

Charity Registration No. 529538

Company Registration No. 00898078 (England and Wales)

AYSGARTH SCHOOL TRUST LIMITED
GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

AYSGARTH SCHOOL TRUST LIMITED

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AYSGARTH SCHOOL TRUST LIMITED

COMPANY INFORMATION ***YEAR ENDED 31 AUGUST 2019***

Charity number	529538
Company number	00898078
Principal address and registered office	Aysgarth School Trust Limited Newton-Le-Willows Bedale North Yorkshire DL8 1TF
Chairman of the Governing Body	P J S Thompson Esq
Key management personnel	
Headmaster	R J Morse Esq
Bursar	A M Francis Esq
Deputy head	P R Barlow Esq
Assistant head	P J Southall Esq
Company Secretary	Mrs L M Hoskyns-Abrahall
Bankers	Barclays Bank Plc 31 High Row Darlington Co Durham DL3 7QS
Solicitors	Womble Bond Dickinson LLP St Ann's Wharf 112 Quayside Newcastle Upon Tyne NE99 1SB
Auditors	UHY Calvert Smith LLP Chartered Accountants Statutory Auditors 31 St Saviourgate York YO1 8NQ
Investment Managers	Brewin Dolphin Time Central Gallowgate Newcastle upon Tyne NE1 4SR

AYSGARTH SCHOOL TRUST LIMITED

REPORT OF THE GOVERNING BODY YEAR ENDED 31 AUGUST 2019

1. REFERENCE AND ADMINISTRATIVE INFORMATION

1.1 School status

Aysgarth School Trust Limited ('the School') is a company limited by guarantee and not having a share capital. The School was incorporated on 14 February 1967. The School is a registered charity (RCN 529538).

1.2 Governors

The Governors are the directors of the School for the purposes of company law and those who held office during the year were as follows:

P J S Thompson Esq (Chairman of the Governing Body)
J L Bourne-Arton Esq
Mrs M A Bowring
R J Brooksbank Esq
D J C Faber Esq
Mrs S Guthe
B M L Hoskyns-Abrahall Esq
The Hon W Kay-Shuttleworth Esq
A Land Esq (appointed 5 November 2018)
T E J Nolan Esq
W J Roe Esq
M C Wallace Esq
C York Esq

No member of the Governing Body is eligible for appointment to a salaried office or any other benefit in money or money's worth from the School save that a Governor possessing specialist skills or knowledge required by the School may be paid reasonable charges for work of that nature done by him or her or his or her firm.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

2.1 Governing Document

The School is governed by its Memorandum and Articles of Association which are periodically reviewed by the Governors.

2.2 Appointment of Trustees and Term of Office

Governors are recruited by the members of the Governing Body on the basis of nominations from School contacts and existing Governors. A sub-committee of the Governors, chaired by the Chairman, is convened as and when a vacancy arises to make recommendations to the Governing Body. The Governing Body seeks to ensure a mix of skills and selects new Governors on the basis of experience, competence and specialist skills to ensure the Board is well balanced. Governors are initially appointed for a five year term which is renewable. Exceptionally, Governors can be asked to continue in their post beyond a second five year term.

AYSGARTH SCHOOL TRUST LIMITED

REPORT OF THE GOVERNING BODY ***YEAR ENDED 31 AUGUST 2019***

2.3 Governor Training

New Governors are provided with formal induction training by the Chairman of the Governors, the Headmaster and the Bursar. All Governors are given the opportunity to attend specialist training courses such as those provided by AGBIS (Association of Governing Bodies of Independent Schools), ISBA (Independent Schools Bursar's Association) and IAPS (Independent Association of Preparatory Schools). In particular, all Governors have attended safeguarding training. Presentations were given at Governors' meetings on the relevant issues arising out of the training.

2.4 Governors' Meetings

The Board of Governors meets once a term. In addition, the Board holds an annual strategy meeting. The Clerk to the Governors prepares the agenda and circulates papers for each of these meetings and keeps a minute of the meetings. Governors' meetings are split into two parts. Part I deals with Governor only business. Part II deals with all other business and is attended by the Headmaster, the Bursar, the Deputy Headmaster, and the Assistant Headmaster.

2.5 Sub-Committees

The Governors have established sub-committees in order to consider certain matters in greater detail and report back to the Board. These committees are the Finance & General Purposes Committee, the Strategy and Marketing Committee, the Education & Pastoral Committee, the Bursary Committee and the Remuneration Committee. Individual Governors are also appointed to be responsible for Risk Management, Special Educational Needs, Health & Safety, Safeguarding/Child Protection and the Pre-Prep.

2.6 Risk Management

The Governors review the risks faced by the School together with the systems in place to monitor and mitigate those risks on a regular basis, at least annually. The risks are categorised under a number of headings in a report entitled 'Risk Assessment Management'. This report sets out the probability of risks occurring and the impact on the School in the event that the specific risk is realised. It also confirms the relevant control procedures that are in place, the individuals responsible, the monitoring process and any recommended action. This report is reviewed in detail by the Headmaster, the Bursar and one designated Governor before being discussed by the Finance & General Purposes Committee and then finally by the Board.

2.7 Remuneration

Key management personnel remuneration is agreed by the Remuneration Committee and is set at a commercial rate in relation to the sector and location.

2.8 Operational Management

The day to day running of the School is delegated to the Headmaster, to the Bursar and to the Senior Management Team.

