

Charity number: 1147280
Company number: 8013826



**UPPINGHAM SCHOOL
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019**

www.uppinghamschool.co.uk

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UPPINGHAM SCHOOL

TRUSTEES, OFFICERS AND ADVISORS

CHAIR OF TRUSTEES

Ms B M Matthews MBE BSc FRSA * +

VICE-CHAIRS

Dr P Chadwick MA (Cantab) MA (Lond) FRSA + (retired 15/06/2019)

R J S Tice BSc *

K J Budge BSc + (appointed 3/9/2019)

TRUSTEES

The Rt Revd The Lord Bishop of Peterborough (retired 15/06/2019)

The Very Revd The Dean of Peterborough (Ex officio)

The Lord Lieutenant of Rutland (Ex officio) +

R Peel BSc FRSA +

D P J Ross Esq * (retired 16/03/2019)

A J D Locke MA (Oxon) *

Dr S J Goss MA DPhil +

Professor Dame Carol Black DBE FRCP + (retired 1/12/2018)

R N J S Price Esq *

Dr D F Thornton MA (Oxon) PhD (Lond) FSA FRHistSoc +

Rt. Hon Sir Alan Duncan MP *

Ms S A Humphrey LLB *

Mr C F Ewbank MA (Cantab) MBA *

Professor J J A Scott BSc PhD +

D L C Wallis BA (Hons) (Oxon) *

D R Fothergill MA (Oxon) MBA * (appointed 16/11/2018)

C P M King MA + (appointed 15/06/2019)

* Member of the Finance and General Purposes Committee

+ Member of the Education Committee

HEADMASTER

Dr R J Maloney MTheol MA PhD

BURSAR & CLERK TO TRUSTEES

S C Taylor Esq MA (Cantab) ACA

REGISTERED OFFICE

Uppingham School
Uppingham, Rutland
LE15 9QD

CHARITY NUMBER

1147280

BANKERS

NatWest Bank Plc
7 High Street
Melton Mowbray
Leicestershire LE13 0TT

INVESTMENT MANAGERS

Cazenove Capital
Management Ltd
12 Moorgate
London EC2R 6DA

SOLICITORS

Veale Wasborough Vizards
Orchard Court
Orchard Lane
Bristol BS1 5WS

INSURANCE BROKERS

Berkeley Ins Group
2 Colton Square
Regent Street
Leicester LE1 1QH

AUDITOR

Crowe U.K. LLP
Carrick House
Lypiatt Road
Cheltenham GL50 2QJ

UPPINGHAM SCHOOL
REPORT OF THE TRUSTEES
YEAR ENDED 31 AUGUST 2019

The Trustees, who are also directors, present their Annual Report for the year ended 31 August 2019 under the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006, together with the audited financial statements for the year.

DIRECTORS' REPORT

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The objects of the Charity, as outlined from 1 September 2012 in its Articles of Association, are "to advance the education of boys and girls by the provision of a boarding and/or day school or schools in or near Uppingham and by the provision of ancillary or incidental educational activities or other associated activities for the benefit of the community".

Public Benefit Aims and Intended Impact

Within this object, it is our aim to benefit the public by promoting a truly holistic education, pioneered at Uppingham in the 19th Century, where young people attain the highest academic levels balanced with an extensive co-curricular programme, which aims to develop life-long interests, promote pupils' well-being, and cultivate a desire to contribute to their communities. Uppingham is a full boarding school in which pupils are engaged in a broad educational programme seven days a week, and, accordingly, has an unequivocal commitment to excellence and innovation in the pastoral care of pupils.

Uppingham School is committed to benefitting the public, both through its charitable object, and in a broader context as a good neighbour and as a thriving economic entity. In the furtherance of these aims the Trustees have approved a Public Benefit policy, and complied with the duty under s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sector-specific guidance concerning the operation of the Public Benefit requirement under that Act.

Uppingham currently has 796 pupils who come from all over the country and abroad. Founded in 1584 by Archdeacon Robert Johnson and raised to its present eminence in the 19th Century by the great educationalist Edward Thring, Uppingham continues to flourish today. Originally a boys' school, girls were first accepted into the Sixth Form in 1975 and the School has been fully co-educational since 2001. High academic standards are a priority to the School and in addition there is a strong commitment to music, drama, art, design, technology and sports. The all-round education, for which Thring made Uppingham famous, is further enhanced by pupil involvement in the 'Make a Difference' community service programme, the Duke of Edinburgh Award Scheme, expeditions and many other activities.

Educational outreach and community involvement

The School sits at the heart of a small market town and is committed to working closely both with local schools and the local community. In addition to providing means-tested bursaries for local children to attend the School, the public benefits through educational outreach which includes tuition in Latin, Maths and Science, providing classroom assistance, joint pedagogical projects with subject leaders in state maintained schools, leading community music programmes in primary schools, helping run extra-curricular school clubs, practice for university interviews, staging musical concerts, supporting mental health for schoolchildren in Rutland and hosting instrumental and theory music exams.

