

REGISTERED COMPANY NUMBER: 01270675 (England and Wales)
REGISTERED CHARITY NUMBER: 505630

**REPORT OF THE TRUSTEES AND
FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST AUGUST 2019
FOR
RICHMOND HOUSE SCHOOL**

Thomas Coombs Limited
Statutory Auditor
Chartered Accountants
3365 The Pentagon
Century Way
Thorpe Park
Leeds
West Yorkshire
LS15 8ZB

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FOR THE YEAR ENDED 31ST AUGUST 2019**

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REFERENCE AND ADMINISTRATIVE DETAILS
FOR THE YEAR ENDED 31ST AUGUST 2019

TRUSTEES	G Galdins (Chair from 18/10/18) S J Brazier (Vice Chair from 18/10/18) P J Fox M R Grange (Vice Chair until resigned 18/10/18) P Jolly (resigned 18/10/18) V G Monnickendam E Moran (appointed 18/10/18) C Shuttleworth (Chair until 18/10/18, remains a Trustee and Company Director) E Slater S Stephens J B Watson (resigned 18/10/18) A West (appointed 25/4/19) G P Woods (appointed 18/10/18)
REGISTERED OFFICE	170 Otley Road Leeds LS16 5LG
REGISTERED COMPANY NUMBER	01270675 (England and Wales)
REGISTERED CHARITY NUMBER	505630
AUDITORS	Thomas Coombs Limited Statutory Auditor Chartered Accountants 3365 The Pentagon Century Way Thorpe Park Leeds West Yorkshire LS15 8ZB
BANKERS	National Westminster Bank plc 8 Park Row Leeds West Yorkshire LS1 5HD Lloyds Bank plc 65-68 Briggate Leeds West Yorkshire LS1 6LH
SOLICITORS	Clarion Solicitors Limited Elizabeth House 13-19 Queen St Leeds LS1 2TW

The trustees who are also directors of the Charity for the purposes of the Companies Act 2006, present their report with the financial statements of the Charity for the year ended 31st August 2019. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

OBJECTIVES AND ACTIVITIES

Objects of the Charity

The objects of the School as detailed in the Memorandum of Association are to promote and provide for the advancement of education and training and in connection therewith to conduct, carry on, acquire and develop in the United Kingdom any boarding or day school or schools for the education of children of either sex or both sexes.

Principal activity

The Charity's principal activity is the operation of Richmond House School, a day school in Far Headingley, Leeds. The School is registered as a charitable organisation. The main areas of the charitable activity are the provision and advancement of education and training.

Strategies and Objectives

The Board's strategy, as a charitable Independent School, is to foster pupils' academic and personal development in a challenging, caring and happy environment that enables all to achieve their full potential. In addition, supporting public benefit objectives, the aim is to provide opportunities for those children of lower income or otherwise disadvantaged families, who would otherwise be unable to access these facilities and provide facilities for the benefit of third parties and the local community.

Objectives for the year

The objectives for the year which reflect the charitable purpose, educational aims and ethos were:

- To continue to enhance academic progression through review of teaching methods and monitoring and assessment tools
- To develop new areas of the curriculum to further enhance pupil learning
- To develop wider opportunities for pupil responsibility and involvement in wider life of school and community
- To develop the School grounds and infrastructure to support pupil learning including progressing development for the Early Years facility and Sports and Performance Hall. An amount of £500,000 from accumulated reserves has been designated for this project.
- To continue to develop our marketing to improve visibility in the wider community

Public benefit

In the furtherance of the objects of the Charity the Directors, as Trustees, have complied with the duty in s.4 of the Charities Act 2011. This is to have due regard for the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement.

Richmond House School encourages pupils to consider their place in the wider community, to develop a strong sense of social responsibility, and to support those less fortunate than themselves. These aims are achieved through many avenues: within the curriculum, through expected behaviours and pupils voluntarily organising charity fundraising events throughout the year to benefit local, national and global charities.

The School facilities are used by community groups, external organisations and sports teams. These are supported through free or subsidised use of equipment / hire rates to promote their use in the local community.

In respect of grant making, the School operates a bursary fund to assist new applicants to the School or an existing pupil where a change in parent/guardian's circumstances has resulted in a difficulty to meet tuition fees. This fund is primarily used to broaden the access to the School and use of this fund is reviewed by the Governors to ensure restricted funds are used appropriately and any matching of donated funds or supplements from unrestricted income to the bursary fund are carefully managed. Availability of bursaries is advertised on the School website - www.rhschool.org.