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REPORT OF THE GOVERNING BODY ***YEAR ENDED 31 AUGUST 2019***

STRATEGIC REPORT

3. OBJECTS, OBJECTIVES AND PRINCIPAL ACTIVITIES

3.1 Charitable Objects and Aims

The School's Objects, as set out in its Memorandum of Association, are to carry on the undertaking of Aysgarth School and to acquire and carry on in the United Kingdom any other school or schools for the education of children.

The Governors give careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplemental guidance on public benefit in relation to the advancement of education and on fee-charging. The School is very involved in seeking wider benefits for the public in line with its educational objectives.

Aysgarth School aims to provide an inspiring and relevant education of the highest standard to prepare its pupils to thrive at major public schools and beyond. This is measured by the Governors by reference to academic achievement; the development of other abilities such as sport, creative, musical and such other talents that help to boost confidence and self belief; the development of character and personal skills such as independence, leadership, interpersonal skills, self awareness and team working; the understanding and practice of the Christian faith and values as well as respect for other or no faiths; and an appreciation of how pupils can contribute to the community and the opportunity to do so.

3.2 Objectives for the year

The Governors' main objectives for the year were (i) to enhance the education of the pupils by striving to achieve the highest possible educational experience, (ii) to raise further funds for the Aysgarth Foundation so enabling expenditure on renewing and improving the infrastructure of the School and the development of the long term means tested bursary fund and (iii) to develop collaborative working arrangements with other charities and educational bodies to provide access to our schooling for those who cannot come to the School.

3.3 Principal Activities

The School is comprised of a boarding prep school for boys aged 8 to 13 and a mixed pre-prep department for children aged 3 to 8. It is situated in the Yorkshire Dales and has a capacity of approximately 170 boys in the Prep school and 70 children in the Pre-Prep. The size of the School and its geographical location limit the number of children who can benefit from its services. The availability of scholarships and bursaries, and the lack of academic selection, are designed to ensure that the pupils at the School are drawn from a wide cross-section of society.

3.4 Academic Attainment

For the last 18 years all pupils have reached their desired senior school, a number achieving scholarships or other awards, (8 awards were offered in 2019), and most go on to academically selective senior schools. The vast majority of pupils leaving the School achieve excellent results at GCSE and A Level before heading to University; due in part to the sound foundations established at the School.

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REPORT OF THE GOVERNING BODY ***YEAR ENDED 31 AUGUST 2019***

3.5 General Review of the Year

The number of boys in the prep school averaged 159 with 162 boys in the summer term and the Pre Prep reached 39 children in the summer term with a further 25 children in the Nursery.

In November 2018 the School achieved excellence in all categories, as well as being found to be fully compliant, in the ISI inspection.

From an academic perspective, all candidates passed Common Entrance to their first choice schools and the school achieved notable success during regional and national academic competitions (for instance the Sedbergh academic challenge, the UKMT Junior maths challenge and the Townsend Warner history competition).

With regard to senior school scholarships 8 scholarships were offered as follows:

- Music Scholarship to Sedbergh
- Sports Exhibition to Repton
- Academic Scholarship to Oundle
- DET Scholarship to Oundle
- DT Scholarship to Canford
- Drama Scholarship to Uppingham
- Music Exhibition to Hill House
- Drama Exhibition to Radley

Boarding at the school remains in a healthy position; Aysgarth is the only all boys boarding prep school north of Oxford and it continues to defy the national trend of a decline in boarding.

Sport continues to thrive and the excellent coaching, combined with the impressive facilities is of great benefit to the pupils. The provision for sport in the Pre-Prep continues to be extended and this will benefit the pupils in the short, medium and long term. Notable sporting achievements have included a strong showing at the National Cross Country Championships at Shrewsbury School, the preparatory schools national tennis championships at Repton School and the Under 11 rugby team remaining unbeaten on their regular circuit and an U13 tour to Scotland. An impressive number of boys achieve regional and county honours and, equally importantly, every pupil, that is able to, represented the school in the major sports.

We continue to develop the musical and dramatic elements of the curriculum and piano recitals, school concerts, lectures, year group productions and school plays peppered the calendar; each year group performs a play and the senior production of 'Oliver!' was well received by the school and the wider community. The activity programme continues to develop thanks to the professionalism and enthusiasm of the staff and the boys can choose from almost 50 activities throughout each term.

We are working extremely hard to develop the pupils' ability to make the most of their opportunities and to understand how they can be of service to others. This is implemented in many ways but predominantly via the Aysgarth values:

- To love and care for our neighbours as ourselves
- Make the most of our talents
- Be courageous in all we do

AYSGARTH SCHOOL TRUST LIMITED

REPORT OF THE GOVERNING BODY ***YEAR ENDED 31 AUGUST 2019***

4. PUBLIC BENEFIT

4.1 Provision of Education

The School's key public benefit is delivered through the provision of education for pupils through Pre-Prep and Prep schools. The School is committed to broadening access by offering eligible parents / guardians means-tested financial support with the payment of school fees.

The education of the children in the School at the expense of the parents will have saved the Treasury over £1million during the year, assuming a cost of £6,000 per annum per pupil to educate a child in the state system.

4.2 Widening Access

The total value of means-tested bursaries awarded by the School in the year was £260,426 representing 6.1% of the School fee income. 24 pupils were assisted with means-tested bursaries to enable them to attend the School. This included the Aysgarth School Foundation Bursary recipients.