The School has a relationship of mutually beneficial co-operation with the David Ross Educational Trust, with which the School has signed a Memorandum of Understanding supported by annually agreed plans of action. The School focuses its support on nearby academies in Corby (Lodge Park), Corby Glen (Charles

UPPINGHAM SCHOOL
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 AUGUST 2019

Educational outreach and community involvement (continued)

Read), Northampton (Malcolm Arnold), and Loughborough (Charnwood). Pupil and staff exchanges have benefited the public by engaging in areas such as lesson observation, music, community service, creating a CCF, arts, sports, classics, pastoral support, house-based structures, higher education and careers advice, residential experiences, and curriculum development.

The 'Make a Difference' community service programme is an alternative to the Duke of Edinburgh Award Scheme or CCF and pupils regularly visit elderly people, work in local schools and help with the disabled. The School's sporting facilities are made available to schools, clubs and teams in the area and the public enjoy access to the School's 59 acres of playing fields. Other School facilities are made available to local societies, schools and clubs for educational purposes and performances and shows, and the Estates department gives assistance to the town of Uppingham on technical and horticultural matters. Pupils and staff from the School perform weekly lunchtime concerts in the town's church.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing documents

The charity was incorporated as a company limited by guarantee on 1 September 2012, named 'Uppingham School', and registered as Company Number 08013826. The company is governed by Articles of Association and was registered as a charity, number 1147280. The company's charitable objects are "to advance the education of boys and girls by the provision of a boarding and/or day school or schools in or near Uppingham and by the provision of ancillary or incidental educational activities or other associated activities for the benefit of the community".

All the undertakings of the School were transferred across to the company on 1 September 2012, with the exception of endowed properties ('specie' land) and assets. These continued to be held in the Trust, which was amended and renamed the Archdeacon Robert Johnson Trust, in honour of the School's founder. A 'Uniting Order' was obtained from the Charity Commission, removing the need to prepare separate accounts for both company and trust in future.

Appointment and induction of Trustees

The Trustees who served during the year and since the year-end are shown on page 3. Under the Articles of Association, Trustees must not number fewer than seven nor more than twenty-one persons: two ex-officio, three appointed, and between five and sixteen co-optative Trustees. Appointed Trustees are appointed by and represent the Hospital of St John and St Anne in Oakham and the Houses of Parliament. In addition, the Headmaster and masters are represented by one Trustee. Co-optative Trustees are co-opted by fellow Trustees exercising a majority opinion.

Trustees are recruited as much as possible to represent a cross-section of skills and experience considered most useful in addressing the issues facing the School. A Nominations Committee maintains a shortlist of potential co-optative Trustees. The Chair interviews all proposed Trustees and presents their credentials to the Trustee board, whose approval is required before they are invited to join it. In addition to key documents, including the AGBIS Guidelines for Governors, Trustee induction includes child protection training, a pupil tour of the School, lesson observation, meetings with Headmaster and Bursar, and usually a lunch with pupils in a boarding house. Ongoing training of Trustees on topical subjects is made available on a regular basis, and a programme of annual Trustee day-long observations of the workings of the School is in place.

Trustees carry out a governance self-evaluation exercise every two years. The seven principles in The Charity Governance Code published in July 2017 are reflected in that exercise.

UPPINGHAM SCHOOL
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 AUGUST 2019

Organisational management

The Trustees of the Charity are responsible for the overall management and control of the School and meet three times a year.

There are two principal Trustee sub-committees. The Finance and General Purposes Committee (F&GP) meets two weeks before each meeting of the full Trustees, and addresses matters relating to finance, operations, estate, and investments. The F&GP works under the chairmanship of Richard Tice Esq, and the other members are indicated on page 3. The other principal sub-committee is the Education Committee, chaired until June 2019 by Dr Priscilla Chadwick, which addresses matters relating to the educational, academic and pastoral agenda. This committee also meets once a term and its members are indicated on page 3.

A sub-committee of F&GP, the Investment Sub-committee, monitors the performance of the School's investments, whose management is delegated to Cazenove Capital Management Ltd, a firm of professional investment managers. It meets immediately before each F&GP meeting and reports to that meeting.

The Audit sub-committee, which is chaired by a Trustee not chairing F&GP, and whose membership excludes the Chair of Trustees, meets twice a year. It is responsible for reviewing the financial statements, internal control, risk management, and the external audit, and reports directly to the Trustees.

The International Schools sub-committee, chaired by the Chair of Trustees, monitors progress towards the establishment of Uppingham-branded schools overseas with partnering investors.

The Estates sub-committee monitors the development of the School's Infrastructure Strategy.

The work of implementing most of the Trustees' policies and the day to day running of the School is delegated to the Headmaster and Bursar. The Headmaster and Bursar attend the meetings of the above committees and are supported by their senior management teams and together this group are the key management personnel.

Remuneration is set by the Headmaster and Bursar and overseen by the Trustees, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed annually and ensures that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purpose is primarily dependent on its personnel, and staff costs are the largest single element of its charitable expenditure.