Such support is available on a needs basis via application to the Bursar. Bursaries to the value of £42,611 (2018:£67,461) were made in 2018/19.

STRATEGIC REPORT

Achievement and performance

Richmond House School continues to pride itself on pupil performance and achievement from a non-selective co-educational intake of pupils, who are educated in an environment where 'children are happy to learn'. The School is regularly complimented on being friendly and welcoming whilst promoting and delivering high standards of behaviour, academic and extra curricular breadth and success. Below is an update on the performance against the objectives for the year which were outlined on page 2.

Academic progression, enhanced pupil learning and pupil responsibility

We were again delighted that all of our Year 6 pupils were offered places at their first choice of senior school with a number of scholarship offers also being received.

During the year a new timetable was introduced reducing the number of lessons in a day from 7 to 5, ensuring that all English and Maths lessons are taught in the mornings when the children are fresh and alert and moving assemblies to the end of the day when children are tired. New schemes of work and homework timetables were introduced to further enhance the breadth of the curriculum and Maths and English assessment was done for all pupils from reception to Year 6. In addition, Nursery aspects tests showed significant value-added.

Pupil well-being was a particular focus during the year with the development of a well-being star which draws on the key themes of building resilience, respect, opportunities for recreation, knowledge of refuelling needs and methods of relaxation. In June we ran our House Rewards and Wellbeing Day which covered all aspects of the star with activities ranging from yoga and baking to an inflatable 'It's a Knockout Course'.

Our pupils from reception to Year 6 all benefitted from age-appropriate first aid training this year equipping them with confidence, knowledge and skills which could make a real difference in emergency situations within our community.

We again took part in a number of inter-school quizzes, covering a breadth of subjects including maths, science, general knowledge and languages, winning the regional heat of the Science Quiz. We hosted the uTalk Junior Language Challenge where children learnt languages ranging from Spanish to Khmer - the official language of Cambodia.

In sport we introduced lacrosse and hosted an inter-school cross country event with more than 200 pupils from local independent and state schools taking part. In addition, over 100 competitive fixtures were played in rugby, cricket, football, netball, hockey, athletics, rounders, lacrosse and swimming.

Our music and drama performances were again the highlight of the year for many of our pupils with nativities for nursery to year 2 children, choir performances in Leeds Trinity, St James's Hospital, Mount St Joseph and St Chad's Court, a musical showcase to display individual talents and the inaugural Year 6 end of Year production. These performances serve to highlight the growth in confidence and self-assurance that the pupils benefit from during their time at the School as well as building links with our community.

The School Council decided to support a number of charities this year and, along with our Parents Associations' contribution, managed to raise just short of £4,000. This was done through a range of activities such as arranging food collections for St George's Crypt, donating Christmas presents through Mission Christmas, Bring and Buy sales, coffee mornings, book week and a 5K family fun run with the proceeds being donated to Candlelighters.

Our extra-curricular clubs continued to add to the all-round education of our pupils with the clubs offered expanding still further this year with the addition of 15 new clubs. These included Scenery and Props, Mindful Activities, Fine Motor Skills, Board and Card Games and Debating Club.

The highlight of the year still remains the Year 6 trip to Paris- they have been well prepared for this experience by the time they reach year 6 having already experienced residential trips to Nell Bank and Cranedale in years 4 and 5.

Development of Early Years and Sports and Performance Hall

During the year, a new purpose-built Early Years facility was designed and built and was ready for opening for our nursery and reception pupils in September 2019. The design provided an additional nursery room, purpose-built kitchen with breakfast bar, library and playground providing significant enhancement to our facilities and delighting all the pupils who returned to their new classrooms.

In addition, we consulted with a number of stakeholders on the development of the Sports and Performance Hall facility receiving unanimously positive feedback. Work continues to assess the affordability and timing of this development alongside the other financial challenges faced by the independent school sector.

Marketing Development

During the year the website was further developed to include a parent portal enabling easier communications for our parents.

STRATEGIC REPORT

Financial review

Financial position

The unrestricted surplus for the year amounted to £200,856 (2018: £209,495). There was a £5,543 decrease (2018: £6,038 decrease) in restricted funds, giving a total net increase in funds of £195,313 (2018: £203,457).

Investment policy and objectives

The Memorandum dictates that the Governors may invest the money of the Charity not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject to conditions (if any) and consents (if any) imposed or required by law.

Reserves policy

The Governors aim to have sufficient free reserves available to facilitate the efficient operation of the School. Free reserves are defined as total reserves excluding the fixed asset reserve, any designated reserve and restricted funds. The Governors consider that free reserves should preferably be a sum equivalent to three months running costs which is approximately £500,000. As at 31 August 2019 the School had free reserves of £378,404 (2018: £366,037). The Governors aim to build free reserves to the target level over the next 2-5 years from annual operating surpluses.