Thirteen pupils from UK Armed Forces families received remissions amounting to a further £20,493.

Scholarships amounting to £14,729 have also been awarded to 5 pupils to recognise special abilities and enable access.

The School welcomes pupils from all backgrounds. To admit a prospective pupil the School needs to be satisfied that the pupil will benefit from the all-round education and develop to the best of their potential. Entrance tests and assessments may be undertaken to satisfy the School and the parent that the potential pupil can cope with the pace of learning and benefit from the education provided.

An individual's ethnicity, race, religion or disability do not form any part of the School's assessment process. The School is committed to the provision of equal opportunities and an environment that is free from any form of discrimination. Reasonable adjustments can be made to meet the needs of staff or pupils who are, or become, disabled.

The School has a special educational needs department (Skills Development) which enables children with learning difficulties to attend the School. There are 56 pupils on the SEND register from Nursery to Form 5, their needs (ranging from complete blindness to mild dyslexia) varying between and sometimes spanning more than one of the four areas of SEND. These needs are catered for by all staff and specifically the Skills Development department.

4.3 Sharing Facilities and Expertise

The School's facilities are made available to various local organisations and groups. These arrangements allowed the community to come in to and benefit from the School. Most teachers and non-teaching staff attended training courses to maintain and enhance their skills, the cost of which was funded by the School.

A number of members of staff support local schools and clubs, offering their expertise as governors, coaches and assistants.

AYSGARTH SCHOOL TRUST LIMITED

REPORT OF THE GOVERNING BODY YEAR ENDED 31 AUGUST 2019

4.4 Contributing to the Community

This year's primary fundraising was centred around the RNIB as we have a blind boy in the school (and we will shortly be joined by his brother who suffers the same condition). We formed close contacts with the RNIB, and, following a series of assemblies, talks and fundraising ideas, the school hosted a charity sponsored walk from Aysgarth Falls to Aysgarth School. Over 350 people took part, walking either 16, 10 or 6 miles. The blind boy concerned walked all 16 miles in the company of his family and the headmaster. The walk featured a 1 km section whereby the pupils and other walkers took it in turns to be blindfolded so as to appreciate what life is like for a visually impaired person. The school raised over £35,000 and the children gained a much enhanced understanding of what it is like to live without sight.

Furthermore, the annual fundraising event, the MacMillan Cancer Support concert at which the School's choirs sing in Ripon Cathedral, raised over £35,000. The choir, amongst its other activities, undertook a successful tour to Normandy which included a concert in Notre-Dame de Bayeux Cathedral, after which monies were raised for the restoration of Notre-Dame de Paris Cathedral.

The School was also involved in fundraising activities which raised over £2,069 for various charities. This year the beneficiaries included Save the Children, the Richmond food bank, Cardiac Risk in the Young and the Jinja Education Trust. The pupils were involved in understanding the purpose and needs of the charities and helping to raise funds.

The School arranges and hosts events for local primary schools and nurseries such as academic challenges, sports fixtures and theatre productions (transport arranged if required). We have tried to develop these relationships throughout the year although it is important to note that the primary schools are not naturally inclined to enter into these arrangements enthusiastically. Aysgarth will, of course, continue to work to develop these relationships and events.

The School contributes to the St Patrick's and St Gregory's churches financially and outside groups (ranging from local individuals and clubs to county sports teams) make use of the School's facilities.

The School is very grateful for the work and time of the many volunteers who have worked with the School during the year. Without the help of these volunteers, many of whom have been drawn from the parent body, it would not have been possible to have achieved so much during the year.

Where possible, the school also tries to support its staff in their own charitable offerings. Aysgarth staff charitable work include governing at local schools, supporting parish councils, offering support at local primary schools, supporting local sports clubs and organisations, coaching at local and regional sports clubs, supporting local music groups and churches.

5. OUR FINANCES

5.1 Trading Performance

The School's trading activities generated a surplus of £330,208 (2018: £255,098) before contributions from the Foundation as shown in the Statement of Financial Activities on page 13. The cash generated from operating activities, after deducting capital expenditure, was £318,048 (2018: £458,391). This will enable the School to fund bursaries and continue its ongoing programme of improvements. The School's finances remain in a strong position with a positive cash balance throughout the year.

AYSGARTH SCHOOL TRUST LIMITED

REPORT OF THE GOVERNING BODY ***YEAR ENDED 31 AUGUST 2019***

5.2 Reserves and Investment Policy

Note 21 to the Financial Statements summarises the movements in funds during the year.

It is the policy of the Governors to seek to generate a modest surplus of income over expenditure each year to safeguard the future of the School. This provides both funds for a programme of continuous refurbishment and improvement of School properties as well as the provision of bursaries. The level of the School's reserves is reviewed regularly to ensure it falls in line with the School's budgetary requirements as well as providing for future planned developments.

All surpluses generated by the School are reinvested in the provision of education for children and in the School's infrastructure.

The Governors have reinvested the surplus funds generated by the School's operations during the year. Capital expenditure, mainly on improvements to the buildings and facilities, amounted to £185,746 (2018: £374,584). Over the past five years the School has invested £1,282,031, an average of £256,406 per year.

Bank overdraft facilities are in place to ensure that, in the absence of free reserves, adequate resources are available to cover temporary working capital requirements.