Group structure and Relationships

The School has wholly-owned non-charitable subsidiaries, whose activities and trading performance are discussed below: Uppingham School Enterprises Ltd, Uppingham School International Ltd (dormant), Uppingham School (Asia) Ltd and Uppingham School (Selwyn) Ltd (dormant, incorporated 6 August 2019).

Uppingham School belongs to several representative bodies in the independent school sector, whose goal is the enhancement of the highest standards of education. We also cooperate with local schools and organisations to widen public access to the schooling we can provide, to optimise the educational use of our cultural and sporting facilities, and to awaken in our pupils, in the public interest, an awareness of the social context of the all-round education they receive at Uppingham School.

UPPINGHAM SCHOOL
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 AUGUST 2019

Equality Act

Uppingham School complies with the Equality Act 2010 and is committed to providing equal opportunities in employment. The School's policies seek to avoid unlawful discrimination in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits, discipline and selection for redundancy.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustees (who are also directors of the charity 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees confirm that:

- so far as they are aware, there is no relevant audit information of which the company's auditors are unaware, and
- they have taken all the steps that he/she ought to have taken as Trustees to make themselves aware of any relevant audit information and to establish that the company's auditors are aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

UPPINGHAM SCHOOL
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 AUGUST 2019

STRATEGIC REPORT

OBJECTIVES AND STRATEGIES

Objectives for the year

The objectives for the year ended 31 August 2019 included the delivery of the second-year targets in the School's educational strategic plan 2017-2021, under the headings of academic performance, curriculum reform, teacher development, pastoral improvement, 'whole person' co-curricular development, and work on culture and values; final Trustee approval of a School-wide strategic plan entitled 'Beyond 2020' (including educational strategy as above, affordability and socio-economic diversity, funding streams, size and shape of the School, infrastructure and people strategy); implementation of the strategic plan to meet agreed goals; and Trustee approval and contract signature for 'Uppingham overseas' schools in China.

Strategies to achieve the year's objectives

The educational strategy's immediate goals included (inter alia) academic performance targets, changes to the curriculum and timetable, continuing development of a teacher development programme, multiple systems enhancements to track pupils' educational and pastoral progress and monitor safeguarding cases, and review of academic systems, structures and teacher recruitment policies. Other work included a Trustee 'strategy day' which gave approval to the School's 'Beyond 2020' strategic plan; developing an Infrastructure strategy, including the modernisation of boarding houses and creation of a 'decanting' boarding house; defining the School's new brand identity prior to implementing it in physical form; signing contracts with investors for 'Uppingham overseas' schools in China; approving a new commercial strategy for the School's trading arm; consulting Historic England in relation to the impact of a new Grade II listing of the Upper cricket pavilion on a scheme to extend and modernise it; and preparing spaces for additional day pupils integrated into boarding houses.

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Pupil roll

In the year under review, Uppingham School had 796 (2018: 786) pupils, of whom 783 (2018: 774) were boarders and 13 (2018: 12) were day pupils.

Operational performance

The School is strongly subscribed for 2020 and 2021, giving confidence that the pupil roll will be sustained in the immediate future. This arises partly from our resolve to improve academic standards: results in 2019 were strong. The A-level pass rate was 98.8%, with 14.1% graded A*, 45.0% graded A* or A, and 72.9% of subjects graded A*, A or B. The GCSE pass rate was 98.0% with 45.3% of subjects graded A* and 69.3% graded A* or A. This year 81% of leavers went on to higher education. Of this group, 29% gained places at institutions ranked in the global top 50, and 59% ranked in the global top 100. Of these places, 75% were at Russell Group universities.

These academic achievements were attained without affecting our sporting activities with full fixture lists being played out every week of the academic year across a wide range of sports including rugby, hockey, cricket, athletics, lacrosse, tennis, netball, swimming, badminton, basketball, sailing, fencing, football, fives and squash. Uppingham has a very distinguished reputation for music. In addition to curricular music, a very busy programme of weekly recitals, house and year-group concerts and larger public performances in the UK and abroad, offer pupils of all abilities regular chances to perform. The School has three music schools, including the superb Paul David Music School, named in honour of the first Director of Music ever appointed to an English School.

UPPINGHAM SCHOOL
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 AUGUST 2019

As well as music, theatre, drama, art, design and technology all flourish at Uppingham. There is a fully equipped 300-seat theatre, together with the Williams studio theatre, which regularly stages School productions as well as playing host to a variety of visiting professional companies. The Art, Design and Technology department, which occupies the award-winning Leonardo Centre, refurbished in 2014, continues to produce excellent exam results.

Developments

The School's infrastructure strategy was approved by the Trustees in December 2018, including approval to develop client brief and design work on the modernisation of boarding houses, the Upper cricket pavilion and the configuration of day places. Historic England is being consulted in relation to the impact of a new Grade II listing of the Upper cricket pavilion on the scheme to extend and modernise the pavilion. In addition, construction on the 'Thring Axis' project was begun, with completion due in December 2019.