Any free cash balances are invested in interest bearing accounts with reputable financial institutions. The reserves of the School include investments in school land and buildings with a net book value at 31 August 2019 of £1,687,783 (2018: £1,227,967).

As at 31 August 2018 a sum of £500,000 was set aside in a designated reserve to invest in the development of a new Early Years facility. This facility was constructed during summer 2019. The Governors are now looking to further develop the School and have placed a sum of £250,000 into a designated reserve as at 31 August 2019, for the future development of a Sports and Performance Hall. Planning permission for this was granted in May 2019. Whilst the Governors are very keen to add this exciting new Hall to the School's facilities, the funding, and hence timing of it, have to be carefully considered.

Restricted funds

The Charity has a number of restricted funds which are represented by fixed assets and cash at bank. The purposes of these funds are detailed in note 16 to the financial statements.

Future plans

The key strategic and operational objectives for the year 2019/20 are:

- To continually enhance academic progression through review of teaching methods and monitoring and assessment tools
- To develop new areas of the curriculum to further enhance pupil learning
- To develop wider opportunities for pupil responsibility and involvement in wider life of school and community
- To develop awareness and support for mental health and well being of pupils
- To continue to develop the School grounds and infrastructure to support pupil learning including progressing plans and funding streams for future development of a Sports and Performance Hall.
- To continue to develop both internal and external marketing of the School to maximise retention of pupils and to improve visibility in the wider community

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Company is governed by its Memorandum and Articles of Association, last amended on 26 March 2006.

Directors and Governors of the company

The Governors are the Charity Trustees and Company Directors of Richmond House School. The Governors are a self appointing body and all of those detailed below served on the board for the full year, except where indicated otherwise:

G Galdins (Chair from 18/10/18)
S J Brazier (Vice Chair from 18/10/18)
P J Fox
M R Grange (Vice Chair until resigned 18/10/18)
P Jolly (resigned 18/10/18)
V G Monnickendam
E Moran (appointed 18/10/18)
C Shuttleworth (Chair until 18/10/18, remains a Trustee and Company Director)
E Slater
S Stephens
J B Watson (resigned 18/10/18)
A West (appointed 25/4/19)
G P Woods (appointed 18/10/18)

Recruitment and training

The Trustees of the School are members of the Charity. A new member will be admitted to the Board of Governors on the approval of the existing Board of Governors which shall have absolute discretion as to the admission of any person. The Chairperson reviews the policies over selection, recruitment and training of Governors on a regular basis.

All new Governors serve a probationary period and then, if satisfactory in the execution of their duties, have their appointment to the governing body ratified at the AGM. A Governor's term of office is normally four years with re-election required at the AGM for up to three terms.

Organisational management

The Governors meet as a whole body at least four times per annum to review the School's activities and strategies and determine the general policy of the School. The day to day management of the School is delegated to the Headteacher and her senior leadership team.

Governors are advised of any changes in governance requirements and informed of training courses and conferences to further their knowledge. The School is a member of the Association of Governing Bodies of Independent Schools (AGBIS) which runs training courses for governors and advises on best practice.

Key management remuneration

The day-to-day running of the School is delegated to the Headteacher, Bursar, Deputy Head and Assistant Head-Pastoral as the key management personnel. They attend all main board meetings of the Governing Body, plus the Headteacher and at least one other member of the senior team are members of the sub committees.

The principal officers at 31st August 2019 were:

H Stiles	Headteacher
T Looker	Bursar
C Mullis	Deputy Head and Director of Academic Studies
S Young	Assistant Head - Pastoral

The remuneration of key management personnel is set by the Board. The appropriateness and relevance of the remuneration policy is reviewed annually, 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.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Principal risks and uncertainties

The Governors keep the School's activities under review, particularly in regard to major risks that may arise as well as systems and procedures established to manage and mitigate risks. The Trustees have assessed the major risks, particularly operational and financial and are satisfied that the systems are in place to manage and mitigate exposure to the major risks.

The principal risks can be categorised as financial, educational, reputational and legal.