Investments have been made during the year with Brewin Dolphin in line with good governance as determined by the Foundation Trustees and School Governors. All investment has been done for the future benefit of the School. All capital invested has been done after considering the portfolio risk in conjunction with professional advice at the time of investment.

5.3 The Aysgarth Foundation

The Aysgarth Foundation was established in May 2008 to provide funds to enable the School to provide future means-tested bursaries and to help fund major capital projects. It is established as a separate designated fund under the umbrella of the School and is managed by a committee of trustees made up of selected Governors and additional individuals who bring expertise to the running of the Foundation.

The School pays for the staff costs of running the Foundation, but other costs incurred are charged to the Foundation. Funds raised in the last financial year amounted to a net £53,151 including £9,631 donated by the Leveson-Gower Trust. The School is very grateful for the generosity of the donors and the assistance provided by many of the parents, Governors and Foundation Trustees in the fundraising activities. Since its establishment, the Foundation has raised over £1,300,000 net of fundraising costs.

5.4 Future plans

The School remains fully committed to continuing to provide each and every child who attends Aysgarth with the highest quality, well balanced education. Highly qualified and dedicated staff remain central to this aim and we will continue to drive academic excellence at every opportunity. It is hoped that the ongoing investment in staff and facilities will also benefit children outside of the immediate Aysgarth community. In addition to the various theatrical performances, academic challenges and sporting fixtures that we already host, we continue to seek to develop our relationship with local primary schools as well as working to extend and improve the contact with the Jinja Education Trust.

AYSGARTH SCHOOL TRUST LIMITED

REPORT OF THE GOVERNING BODY YEAR ENDED 31 AUGUST 2019

6. STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also the directors of Aysgarth School Trust Limited for the purposes of company law) are responsible for preparing the Report of the Governing Body and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice.

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable 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 Governors 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 UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The Governors are responsible for keeping adequate 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 Governors are aware:

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

Approved by the Governing Body of Aysgarth School Trust Limited, including, in their capacity as company directors, approving the Report of the Governing Body and Strategic Reports contained therein, and signed on their behalf:

P J S Thompson Esq (Chairman of the Governing Body)

Date: 4 November 2019

AYSGARTH SCHOOL TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AYSGARTH SCHOOL TRUST LIMITED

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the governors 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 governors are responsible for the other information. The other information comprises the information included in the Governors report and financial statements, 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.

AYSGARTH SCHOOL TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AYSGARTH SCHOOL TRUST LIMITED

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 governing body for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the report of the governing body has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the report of the governing body.

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:

- 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 9, the governors (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 governors 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 governors 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 governors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

AYSGARTH SCHOOL TRUST LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF AYSGARTH SCHOOL TRUST LIMITED

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: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the 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.

Harry Howley ACA MAAT (Senior Statutory Auditor)
For and on behalf of UHY Calvert Smith LLP
Statutory Auditor
Chartered Accountants
31 St Saviourgate
York
North Yorkshire
YO1 8NQ

Date: 8 November 2019

AYSGARTH SCHOOL TRUST LIMITED

STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure Account)

YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted General Funds £	Unrestricted Designated Funds £	Total Funds 2019 £	Total Funds 2018 £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
School fees	2	3,763,030	-	3,763,030	3,612,730
Other educational income	3	138,020	-	138,020	129,754
Other trading activities					
Trading income	4	44,965	-	44,965	47,859
Investments					
Investment income	5	4,275	238	4,513	2,143
Donations and legacies					
Donations	6	1,381	53,554	54,935	266,573
Other incoming resources	7	11,892	-	11,892	50,974
Total incoming resources		3,963,563	53,792	4,017,355	4,110,033
EXPENDITURE ON					
Raising funds					
Fundraising costs of donations	11	-	403	403	2,897
Trading costs	11	22,693	-	22,693	23,294
Financing costs	11	440	-	440	(56)
Charitable activities	11	3,610,222	-	3,610,222	3,575,215
TOTAL EXPENDITURE		3,633,355	403	3,633,758	3,601,350
Net gains/(losses) on investments		-	15,960	15,960	5,625
Net incoming and expenditure before transfers		330,208	69,349	399,557	514,308
Transfers between funds	21	17,630	(17,630)	-	-
NET INCOME		347,838	51,719	399,557	514,308
Other recognised gains/(losses):					
Pension scheme actuarial gains/(losses)	25	9,342	-	9,342	423
Net movement in funds for the year		357,180	51,719	408,899	514,731
Fund balances at 1 September 2018		4,936,109	408,191	5,344,300	4,829,569
FUND BALANCES AT 31 AUGUST 2019		5,293,289	459,910	5,753,199	5,344,300

All amounts relate to continuing activities.

All recognised gains and losses in the current and prior year are included in the statement of financial activities.

The notes on pages 17 to 34 form part of these financial statements.