Fundraising performance

Approval was given to the Foundation to introduce university-style specialist expertise into its team, and to new fundraising targets. Allied to a newly approved bursaries strategy and capital projects still at the design phase, the Foundation had a quiet year for fundraising. Donations totalled £153,168 (2018: £390,290). Future fundraising focus will primarily be for means-tested bursaries enabling more pupils to benefit from the School's education, who otherwise could not afford the fees. For this year, the performance of current fundraising, on costs of £203,126 (2018: £155,737), was a ratio of 132.6% (2018: 39.9%) against the voluntary income raised.

Fundraising during the year was carried out solely by the Development team with support from alumni and parents. No external fundraising individuals or companies were employed. The School is signed up to the Fundraising Regulator which oversees the Code of Fundraising Practice and there were no incidences of failures to comply with fundraising standards, nor any complaints received. The School adheres to the new GDPR regulations and contact only those for whom our communications will be relevant and of interest.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

A summary of the results of operations for the year is given in the statement of financial activities on page 15.

School fee income is 5.3% higher than last year due to a fee increase along with higher pupil numbers. Scholarships, bursaries, and other grants made to pupils out of restricted funds amounted to £402,966 (2018: £407,480). Furthermore, awards totalling £2,085,540 (2018: £1,987,307) were made from unrestricted funds.

The Charity's principal funding sources were School fees (89% of incoming resources), trading turnover (5%), other activities (2%), lettings (2%), investment income (1%), and donations, rents, lettings and other income (1%).

Net incoming resources of £927,830 include a deficit of £243,313 of net restricted resources, mainly due to awarded Bursaries exceeding new donations.

UPPINGHAM SCHOOL
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 AUGUST 2019

The net movement of funds shows an overall decrease of £2,049,304 reflecting the above net incoming resources, net investment gains of £122,866 offset by a £3,100,000 actuarial loss on the pension scheme.

The School carries out its UK trading operations through a wholly owned subsidiary company, Uppingham School Enterprises Limited (USE Ltd). The company was again profitable and a gift aid payment of £210,530 will be paid to Uppingham School in 2020.

The School's international trading operations are carried out through a wholly owned subsidiary, Uppingham School (Asia) Limited. In its first period of trading, the company was profitable and a gift aid payment of £72,840 will be paid to Uppingham School in 2020.

Fee remissions

The School awarded £2,488,506 (2018: £2,394,787) in scholarships, fee discounts and means-tested bursaries. Scholarships are awarded for academic, musical, artistic, sporting and all-round excellence. Means-tested bursaries are designed to widen public access to the School's education to those who otherwise could not afford the fees, and relieve hardship where the pupil's education and prospects would otherwise be at risk.

There are currently 209 pupils (2018: 200) at Uppingham receiving means-tested bursaries, scholarships and other fee discounts which are financed by the School through general and restricted funds, and 7 (2018: 6) of these pupils also receive remissions funded by third parties.

Means-tested Bursaries were awarded to 74 pupils (2018: 68), worth £1,416,700 (2018: £1,234,585) in fee support.

UK trading subsidiary

The School's UK trading subsidiary, Uppingham School Enterprises Ltd, which runs a programme of summer lettings, the School Shop, and the commercial activities of Uppingham School Sports Centre, had a successful year (see note 3), with sales of £1,493,248 (2018: £1,457,022) and profit before gift aid of £203,503 (2018: £185,489). The increase in profits was the outcome of a new UK commercial strategy.

Appropriation of resources

The Trustees recommend that any unrestricted surplus at the end of the year be carried forward.

Fixed assets

The valuation of the land and buildings of the Charity depends largely on their continued use as a boarding school or similar activity. The Trustees are satisfied that, assuming that they continue to be used for their current purposes, any significant difference between the current market value of the land and buildings and the value at which they are shown in these Financial Statements would have no material impact on the School's operations or financial viability. Changes in fixed assets during the year are set out in Note 8 to the financial statements.

Reserves policy

Disregarding the notional pension-funding deficit calculated under FRS102 (see below), at 31 August 2019, the total funds of the School were £71,786,013. Of these, £8,158,298 were permanent endowment funds and £1,570,682 were restricted funds. This leaves unrestricted funds of £62,057,033 of which £424,439 has been designated by the Trustees and £75,328,060 are represented by fixed assets. Therefore, the School currently has a surplus on free reserves of £5,054,534 (after taking account of capital borrowings of £18,750,000) which primarily represents funds due to be expended on fixed assets.

UPPINGHAM SCHOOL
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 AUGUST 2019

Reserves policy (continued)

Total unrestricted funds as shown in the accounts include a notional funding deficit of £4,654,000 (2018: deficit £1,448,000) calculated under FRS102 in respect of the Charity's defined benefit pension scheme for support staff. The Trustees believe that this notional funding calculation, which can vary considerably between surplus and deficit according to the assumptions made at each year end, has no material effect on the Charity's cash flows in the short term, and that in the longer term its effects are sustainable out of future income. For this reason, we consider that it should be disregarded for reserves policy purposes.