The key controls are:

- clear governance structure, with sub committees and formal agendas.
- clear organisation, responsibilities and reporting lines
- clear authorisation and approval levels
- strategic plans, budgets and financial management including monthly management accounts
- careful planning and management of projected pupil numbers
- formal policies and responsibilities including child safeguarding, health and safety, staff recruitment and areas of operations
- IT system security and remote back ups
- full safeguarding procedures from staff recruitment to day to day management

The unexpected announcement of the 43% rise in employer teachers' pension contributions from 1 September 2019 represented a new financial risk to Richmond House School along with other independent schools. The Board of Governors is continually reviewing financial forecasts in light of this announcement and the other significant external issues which may impact on the School such as Brexit and the Labour Party announcement on the future of Independent Schools. In particular, capital investment plans and the ability to continue to pay the employer contributions necessary to remain within the Teachers Pension Scheme are being reviewed.

AUDITORS

The auditors, Thomas Coombs Limited, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 30th January 2020 and signed on the board's behalf by:

.....
G Galdins - Trustee

**STATEMENT OF TRUSTEES RESPONSIBILITIES
FOR THE YEAR ENDED 31ST AUGUST 2019**

The trustees (who are also the directors of Richmond House School for the purposes of company law) are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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

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

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

In so far as the trustees are aware:

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

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RICHMOND HOUSE SCHOOL

Opinion

We have audited the financial statements of Richmond House School (the 'charitable company') for the year ended 31st August 2019 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31st August 2019 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 Auditors responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RICHMOND HOUSE SCHOOL

Responsibilities of trustees

As explained more fully in the Statement of Trustees Responsibilities, 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 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.

Our 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 a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our Report of the Independent Auditors.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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.

Christopher Darwin (Senior Statutory Auditor)
for and on behalf of Thomas Coombs Limited
Statutory Auditor
Chartered Accountants
3365 The Pentagon
Century Way
Thorpe Park
Leeds
West Yorkshire
LS15 8ZB

Date: 30th January 2020

RICHMOND HOUSE SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31ST AUGUST 2019

	Notes	Unrestricted fund £	Restricted funds £	2019 Total funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	2	-	3,068	3,068	2,480
Charitable activities	4				
Operation of the School		1,993,143	-	1,993,143	1,907,049
Other ancillary trading income		307,845	-	307,845	292,272
Investment income	3	<u>4,268</u>	<u>-</u>	<u>4,268</u>	<u>961</u>
Total		2,305,256	3,068	2,308,324	2,202,762
EXPENDITURE ON					
Charitable activities	5				
Operation of the School		<u>2,104,400</u>	<u>8,611</u>	<u>2,113,011</u>	<u>1,999,305</u>
NET INCOME/(EXPENDITURE)		200,856	(5,543)	195,313	203,457
RECONCILIATION OF FUNDS					
Total funds brought forward		2,179,983	16,798	2,196,781	1,993,324
TOTAL FUNDS CARRIED FORWARD		<u>2,380,839</u>	<u>11,255</u>	<u>2,392,094</u>	<u>2,196,781</u>

The notes form part of these financial statements

RICHMOND HOUSE SCHOOL

BALANCE SHEET
AT 31ST AUGUST 2019

	Notes	Unrestricted fund £	Restricted funds £	2019 Total funds £	2018 Total funds £
FIXED ASSETS					
Tangible assets	12	1,752,435	11,255	1,763,690	1,330,744
CURRENT ASSETS					
Debtors	13	75,164	-	75,164	69,724
Cash at bank		<u>1,068,393</u>	<u>-</u>	<u>1,068,393</u>	<u>1,025,087</u>
		1,143,557	-	1,143,557	1,094,811
CREDITORS					
Amounts falling due within one year	14	<u>(264,153)</u>	<u>-</u>	<u>(264,153)</u>	<u>(228,774)</u>
NET CURRENT ASSETS		<u>879,404</u>	<u>-</u>	<u>879,404</u>	<u>866,037</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		2,631,839	11,255	2,643,094	2,196,781
CREDITORS					
Amounts falling due after more than one year	15	<u>(251,000)</u>	<u>-</u>	<u>(251,000)</u>	<u>-</u>
NET ASSETS		<u>2,380,839</u>	<u>11,255</u>	<u>2,392,094</u>	<u>2,196,781</u>
FUNDS	18				
Unrestricted funds					
- Free reserves				378,404	366,037
- Fixed asset reserve				1,752,435	1,313,946
- Designated reserves				250,000	500,000
Restricted funds				<u>11,255</u>	<u>16,798</u>
TOTAL FUNDS				<u>2,392,094</u>	<u>2,196,781</u>

The financial statements were approved by the Board of Trustees on 30th January 2020 and were signed on its behalf by:

.....
G Galdins -Trustee

The notes form part of these financial statements

RICHMOND HOUSE SCHOOL

CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Cash generated from operations	1	<u>301,804</u>	<u>300,207</u>
Net cash provided by (used in) operating activities		<u>301,804</u>	<u>300,207</u>
Cash flows from investing activities:			
Purchase of tangible fixed assets		<u>(508,901)</u>	<u>(31,450)</u>
Net cash provided by (used in) investing activities		<u>(508,901)</u>	<u>(31,450)</u>
Cash flows from financing activities:			
New loans in year		251,000	-
Interest on loan		<u>(597)</u>	<u>-</u>
Net cash provided by (used in) financing activities		<u>250,403</u>	<u>-</u>
Change in cash and cash equivalents in the reporting period			
		43,306	268,757
Cash and cash equivalents at the beginning of the reporting period		<u>1,025,087</u>	<u>756,330</u>
Cash and cash equivalents at the end of the reporting period		<u>1,068,393</u>	<u>1,025,087</u>

The notes form part of these financial statements

NOTES TO THE CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST AUGUST 2019

1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES	2019	2018
	£	£
Net income/(expenditure) for the reporting period (as per the statement of financial activities)	195,313	203,457
Adjustments for:		
Depreciation charges	75,955	74,023
Interest on loan	597	-
Increase in debtors	(5,440)	(25,426)
Increase in creditors	<u>35,379</u>	<u>48,153</u>
Net cash provided by (used in) operating activities	<u>301,804</u>	<u>300,207</u>

1. ACCOUNTING POLICIES

Basis of preparing the financial statements

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

Tangible fixed assets

Tangible fixed assets are stated at cost or deemed cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold buildings	50 years
Long Leasehold buildings	50 years
Fixtures, fittings and equipment	3-10 years
Machinery	20 years
Motor vehicles	5 years

Long leasehold land is not depreciated.

The Charity capitalises assets where they are considered to have an economic benefit to the School for a period greater than a year.

The freehold buildings and long leasehold land and buildings were revalued at the transition date 1st September 2014 at £1,300,000. This, under FRS 102 is the deemed cost of these assets as at that date.

Taxation

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

Fund accounting

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

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

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

Pension costs and other post-retirement benefits

The Charity makes contributions to the Teachers' Pension Scheme, a multi-employer defined benefit pension scheme. As the Charity is unable to separately identify its share of the assets and liabilities of the scheme, the scheme is accounted for as if it were a defined contribution scheme under FRS 102. The contributions are charged against income as they become payable in accordance with the rules of the scheme.

The charitable company also operates a defined contribution stakeholder pension scheme for support staff. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

1. ACCOUNTING POLICIES - continued

Company and charitable status

Richmond House School is a company limited by guarantee. The guarantors are the Governors named on page 1. The liability in respect of this guarantee, as set out in the memorandum, is limited to £1 per member. The company is a charity, Registration Number 505630.

Going concern

The company has substantial cash resources which, in the opinion of the Trustees, are sufficient to enable it to continue as a going concern for the foreseeable future.

Income and endowments

Operation of school

Income from school fees and for other school services is recognised in line with the term to which they relate. Fees consist of charges billed less discounts.

Investment income

Investment income relates to interest and is included when receivable.

Donations receivable

Donations received are treated as income in the year in which entitlement is demonstrable and conditions have been met. Donations subject to specific wishes of the donors are treated as restricted funds.

Expenditure

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. The irrecoverable element of VAT is included with the item of expense to which it relates.

Support costs

Support costs have been allocated to activity cost categories on a basis consistent with the use of the resources.

Debtors and creditors receivable/ payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

Leases

Rentals payable under operating leases are charged to the SOFA on a straight line basis over the period of the lease.

2. DONATIONS AND LEGACIES

	2019	2018
	£	£
Donations	<u>3,068</u>	<u>2,480</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2019

3. INVESTMENT INCOME

	2019	2018
	£	£
Investment Income	<u>4,268</u>	<u>961</u>

4. INCOME FROM CHARITABLE ACTIVITIES

			2019	2018
	Operation of the School	Other ancillary trading income	Total activities	Total activities
	£	£	£	£
School fees	1,993,143	-	1,993,143	1,907,049
Lunches	-	142,707	142,707	134,658
Pre and after school care	-	55,842	55,842	46,256
Peripatetic music	-	52,838	52,838	54,308
Learning support	-	12,494	12,494	8,892
Sundry income	-	8,640	8,640	10,709
Extra curriculum activities	-	35,324	35,324	37,449
	<u>1,993,143</u>	<u>307,845</u>	<u>2,300,988</u>	<u>2,199,321</u>

School fees are reported net of bursary awards of £42,611 (2018: £67,461).

