>55,939</b>	<b>-</b>	<b>1,247,529</b>
Gains on Investments	89,389	17,210	53,010	159,609
Transfers between funds	4,400	(20,400)	16,000	-
<b>Net income and capital inflow</b>	<b>1,285,379</b>	<b>52,749</b>	<b>69,010</b>	<b>1,407,138</b>
<b>Net Movements in funds for the year</b>	<b>1,285,379</b>	<b>52,749</b>	<b>69,010</b>	<b>1,407,138</b>
<b>Balances brought forward</b>	<b>10,678,921</b>	<b>352,199</b>	<b>4,917,532</b>	<b>15,948,652</b>
<b>Balances carried forward</b>	<b>11,964,300</b>	<b>404,948</b>	<b>4,986,542</b>	<b>17,355,790</b>

**THE LADY ELEANOR HOLLES SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 AUGUST 2017**

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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 2017, LEHI had a turnover of £200,000 (2016 £50,000), gross profit of £190,000 (2016 £40,000) and a profit before tax and gift aid of £128,485 (2016 loss £(41,883)).

At 31 August 2017, LEHI had total assets of £140,270 (2016 £50,001), total liabilities of £140,269 (2016 £91,883) and shareholder's funds of £1 (2016 £(41,882)).

**21. Related Party Transactions**

During the year ended 31 August 2017, the School charged LEHI £36,131 for the provision of staff, administrative services and use of certain intellectual property belonging to the School. At 31 August 2017, the School had a net debtor from LEHI of £120,213.

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 2017, the School charged Pupilcoach £36,686 for such services and at 31 August 2017 had a net debtor from Pupilcoach of £54,490.