The surplus on free reserves is consistent with the Five-year Cash Projection, which is updated and considered by the Trustees on a regular basis. The Trustees are committed to providing an excellent environment for pupils at the School by improving its academic, pastoral and extra-curricular facilities. This programme is reviewed and updated on a regular basis, along with its impact on cash flows. In addition to the improvements programme the School has undertaken a buildings condition survey to ensure that an adequate maintenance programme is in place to protect the School's fabric and plant for the long term. The School's policy is to operate with a deficit on free reserves and, over the foreseeable future, to continue to finance these two programmes through surpluses. This policy is managed prudently by ensuring that cash 'headroom' (defined as cash balances plus available bank overdraft) never falls below £3 million.

The School's management of reserves will be reviewed on an annual basis by the Trustees.

Investment policy and performance

The Trustees' investment powers are governed by the Articles of Association and by the Trustee Act 2000. The Trustees' policy is to maintain income while building the real value of endowed investments over the long term, and to maximize income on temporarily invested restricted funds.

The School's investments have continued to be managed in conformity with the policy and the Articles of Association. Their performance is measured regularly against a composite benchmark representing a weighting to market indices in line with the long-term strategic asset allocation. The long-term benchmark is RPI + 3.5% since the appointment of Cazenove Capital as fund managers in September 2013. For the period under review, the Scholarship & Prizes portfolio returned 2.2% and the General Endowment portfolio returned 2.1% compared with a composite benchmark return of 4.4% and one-year RPI + 3.5% return of 6.2%. It was a significantly more volatile period for equity markets than in previous years. The portfolio's preference for overseas equities over UK listed equities continued to be a positive factor as the US equity market outperformed all other regions. However, the decision to be underweight in bonds overall and to favour short dated corporate credit over government bonds detracted from relative returns, as monetary policy became increasingly accommodative driving bond yields lower. In addition, UK equities held back returns as uncertainty surrounding Brexit continued to tarnish investor sentiment in the UK. Overall portfolio performance was supported by the introduction of gold and well-timed new investments in US Smaller companies and China A Shares.

PRINCIPAL RISKS AND UNCERTAINTIES

The most significant risks identified by the Trustees are declining fee income (through recession, declining popularity of boarding or fee affordability); political and economic uncertainty; government policy towards independent schools and visas for overseas pupils; pension costs; inadequate strategic planning; insufficient range of skills on the Trustee body; inadequate academic performance; inadequate boarding and teaching facilities; an underfunded bursaries strategy; the affordability of fees; pension commitments; changes in tax legislation; pupil safeguarding issues; increasing energy costs; significant health and safety risks such as a boarding house fire or offsite accident; site security risks; poor catering standards; and failure of key software or hardware.

UPPINGHAM SCHOOL
REPORT OF THE TRUSTEES (CONTINUED)
YEAR ENDED 31 AUGUST 2019

PRINCIPAL RISKS AND UNCERTAINTIES (CONTINUED)

The Trustees are responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to the Finance & General Purposes Committee, which is assisted by the Uppingham Leadership Team. Risks are identified and assessed, and controls established throughout the year. A formal review of the Charity's risk management processes is undertaken on an annual basis.

The key controls used by the Charity include:

- formal agendas for all Committee and Board activity;
- detailed terms of reference for all Committees;
- comprehensive strategic planning, budgeting, management accounting, and cash flow forecasting;
- established organisational structure and lines of reporting;
- formal written policies, including child protection, safeguarding, health and safety, crisis management, and compliance with all relevant legislation applicable to schools;
- clear authorisation and approval levels; and
- vetting procedures as required by law for the protection of children.

Through the risk management processes established for the School, the Trustees are satisfied that the major risks to which the School is exposed have been reviewed and systems or procedures have been established to manage those risks. It is recognised that systems can provide reasonable but not absolute assurance that major risks have been adequately managed.

The Trustees regularly review the effectiveness of current plans and strategies for managing all identified major risks for both the School and its subsidiaries.

FUTURE PLANS

Objectives for the forthcoming year

The objectives for the forthcoming year are as follows:

- Delivery of the third-year targets in the educational strategy, under the headings of academic performance, curriculum reform, teacher development, pastoral improvement, 'whole person' co-curricular development, and culture and values;
- Delivery of the School's 'Beyond 2020' strategic plan including educational strategy (as above), affordability and socio-economic diversity, funding streams, size and shape of the School, infrastructure and people strategy;

AUDITORS

The Trustees conducted a market tender exercise for audit services in January 2019 and concluded that Crowe U.K. LLP should be reappointed as statutory auditors. Crowe U.K. LLP has indicated its willingness to be reappointed.