5. CHARITABLE ACTIVITIES COSTS

	Direct costs (See note 6)	Support costs (See note 7)	Totals
	£	£	£
Operation of the School	<u>1,709,814</u>	<u>403,197</u>	<u>2,113,011</u>

6. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2019	2018
	£	£
Staff costs	1,255,130	1,230,561
Other staffing costs	5,104	6,920
Peripatetic music	43,840	43,573
Extra curriculum activities	18,429	24,272
Educational departments	29,035	30,868
Canteen provisions	66,063	71,175
Premises costs	52,912	53,050
Repairs and renewals	38,997	19,985
Demolition and remedial works prior to building of Early Years facility	61,658	-
Depreciation	75,955	74,023
Hire of amenities	6,390	12,378
Travelling expenses	9,400	8,582
Computer training and support	15,058	15,854
Cleaning materials	12,238	12,738
Doubtful debts	2,571	(1,570)
Subscriptions	10,450	8,711
Prize giving	4,274	3,193
Trips and outings	2,310	4,378
	<u>1,709,814</u>	<u>1,618,691</u>

7. SUPPORT COSTS

	Other
	£
Operation of the School	<u>403,197</u>

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

Other

	2019	2018
	Operation of the School	Total activities
	£	£
Wages	197,106	188,520
Social security	15,621	14,380
Pensions	3,921	4,134
Administration costs	29,606	33,826
Marketing and promotions (including staff costs)	58,393	49,514
Sundry costs	2,902	5,476
Legal and professional fees	33,026	21,257
Project fees	56,094	56,623
Governance cost: Audit fees	5,982	6,350
Governance cost: TP audit fees	546	534
	<u>403,197</u>	<u>380,614</u>

8. NET INCOME/(EXPENDITURE)

Net income/(expenditure) is stated after charging/(crediting):

	2019	2018
	£	£
Depreciation - owned assets	75,955	74,023
Auditors' remuneration	<u>5,982</u>	<u>6,350</u>

9. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31st August 2019 nor for the year ended 31st August 2018.

Trustees' expenses

Trustees' expenses of £nil were paid for the year ended 31st August 2019 (2018: £nil).

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2019

10. STAFF COSTS

	2019	2018
	£	£
Wages and salaries	1,254,481	1,219,440
Social security costs	109,201	108,115
Other pension costs	135,280	132,955
	<u>1,498,962</u>	<u>1,460,510</u>

The average number of full time equivalent employees during the year was as follows:

	2019	2018
Head teacher	1	1
Teachers	26	25
Kitchen staff	4	4
Ancillary	4	4
Administrative	4	4
	<u>39</u>	<u>38</u>

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

	2019	2018
Head teacher	1	1
Teaching staff	36	34
Kitchen staff	6	7
Ancillary	7	5
Administrative	5	5
	<u>55</u>	<u>52</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

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

One employee earned more than £60,000 per annum in the current period. Contributions to pensions schemes in respect of higher paid staff amounted to £10,243 (2018: £9,987).

The total employee costs (gross, employers national insurance contributions and employer pension contributions) of the key management personnel as considered by the Charity were £263,321 (2018: £247,129).

11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	418	2,062	2,480
Charitable activities			
Operation of the School	1,907,049	-	1,907,049
Other ancillary trading income	292,272	-	292,272
Investment income	<u>961</u>	<u>-</u>	<u>961</u>
Total	2,200,700	2,062	2,202,762
EXPENDITURE ON			
Charitable activities			
Operation of the School	<u>1,991,205</u>	<u>8,100</u>	<u>1,999,305</u>
Total	1,991,205	8,100	1,999,305
NET INCOME/(EXPENDITURE)	209,495	(6,038)	203,457
Transfers between funds	<u>50</u>	<u>(50)</u>	<u>-</u>
Net movement in funds	209,545	(6,088)	203,457
RECONCILIATION OF FUNDS			
Total funds brought forward	<u>1,970,438</u>	<u>22,886</u>	<u>1,993,324</u>
TOTAL FUNDS CARRIED FORWARD	<u>2,179,983</u>	<u>16,798</u>	<u>2,196,781</u>