AYSGARTH SCHOOL TRUST LIMITED
Company Registration No. 00898078 (England and Wales)

BALANCE SHEET
YEAR ENDED 31 AUGUST 2019

	Note	Unrestricted General Funds £	Unrestricted Designated Funds £	Total Funds 2019 £	Total Funds 2018 £
FIXED ASSETS					
Tangible assets	15	4,807,517	-	4,807,517	4,813,906
Investments	16	-	390,565	390,565	244,974
		4,807,517	390,565	5,198,082	5,058,880
CURRENT ASSETS					
Stocks	17	36,458	-	36,458	34,208
Debtors	18	183,027	-	183,027	174,691
Cash at bank and in hand	19	1,100,359	73,012	1,173,371	983,393
		1,319,844	73,012	1,392,856	1,192,292
CURRENT LIABILITIES					
Creditors payable within one year	20	(821,085)	(3,667)	(824,752)	(882,031)
		498,759	69,345	568,104	310,261
NET CURRENT ASSETS/(LIABILITIES)					
		5,306,276	459,910	5,766,186	5,369,141
TOTAL ASSETS LESS CURRENT LIABILITIES					
		5,306,276	459,910	5,766,186	5,369,141
LONG TERM LIABILITIES					
Creditors payable after one year		-	-	-	-
TOTAL NET ASSETS EXCLUDING PENSION LIABILITY					
		5,306,276	459,910	5,766,186	5,369,141
Net pension liability	25	(12,987)	-	(12,987)	(24,841)
NET ASSETS		5,293,289	459,910	5,753,199	5,344,300
REPRESENTED BY:					
Unrestricted funds:					
General	21	5,293,289	-	5,293,289	4,936,109
Designated	21	-	459,910	459,910	408,191
		5,293,289	459,910	5,753,199	5,344,300

Approved by the Board on 4 November 2019 and signed on its behalf by:

**P J S Thompson Esq (Chairman of the
Governing Body)**

B M L Hoskyns-Abrahall Esq (Governor)

AYSGARTH SCHOOL TRUST LIMITED

CASH FLOW STATEMENT YEAR ENDED 31 AUGUST 2019

	Notes	2019 £	2018 £
Cash flows from operating activities:			
Net cash from operating activities	1	503,794	832,975
Cash flows from investing activities:			
Interest received		4,513	2,143
Interest paid		(440)	56
Payments to acquire listed investments		(129,631)	(239,349)
Payments to acquire tangible fixed assets		(185,746)	(374,584)
Net cash from investing activities		(311,304)	(611,734)
Cash flows from financing activities:			
Bank loan repaid		-	-
Pension fund liability repaid		(2,512)	(2,980)
Net cash from financing activities		(2,512)	(2,980)
(Decrease)/increase in cash and cash equivalents		189,978	218,261
Cash and cash equivalents at the beginning of the year	2	983,393	765,132
Cash and cash equivalents at the end of the year	2	1,173,371	983,393

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE CASH FLOW STATEMENT YEAR ENDED 31 AUGUST 2019

1. Reconciliation of changes in resources to net inflow from operating activities

	2019	2018
	£	£
Net income and (expenditure)	399,557	514,308
Depreciation charges	192,135	175,094
(Increase)/decrease in stocks	(2,250)	(2,451)
(Increase)/decrease in debtors	(8,336)	(6,976)
Increase/(decrease) in creditors	(57,279)	160,824
(Gain)/loss on investments	(15,960)	(5,625)
Interest received	(4,513)	(2,143)
Interest payable	440	(56)
Net cash inflow from operating activities	503,794	832,975

2. Analysis of cash and cash equivalents

	At	At
	31/08/19	31/08/18
	£	£
Cash at bank and in hand	1,173,371	983,393
	1,173,371	983,393

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS ***YEAR ENDED 31 AUGUST 2019***

1 ACCOUNTING POLICIES

1.1 Basis of preparation

The accounts of the School have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ('SORP (FRS102)') and with applicable UK Accounting Standards. These financial statements are drawn up on the historical cost accounting basis.

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

The governors have considered the financial position and trading projections of the school, and have a reasonable expectation that the school has adequate resources to continue to trade into the foreseeable future. The school therefore continues to adopt the going concern basis in preparing the financial statements.

The principal accounting policies of the School are set out below.

1.2 Incoming resources

Fees receivable are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions.

Donations subject to specific wishes of the donors are taken to restricted funds where those wishes are legally binding on the Governors.

The Aysgarth School Foundation has been set up to raise funds to enable the School to provide means-tested bursaries and help to fund major capital projects. Monies received are treated as designated funds rather than restricted funds, unless the appeal documentation restricts the use of the monies raised or donors specifically restrict the use of the donation.

1.3 Resources expended

Expenditure is allocated to expense headings, either on a direct cost basis or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

1 ACCOUNTING POLICIES

1.4 Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset over its expected useful life, as follows:

Freehold land is not depreciated

Freehold buildings:

- With an expected life over 50 years	- Nil
- With an expected life under 50 years	- over estimated useful life, straight line basis
Plant, implements	- 20%, straight line basis
Computers	- 33.33%, straight line basis
School furnishings	- 20%, straight line basis
Motor vehicles	- 25%, reducing balance basis

Where the Governors consider that the expected useful life is in excess of 50 years and the carrying value in the financial statements is not more than the estimated recoverable amount, no depreciation is charged and, in accordance with FRS 102, the Governors have and will continue to carry out annual reviews of impairment.

Assets under construction are not depreciated. Once construction is complete they are transferred to the relevant fixed asset category and depreciated in line with the relevant depreciation policy.

Items costing less than £1,000 are written off as an expense.

1.5 Leasing and hire purchase commitments

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the revenue account so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

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

1.6 Stock

Stock is valued at the lower of cost and net realisable value.