This report, including the Directors' Report and the Strategic Report, was approved by the Board and signed on behalf of the Trustees:


Chair of Trustees
30 November 2019

Independent Auditor's Report to the Members of Uppingham School

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic

Independent Auditor's Report to the Members of Uppingham School (continued)

report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 7, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

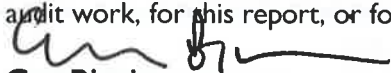
Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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



Guy Biggin
Senior Statutory Auditor

For and on behalf of
Crowe UK LLP
Statutory Auditor
Cheltenham

Date: 19 December 2019

UPPINGHAM SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING THE INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2019

| | Notes | Unrestricted £ | Restricted £ | Permanent Endowment £ | Total 2019 £ | Total 2018 £ |
|--|--------------|--------------------|------------------|-----------------------------|--------------------|--------------------|
| INCOMING RESOURCES | | | | | | |
| Charitable Activities | | | | | | |
| School fees | 2 | 28,024,493 | - | - | 28,024,493 | 26,621,280 |
| Lettings | | 701,235 | - | - | 701,235 | 342,048 |
| Donations | | 32,324 | 120,844 | - | 153,168 | 390,290 |
| Other activities | | 639,982 | - | - | 639,982 | 615,797 |
| Activities for generating funds: | | | | | | |
| Subsidiary turnover | 3 | 1,526,341 | - | - | 1,526,341 | 1,200,530 |
| Rents and lettings receivable | | 72,023 | - | - | 72,023 | 87,664 |
| Investment income | | 153,924 | 55,357 | - | 209,281 | 175,492 |
| Other income | 4 | 247,820 | - | - | 247,820 | 224,060 |
| Total incoming resources | | 31,398,142 | 176,201 | - | 31,574,343 | 29,657,161 |
| RESOURCES EXPENDED | | | | | | |
| Cost of generating funds: | | | | | | |
| Fundraising costs | | 203,126 | - | - | 203,126 | 155,737 |
| Subsidiary costs | 5 | 1,161,225 | - | - | 1,161,225 | 944,436 |
| Finance costs | 5 | 580,373 | - | - | 580,373 | 2,369,319 |
| | | 1,944,724 | - | - | 1,944,724 | 3,469,492 |
| Charitable activities | | | | | | |
| School and grant-making | 5 | 28,276,876 | 419,514 | 5,399 | 28,701,789 | 27,337,086 |
| Total resources expended | 5 | 30,221,600 | 419,514 | 5,399 | 30,646,513 | 30,806,578 |
| Net incoming resources before fair value movements on financial instruments | | 1,176,542 | (243,313) | (5,399) | 927,830 | (1,149,417) |
| Gain/loss on fair value of interest rate swap | 12 | - | - | - | - | 2,518,642 |
| Investment gains and losses | 9 | 125,745 | (8,440) | 5,561 | 122,866 | 112,896 |
| Transfers | 18 | 2,429 | (2,429) | - | - | - |
| Net income | | 1,304,716 | (254,182) | 162 | 1,050,696 | 1,482,121 |
| Pension scheme actuarial (loss)/gain | 21 & page 11 | (3,100,000) | - | - | (3,100,000) | 1,857,000 |
| Net movement of funds | | (1,795,284) | (254,182) | 162 | (2,049,304) | 3,339,121 |
| Fund balance carried forward at 31 August 2018 | | 59,259,009 | 1,824,864 | 8,158,136 | 69,242,009 | 65,902,888 |
| Fund balance carried forward at 31 August 2019 | | 57,463,725 | 1,570,682 | 8,158,298 | 67,192,705 | 69,242,009 |