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2019

12. TANGIBLE FIXED ASSETS

	Freehold buildings £	Asset in the course of construction £	Long leasehold land and buildings £
COST			
At 1st September 2018	803,019	-	513,276
Additions	-	482,140	-
Disposals	-	-	-
At 31st August 2019	<u>803,019</u>	<u>482,140</u>	<u>513,276</u>
DEPRECIATION			
At 1st September 2018	63,264	-	25,064
Charge for year	16,060	-	6,264
Eliminated on disposal	-	-	-
At 31st August 2019	<u>79,324</u>	<u>-</u>	<u>31,328</u>
NET BOOK VALUE			
At 31st August 2019	<u>723,695</u>	<u>482,140</u>	<u>481,948</u>
At 31st August 2018	<u>739,755</u>	<u>-</u>	<u>488,212</u>

	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Totals £
COST				
At 1st September 2018	18,675	906,818	49,424	2,291,212
Additions	-	26,761	-	508,901
Disposals	-	(48,808)	-	(48,808)
At 31st August 2019	<u>18,675</u>	<u>884,771</u>	<u>49,424</u>	<u>2,751,305</u>
DEPRECIATION				
At 1st September 2018	12,891	810,632	48,617	960,468
Charge for year	934	51,890	807	75,955
Eliminated on disposal	-	(48,808)	-	(48,808)
At 31st August 2019	<u>13,825</u>	<u>813,714</u>	<u>49,424</u>	<u>987,615</u>
NET BOOK VALUE				
At 31st August 2019	<u>4,850</u>	<u>71,057</u>	<u>-</u>	<u>1,763,690</u>
At 31st August 2018	<u>5,784</u>	<u>96,186</u>	<u>807</u>	<u>1,330,744</u>

The brought forward cost for the freehold buildings and long leasehold land and buildings represents a combination of a "deemed cost" of £1,300,000 as at 1st September 2014 plus subsequent capital costs of £16,295. The deemed cost is based Existing Use and Market Value according to WSB Property Consultants LLP, of 36 Park Cross Street, Leeds, LS1 2QH. From 1st September 2014 depreciation is applied at 2% straight line.

All tangible fixed assets were used for charitable purposes.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2019

12. TANGIBLE FIXED ASSETS - continued

There were additions of £nil (2018: £nil) relating to assets acquired with restricted funds, the depreciation of which is charged to restricted funds in the statement of financial activities over the useful economic life of the assets.

At 31st August 2019 assets with a cost of £115,820 and a net book value of £11,255 had been acquired with restricted funds. All other assets were purchased from unrestricted funds.

13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
School fees	21,177	20,810
Accrued income	918	869
Other debtors	6,713	-
Prepayments	<u>46,356</u>	<u>48,045</u>
	<u>75,164</u>	<u>69,724</u>

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Creditors in the course of ordinary activities	24,804	34,127
Other creditors and deferred grants	39,503	35,110
Deposits	65,850	62,850
Fees in advance	102,766	80,628
Accrued expenses	<u>31,230</u>	<u>16,059</u>
	<u>264,153</u>	<u>228,774</u>

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2019	2018
	£	£
Bank loans (see note 16)	<u>251,000</u>	<u>-</u>

16. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>23,412</u>	<u>-</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans more 5 years by instalments	<u>227,588</u>	<u>-</u>

The loan is for a term of 25 years, a repayment loan, with an initial 2 year capital repayment holiday. Interest is charged at base plus 2.35%. The loan is secured on the freehold property of the School.

NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2019

17. LEASING AGREEMENTS

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2019	2018
	£	£
Within one year	1,370	2,008
Between one and five years	-	1,302
	<u>1,370</u>	<u>3,310</u>

18. MOVEMENT IN FUNDS

	At 1/9/18	Net movement	Transfers	At 31/8/19
	£	in funds	between funds	£
		£	£	
Unrestricted Funds				
Free reserves	366,037	271,268	(258,901)	378,404
Fixed assets reserve	1,313,946	(70,412)	508,901	1,752,435
Designated reserves	500,000	-	(250,000)	250,000
	<u>2,179,983</u>	<u>200,856</u>	<u>-</u>	<u>2,380,839</u>
Restricted Funds				
Parents' Association Capital Fund	16,798	(5,543)	-	11,255
	<u>16,798</u>	<u>(5,543)</u>	<u>-</u>	<u>11,255</u>
TOTAL FUNDS	<u>2,196,781</u>	<u>195,313</u>	<u>-</u>	<u>2,392,094</u>

Net movement in funds, included in the above are as follows:

	Incoming	Resources	Movement in
	resources	expended	funds
	£	£	£
Unrestricted funds			
Free reserves	2,305,256	(2,033,988)	271,268
Fixed assets reserve	-	(70,412)	(70,412)
Designated reserves	-	-	-
	<u>2,305,256</u>	<u>(2,104,400)</u>	<u>200,856</u>
Restricted funds			
Parents' Association Revenue Fund	3,068	(3,068)	-
Parents' Association Capital Fund	-	(5,543)	(5,543)
	<u>3,068</u>	<u>(8,611)</u>	<u>(5,543)</u>
TOTAL FUNDS	<u>2,308,324</u>	<u>(2,113,011)</u>	<u>195,313</u>

18. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1/9/17 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
Unrestricted Funds				
Free reserves	619,957	277,480	(531,400)	366,037
Fixed assets reserve	1,350,481	(67,985)	31,450	1,313,946
Designated reserves	-	-	500,000	500,000
	<u>1,970,438</u>	<u>209,495</u>	<u>-</u>	<u>2,179,983</u>
Restricted Funds				
Parents' Association Capital Fund	22,836	(6,038)	-	16,798
Revenue Fund	50	-	(50)	-
	<u>22,886</u>	<u>(6,038)</u>	<u>(50)</u>	<u>16,798</u>
TOTAL FUNDS	<u><u>1,993,324</u></u>	<u><u>203,457</u></u>	<u><u>-</u></u>	<u><u>2,196,781</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
Free reserves	2,200,700	(1,923,220)	277,480
Fixed assets reserve	-	(67,895)	(67,895)
Designated reserves	-	-	-
	<u>2,200,700</u>	<u>(1,991,205)</u>	<u>209,495</u>
Restricted funds			
Parents' Association Capital Fund	-	(6,038)	(6,038)
Parents' Association Revenue Fund	<u>2,062</u>	<u>(2,062)</u>	<u>-</u>
	<u>2,062</u>	<u>(8,100)</u>	<u>(6,038)</u>
TOTAL FUNDS	<u><u>2,202,762</u></u>	<u><u>(1,999,305)</u></u>	<u><u>203,457</u></u>

Unrestricted funds are those funds expendable at the discretion of the Governors in pursuance of the Charity's objectives.

Included within unrestricted funds is freehold and long leasehold land and buildings with a net book value at the year end of £1,798,435 (2018: £1,227,966). These figures include the revaluation of the freehold buildings and long leasehold land and buildings on 1st September 2014 of £656,864 along with assets in the course of construction which are the costs of the building of the Early Years facility which was being built at the year end.

The fixed asset reserve represents unrestricted funds held in the form of tangible fixed assets.

Designated funds represent the amounts that the Governors have set aside for the future development of the School. As at 31 August 2018, £500,000 was set aside in a designated reserve to invest in the development of a new Early Years facility. This was constructed during summer 2019. The Governors are now looking to further develop the School and have placed a sum of £250,000 into a designated reserve for the future development of a Sports and Performance Hall.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED
FOR THE YEAR ENDED 31ST AUGUST 2019**

18. MOVEMENT IN FUNDS - continued

The Parents' Association Capital fund reflects donations from the Parents' Association to fund the purchase of specific fixed assets. The related annual depreciation relating to the fixed assets is charged against the restricted fund. The Parents' Association Revenue Fund reflects donations to fund specific operating costs.

19. CONTINGENT LIABILITIES

Richmond House School is a company limited by guarantee with no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of a winding-up. There were no contingent liabilities at 31st August 2019 or 31st August 2018.

20. RELATED PARTY DISCLOSURES

During the year ended 31st August 2019 there were purchases totalling £2,658 (2018:£2,795) from Table Top Television Ltd which is a related party of G. Galdins as her husband is a Director. The balance owing from Richmond House School at the year end was £nil (2018:£581). These transactions are conducted at an arms-length.

There were also purchases of £2,250 (2018:£nil) from Gunner Cooke LLP of which E Slater is a partner. The balance owing from Richmond House School at the year end was £nil (2018:£nil). These transactions are conducted at an arms-length.

21. PENSIONS SCHEME

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £125,818 (2018: £123,295).

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 2016 and the valuation report, which was published in 2018, confirmed an employer contribution rate for the TPS of 23.6% from 1 September 2019.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2020 and completed in 2022. 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.

22. TAXATION

Richmond House School has charitable status and its investment income and gains are exempt from corporation tax by virtue of its provisions of section 505, Income and Corporation Taxes Act 1988. Furthermore, it is considered that the trading activities of the Charity are carried out as the primary purpose of the Charity and accordingly, any element of the operating surplus attributable to such activities is also exempt from corporation tax under the provisions of that section.

23. INDEMNITY INSURANCE

The Charity has purchased professional risks insurance to cover Governors' liability and professional indemnity up to £2,000,000.