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS ***YEAR ENDED 31 AUGUST 2019***

1 ACCOUNTING POLICIES

1.7 Pensions

The School participates in the Teachers' Pensions scheme, which is an unfunded Government scheme, which provides benefits based on final pensionable pay. The funds of the scheme are separate from the School, although the School's share of the schemes cannot be identified as the scheme is a multi-employer scheme, and so the pension costs are accounted for on the basis of contributions payable. The School also contributes to other defined contribution pension schemes for non-teaching staff.

The School participates in a pension scheme the Pensions Trust Growth Plan which is, in most respects, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. The School's share of the pension fund deficit is recognised as a liability at the balance sheet date. Interest costs charged on the liability are recognised as expenditure in the Statement of Financial Activities (SOFA). Actuarial remeasurements are recognised as other gains and losses in the SOFA. More detail is given in note 25.

1.8 Investments

Investments which comprise listed investments within a managed portfolio are stated in the balance sheet at their market value with annual gains and losses on revaluation being accounted for in the Statement of Financial Activities.

1.9 Financial instruments

Investments and the recognised pension scheme liability are stated in the balance sheet at their market value with annual gains and losses on revaluation being accounted for in the Statement of Financial Activities. All other financial assets and liabilities are measured at amortised cost.

1.10 Significant judgements and estimates

The preparation of the financial statements requires management to make significant judgements and estimates.

There are considered to be no significant judgements or estimates made in the preparation of these financial statements which would have a material impact on the amounts recognised.

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

2 CHARITABLE ACTIVITIES - SCHOOL FEES

	2019	2018
	£	£
Gross fees	4,248,681	4,048,913
Less: Bursaries, scholarships and remissions	(485,651)	(436,183)
	3,763,030	3,612,730

3 CHARITABLE ACTIVITIES - OTHER EDUCATIONAL INCOME

	2019	2018
	£	£
Learning support tuition fees	14,311	15,003
Overnight stays	73,855	66,414
Registrations	2,600	2,209
Music extras	2,236	2,553
Pre prep events	1,188	2,036
Other income	43,830	41,539
	138,020	129,754

4 OTHER TRADING ACTIVITIES

Trading income is income arising from the use of School facilities.

5 INVESTMENTS

	2019	2018
	£	£
Bank interest receivable	4,513	2,143

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

6 DONATIONS AND LEGACIES

	2019 £	2018 £
Unrestricted general donations		
Sundry donations	1,381	10,315
	1,381	10,315
Unrestricted designated donations		
Aysgarth School Foundation	53,554	256,258
	54,935	266,573

7 OTHER INCOMING RESOURCES

	2019 £	2018 £
Sundry other income	11,892	7,708
Profit on sale of land	-	43,266
	11,892	50,974

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

8 EXPENDITURE

		2019 £	2018 £
Charitable activity expenditure includes:			
Auditors' remuneration	audit fees	4,320	4,200
	non audit fees	8,662	8,400
Depreciation	owned assets	192,135	175,094
Operating lease charges		8,154	6,604
Bank loan interest		47	(374)

9 STAFF COSTS

		2019 £	2018 £
Total staff costs comprises:			
Wages and salaries		1,807,410	1,778,501
Social security costs		172,619	167,133
Pension contributions		227,014	217,140
		2,207,043	2,162,774

		2019 £	2018 £
Aggregate employee benefits (including employers pension contributions) of key management personnel			
		336,694	325,730

Number of employees:

The average monthly number of employees during the year was:

	2019 Number	2018 Number
Teaching staff and administrative staff	48	45
Household staff and groundsmen	22	21
	70	66

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

9 STAFF COSTS CONTINUED

The number of employees whose annual emoluments were £60,000 or more was:

	2019	2018
	Number	Number
£60,000 - £70,000	2	2
£110,001 - £120,000	1	1

10 GOVERNORS

None of the Governors received any remuneration during the year.

The Governors who have children at the School are charged fees in accordance with the School's normal fee structure and remissions policy. Parent Governors do not vote on fee issues. Scholarships and bursaries totalling £4,000 (2018: £nil) were awarded to the child of a Governor attending the School. All bursaries are approved by the bursaries committee. No parent Governors are involved in this committee.

In accordance with normal commercial practice the School has purchased insurance to protect Governors and officers from claims arising from negligent acts, errors or omissions occurring whilst on School business. The annual premium was £644 (2018: £678).

Travel expenses of £271 were re-imbursed to 1 Governor (2018: 1 was re-imbursed a total of £219).

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

11 ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs (note 9) £	Other costs £	Depreciation £	2019 Total £	2018 Total £
Costs of generating funds					
Fundraising costs of donations	-	403	-	403	2,897
Trading costs	-	22,693	-	22,693	23,294
Financing cost (note 12)	-	440	-	440	(56)
Resources expended on generating funds	-	23,536	-	23,536	26,135
Charitable activities					
Teaching	1,644,917	160,902	28,074	1,833,893	1,805,834
Welfare	125,761	433,842	15,394	574,997	538,758
Premises	191,982	420,614	148,667	761,263	756,930
Support	244,383	187,505	-	431,888	465,513
School operating costs	2,207,043	1,202,863	192,135	3,602,041	3,567,035
Grants, awards and prizes	-	8,181	-	8,181	8,180
Resources expended on charitable activities	2,207,043	1,211,044	192,135	3,610,222	3,575,215
Total resources expended	2,207,043	1,234,580	192,135	3,633,758	3,601,350

Governance costs of £4,591 (2018: £4,419) are included in support costs, as noted above.