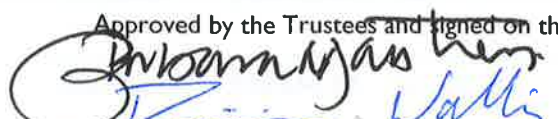

The notes on pages 19 to 44 form part of these financial statements

**UPPINGHAM SCHOOL
CHARITY AND CONSOLIDATED BALANCE SHEETS
AS AT 31 AUGUST 2019**

| | Notes | Group 2019 £ | Group 2018 £ | Charity 2019 £ | Charity 2018 £ |
|--|-------|---------------------|---------------------|----------------------|----------------------|
| FIXED ASSETS | | | | | |
| Tangible assets | 8 | 78,141,220 | 78,851,685 | 78,129,565 | 78,829,034 |
| Investments | 9 | 9,232,195 | 9,092,638 | 9,261,756 | 9,122,198 |
| | | 87,373,415 | 87,944,323 | 87,391,321 | 87,951,232 |
| CURRENT ASSETS | | | | | |
| Stock | | 136,747 | 184,977 | 26,263 | 29,037 |
| Debtors and prepayments | 10 | 1,916,773 | 1,463,866 | 2,205,773 | 1,643,443 |
| Cash at bank and in hand | | 23,810,592 | 15,917,413 | 23,419,086 | 15,564,987 |
| | | 25,864,112 | 17,566,256 | 25,651,122 | 17,237,467 |
| CREDITORS: due within one year | 11 | (9,530,919) | (8,864,779) | (9,396,527) | (8,610,618) |
| Fees in advance scheme | 13 | (5,904,144) | (5,679,297) | (5,904,144) | (5,679,297) |
| Net Current Assets | | 10,429,049 | 3,022,180 | 10,350,451 | 2,947,552 |
| Total Assets Less Current Liabilities | | 97,802,464 | 90,966,503 | 97,741,772 | 90,898,784 |
| CREDITORS: due after more than one year | 12 | (21,866,152) | (15,371,323) | (21,866,152) | (15,371,323) |
| Fees in advance scheme | 13 | (4,089,607) | (4,905,171) | (4,089,607) | (4,905,171) |
| Net Assets before pension surplus/deficit | | 71,846,705 | 70,690,009 | 71,786,013 | 70,622,290 |
| Pension Scheme deficit | 21 | (4,654,000) | (1,448,000) | (4,654,000) | (1,448,000) |
| Net Assets after pension deficit | | 67,192,705 | 69,242,009 | 67,132,013 | 69,174,290 |
| FUNDS | | | | | |
| Permanent endowment | 17 | 8,158,298 | 8,158,136 | 8,158,298 | 8,158,136 |
| Restricted | 18 | 1,570,682 | 1,824,864 | 1,570,682 | 1,824,864 |
| Unrestricted | | | | | |
| General | 15 | 61,693,286 | 60,474,105 | 61,632,594 | 60,406,386 |
| Designated | 15,16 | 424,439 | 232,904 | 424,439 | 232,904 |
| | | 62,117,725 | 60,707,009 | 62,057,033 | 60,639,290 |
| Less – Pension deficit | 21 | (4,654,000) | (1,448,000) | (4,654,000) | (1,448,000) |
| Net Unrestricted | | 57,463,725 | 59,259,009 | 57,403,033 | 59,191,290 |
| Total Funds | | 67,192,705 | 69,242,009 | 67,132,013 | 69,174,290 |

The (deficit)/surplus for the financial year dealt with in the financial statements of the parent charity is (£2,042,277) (2018: £3,335,345).

Approved by the Trustees and signed on their behalf:

} Trustees

30 November 2019

Company registered number: 8013826

The notes on pages 19 to 44 form part of these financial statements.

UPPINGHAM SCHOOL
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 AUGUST 2019

| | Notes | £ | 2019 £ | £ | 2018 £ |
|--|-------|------------------|---------------------|------------------|---------------------|
| Net cash flow from operating activities | (i) | | 3,708,360 | | 1,685,683 |
| Returns on investments and servicing of finance | | | | | |
| Interest paid | | (434,200) | | (409,320) | |
| Dividends and interest received | | <u>209,281</u> | | <u>175,492</u> | |
| Capital expenditure and financial investment | | | (224,919) | | (233,828) |
| Purchase of tangible fixed assets | | (1,588,489) | | (712,065) | |
| Proceeds from sale of tangible fixed assets | | 15,629 | | 9,650 | |
| Repayment of Endowment Loan | | (24,100) | | (24,100) | |
| Investment of Cash Funds | | (3,891) | | (772,412) | |
| Purchase of investments | | (4,586,760) | | (5,596,198) | |
| Proceeds from sales of investments | | <u>4,598,060</u> | | <u>5,596,198</u> | |
| | | | (1,589,551) | | (1,498,927) |
| Net cash inflow (outflow) before financing | | | 1,893,890 | | (47,072) |
| Financing | | | | | |
| Net transfers to acceptance deposits | | | 340,006 | | 479,419 |
| Cancellation of interest rate swap | | | - | | 2,518,643 |
| Increase in long term loan | | | 6,250,000 | | 2,581,946 |
| Fees in advance schemes: | | | | | |
| New fees in advance money | | 5,922,732 | | 5,512,938 | |
| Amounts accrued to contracts | | 112,625 | | 201,028 | |
| Amounts utilised | | (6,234,086) | | (6,510,361) | |
| Amounts repaid | | <u>(391,988)</u> | | <u>(283,440)</u> | |
| | | | (590,717) | | (1,079,835) |
| Increase in cash | | | 7,893,179 | | 4,453,101 |
| Reconciliation of net cash flow to movement in net debt | (ii) | | | | |
| Increase in cash | | | 7,893,179 | | 4,453,101 |
| Acceptance deposits – net increase | | | (340,006) | | (479,419) |
| Fees in advance schemes – net paid out | | | 590,717 | | 1,079,835 |
| Decrease in endowment loan | | | 24,100 | | 24,100 |
| Increase in long term loan | | | (6,250,000) | | (2,581,946) |
| Change in net debt resulting from cash flows | | | 1,917,990 | | 2,495,671 |
| Net debt at 1 September 2018 | | | (10,510,976) | | (13,006,647) |
| Net debt at 31 August 2019 | | | (8,592,986) | | (10,510,976) |

The notes on pages 19 to 44 form part of these financial statements.