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS **YEAR ENDED 31 AUGUST 2019**

12 FINANCING COST

	2019	2018
	£	£
Bank loan interest	47	(374)
Pension scheme financing cost	393	318
	<hr/>	<hr/>
	440	(56)
	<hr/> <hr/>	<hr/> <hr/>

13 TAXATION

The company is a registered charity, therefore, no liability to taxation arises on its charitable activities.

14 COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

Comparative figures in the Statement of Financial Activities are all unrestricted.

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

15 TANGIBLE FIXED ASSETS

	Freehold property £	Assets under construction £	Plant, equipment £	Computer equipment £	School furnishings £	Motor vehicles £	Total £
Cost							
At 1 September 2018	5,353,004	-	626,828	213,180	216,309	85,820	6,495,141
Additions	94,547	-	44,671	19,326	27,202	-	185,746
Disposals	-	-	-	-	-	-	-
Reclassification	-	-	-	-	-	-	-
At 31 August 2019	5,447,551	-	671,499	232,506	243,511	85,820	6,680,887
Depreciation							
At 1 September 2018	680,867	-	562,533	184,447	181,211	72,177	1,681,235
Charge for the year	124,882	-	30,951	17,497	15,394	3,411	192,135
Disposals	-	-	-	-	-	-	-
At 31 August 2019	805,749	-	593,484	201,944	196,605	75,588	1,873,370
Net book value							
At 31 August 2019	4,641,802	-	78,015	30,562	46,906	10,232	4,807,517
Net book value							
At 31 August 2018	4,672,137	-	64,295	28,733	35,098	13,643	4,813,906

All assets are used for charitable purposes.

Included in the cost of freehold property is £3,563,080 (2018: £3,563,080) which is not depreciated.

The insured value of the School's buildings is £21m.

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

16 INVESTMENTS

Market value	Listed Investments £
At 1 September 2018	244,974
Additions	129,631
Revaluation	15,960
	<hr/>
Valuation at 31 August 2019	390,565
	<hr/> <hr/>
Valuation at 31 August 2018	244,974
	<hr/> <hr/>

17 STOCKS

	2019 £	2018 £
Clothing	36,458	34,208
	<hr/> <hr/>	<hr/> <hr/>

The Governors have determined that, apart from School uniform, no stock with material realisable value was held at the year end.

18 DEBTORS

	General funds £	Designated funds £	Total 2019 £	Total 2018 £
Fee debtors	76,831	-	76,831	67,519
Prepayments and accrued income	106,196	-	106,196	107,172
	<hr/>	<hr/>	<hr/>	<hr/>
	183,027	-	183,027	174,691
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS **YEAR ENDED 31 AUGUST 2019**

19 CASH AT BANK AND IN HAND

	General funds £	Designated funds £	Total 2019 £	Total 2018 £
Current accounts	10,000	-	10,000	9,810
Business premium account	1,085,467	-	1,085,467	803,409
Aysgarth School Foundation accounts	-	73,012	73,012	166,366
Cash	4,892	-	4,892	3,808
	1,100,359	73,012	1,173,371	983,393

20 CREDITORS: DUE WITHIN ONE YEAR

	General funds £	Designated funds £	Total 2019 £	Total 2018 £
Trade creditors	126,037	3,667	129,704	233,811
Taxes and social security costs	42,317	-	42,317	41,570
Pension contributions	27,945	-	27,945	26,013
Accruals and deferred income	189,298	-	189,298	152,811
Fees received in advance	435,488	-	435,488	427,826
	821,085	3,667	824,752	882,031

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

21 FUNDS

	Balance at 1 September 2018 £	Movement in funds Incoming resources £	Resources expended £	Investment gain / (loss)	Pension scheme Actuarial gain / (loss) £	Transfers £	Balance at 31 August 2019 £
General funds	4,936,109	3,963,563	(3,633,355)	-	9,342	17,630	5,293,289
Designated funds							
Aysgarth School Foundation	408,191	53,792	(403)	15,960	-	(17,630)	459,910
	5,344,300	4,017,355	(3,633,758)	15,960	9,342	-	5,753,199

The Aysgarth School Foundation has been set up to raise funds for bursaries to enable families, who cannot afford it, to give their children an Aysgarth education. Furthermore to allow the School to make the investments necessary to ensure Aysgarth remains one of the country's leading prep schools, whilst enhancing what makes it distinctive.

Monies received are treated as designated funds unless the appeal documentation restricts the use of the monies raised or donors wishes specifically restrict the use of the donation, in which case monies received are treated as restricted funds. Expenditure is transferred to general funds from designated funds in the period in which it is incurred.

Comparatives for movements in funds

	Balance at 1 September 2017 £	Movement in funds Incoming resources £	Resources expended £	Investment gain / (loss)	Pension scheme Actuarial gain / (loss) £	Transfers £	Balance at 31 August 2018 £
General funds	4,611,934	3,853,551	(3,598,453)	-	423	68,654	4,936,109
Designated funds							
Aysgarth School Foundation	217,635	256,482	(2,897)	5,625	-	(68,654)	408,191
	4,829,569	4,110,033	(3,601,350)	5,625	423	-	5,344,300

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

22 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Designated £	Total 2019 £	Total 2018 £
Fixed assets	4,807,517	390,565	5,198,082	5,058,880
Net current assets/(liabilities)	498,759	69,345	568,104	310,261
Long term liabilities	-	-	-	-
Net pension liability	(12,987)	-	(12,987)	(24,841)
	5,293,289	459,910	5,753,199	5,344,300

23 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2019 the School had total commitments under non-cancellable operating leases of equipment as follows:-

	2019 £	2018 £
Expiry date:		
Within one year	6,606	3,620
Within two and five years	8,408	151
	15,014	3,771

24 CAPITAL COMMITMENTS

At 31 August 2019 the School had capital commitments as follows:

	2019 £	2018 £
Expenditure contracted for but not provided in the accounts	-	-

NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2019

25 PENSION SCHEMES

Teachers' Pension Scheme

Introduction

The Teachers' Pension Scheme (TPS or scheme) is a statutory, unfunded, defined benefit occupational scheme, governed by the Teachers' Pensions Regulations 2010 (as amended), and the Teachers' Pension Scheme Regulations 2014 (as amended). These regulations apply to teachers in schools and other educational establishments, including academies, in England and Wales that are maintained by local authorities. In addition, teachers in many independent and voluntary-aided schools and teachers and lecturers in some establishments of further and higher education may be eligible for membership. Membership is automatic for full-time teachers and lecturers and, from 1 January 2007, automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

The Teachers' Pension Budgeting and valuation account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – contributions from members, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Acts.

The Teachers' Pensions Regulations 2010 require an annual account, the Teachers' Pension Budgeting and Valuation Account, to be kept of receipts and expenditure (including the cost of pension increases). From 1 April 2001, the Account has been credited with a real rate of return, which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

Valuation of the Teachers' Pension Scheme

The latest valuation of the Teachers' Pension Scheme has now taken place, in line with directions issued by HM Treasury and using membership data as at 31 March 2016. As a result of this valuation TPS employers will pay an increased contribution rate of 23.68% from September 2019 (this includes the administration levy of 0.8%). The timing of the implementation is to align its introduction with employers' budget planning cycles. Until then, employers will pay the current rate of 16.48%.

A copy of the latest valuation report can be found by following this link to the Teachers' Pension Scheme website:

<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>

The employer's pension costs paid to TPS in the period amounted to £195,257 (2018: £188,756).

Scheme changes

The arrangements for a reformed Teachers' Pension Scheme, in line with the recommendations made by Lord Hutton, in particular the introduction of a Career Average Revalued Earnings (CARE) scheme, were implemented from 1 April 2015.

In December 2018, the Court of Appeal held that transitional protection provisions contained in the reformed judicial and firefighter pension schemes, introduced as part of public service pension reforms in 2015, gave rise to direct age discrimination and were therefore unlawful. The Supreme Court, in a decision made in June 2019, have rejected the Government's application for permission to appeal the Court of Appeal's ruling. The case will now be referred to an Employment Tribunal for a decision regarding the remedy which will need to be offered to those members of the two schemes who were subject of the age discrimination.

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

25 PENSION SCHEMES - continued

Teachers' Pension Scheme - continued

Scheme changes - continued

HM Treasury are clear that the ruling has implications for the other public service schemes, including the Teachers' Pension Scheme. Those implications are currently being considered and any impact on scheme costs is expected to be looked at within the next scheme valuation, which is currently scheduled to be based on April 2020 data and implemented in April 2023.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The trust has set out above the information available on the scheme.

Pensions Trust's Growth Plan

Introduction

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

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

Deficit contributions

From 1 April 2019 to 31 January 2025:	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)
---------------------------------------	-----------------------------------------------------------------------------------

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

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

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

25 PENSION SCHEMES - continued

Pensions Trust's Growth Plan – continued

Deficit contributions

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

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

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

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

Present values of provision

	Period Ending 31 August 2019 (£s)	Period Ending 31 August 2018 (£s)	Period Ending 31 August 2017 (£s)
Provision at start of period	12,987	24,841	28,244

Reconciliation of opening and closing provisions

	Period Ending 31 August 2019 (£s)	Period Ending 31 August 2018 (£s)
Provision at start of period	24,841	28,244
Unwinding of the discount factor (interest expense)	393	318
Deficit contribution paid	(2,905)	(3,298)
Remeasurements - impact of any change in assumptions	244	(423)
Remeasurements - amendments to the contribution schedule	(9,586)	-
Provision at end of period	<u>12,987</u>	<u>24,841</u>

AYSGARTH SCHOOL TRUST LIMITED

NOTES TO THE FINANCIAL STATEMENTS YEAR ENDED 31 AUGUST 2019

25 PENSION SCHEMES - continued

Pensions Trust's Growth Plan – continued

Income and expenditure impact

	Period Ending 31 August 2019 (£s)	Period Ending 31 August 2018 (£s)
Interest expense	393	318
Remeasurements – impact of any change in assumptions	244	(423)
Remeasurements – amendments to the contribution schedule	(9,586)	-
Contributions paid in respect of future service*	31,050	22,161
Costs recognised in income and expenditure account	<u>22,101</u>	<u>22,056</u>

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

Assumptions

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

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

26 RELATED PARTIES

During the year the company secretary was paid £1,278 (2018: £990) for her services.

There were no other transactions with related parties other than those identified in note 9 Staff costs and note 10 Governors.