UPPINGHAM SCHOOL
CONSOLIDATED CASH FLOW STATEMENT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

(i) Reconciliation of net incoming resources to net cash flow from operation

| | 2019 £ | 2018 £ |
|---|------------------|------------------|
| Net incoming resources | 927,830 | (1,149,417) |
| Depreciation | 2,298,954 | 2,301,059 |
| Net FRS102 costs | 106,000 | (8,000) |
| (Profit)/loss on disposal of fixed assets | (15,629) | (5,505) |
| Interest paid | 434,200 | 409,320 |
| Dividends and interest receivable | (209,281) | (175,492) |
| (Increase)/decrease in stock | 48,230 | (6,390) |
| Decrease/(increase) in debtors | (452,907) | 20,176 |
| (Increase) in creditors | 570,963 | 299,932 |
| Net cash inflow/(outflow) from operations | <u>3,708,360</u> | <u>1,685,683</u> |

(ii) Analysis of net debt

| | At 31 August 2018 £ | Cash Flows £ | At 31 August 2019 £ |
|------------------------|---------------------------|------------------|------------------------------|
| Cash and bank balances | 15,917,413 | 7,893,179 | 23,810,592 |
| Long term loan | (12,500,000) | (6,250,000) | (18,750,000) |
| Endowment loan | (357,483) | 24,100 | (333,383) |
| Acceptance deposits | (2,986,438) | (340,006) | (3,326,444) |
| Fees in advance scheme | (10,584,468) | 590,717 | (9,993,751) |
| | <u>(10,510,976)</u> | <u>1,917,990</u> | <u>(8,592,986)</u> |

**UPPINGHAM SCHOOL
ACCOUNTING POLICIES
FOR THE YEAR ENDED 31 AUGUST 2019**

I. ACCOUNTING POLICIES

Company information

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006, and the 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 (FRS102) – effective 1 January 2015. The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

The functional currency of the School is £ sterling because that is the currency of the primary economic environment in which the School operates.

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Trustees have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustee Responsibilities on page 7.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. The charity was incorporated as a company limited by guarantee on 1 September 2012, named 'Uppingham School' and registered as a Company and a charity.

The accounts present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and Charity balance sheets, comprising the consolidation of the School and its wholly owned subsidiaries, Uppingham School Enterprises Limited (USE Ltd - registered company number 01130851) and Uppingham School (Asia) Limited (US(A) Ltd – registered company number 11334333). USE Ltd's registered office is Uppingham School, Uppingham, Rutland, LE15 9QD. US(A) Ltd's registered office is 20-24 High Street West, Uppingham, Rutland LE15 9QD. US(A) Ltd has a 16 month accounting period, but the impact on the consolidated accounts is not material. Uppingham School International Limited (company number 09895518) has not been consolidated into these accounts as it has remained dormant during the year.

No separate Statement of Financial Activities of the Company has been presented, as permitted by s408 of the Companies Act 2006.

All the undertakings of the School were transferred across to the company on 1 September 2012, with the exception of endowed properties ('specie' land) and assets. These continued to be held in the Trust, which was renamed the Archdeacon Robert Johnson Trust. A 'Uniting Order' was obtained from the Charity Commission, removing the need to prepare separate accounts for both company and trust.

Critical accounting judgements and key sources of estimation uncertainty

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

UPPINGHAM SCHOOL
ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

I. ACCOUNTING POLICIES (CONTINUED)

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

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

A summary of the principal accounting policies, all of which have been applied consistently throughout the year and the preceding year, is set out below:

a) Fees Receivable

Fees receivable are accounted for in the year in which the service is provided after deducting bursaries, scholarships and other remissions granted by the school, but include contributions received from Restricted Funds for scholarships, bursaries and other grants.

b) Rents Receivable, Summer School Income and Investment Income

Rents receivable, Summer School income and investment income are accounted for on an accruals basis.

c) Donations

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified, and the economic benefit to the School is considered probable.

Donations received for the general purposes of the Charity are credited to unrestricted funds. Donations subject to specific wishes of the donors are carried to relevant restricted funds, or to endowed funds where the amount is required to be held as permanent capital.

Gifts in kind are valued at estimated open market value at the date of the gift, in the case of assets for retention or consumption, or at the value to the School in the case of donated services or facilities.

d) Trading income

Trading income is income arising from the non-academic enterprises of Uppingham School including the School Shop and Sports Centre and the letting of school buildings.

e) Resources Expended

Resources expended are accounted for on an accruals basis as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure is allocated to expense headings on direct cost basis except for central costs, which are apportioned on the basis of the Trustees' estimate of time spent on the relevant function. Support costs include expenses which enable charitable activities and fund generating to be undertaken. Governance costs include expenditure on management, and compliance with constitutional and statutory requirements. The irrecoverable element of VAT is included with the item of expense to which it relates. Termination payments are accounted for as soon as the school is aware of the obligations to make payments.

UPPINGHAM SCHOOL
ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

I. ACCOUNTING POLICIES (CONTINUED)

f) Tangible Fixed Assets

The School land, together with original School buildings (some of which are Grade I and Grade II listed properties) were purchased beginning with the inception of the School in 1584. These assets, both land and buildings, were revalued on 31 August 1992 at £31,486,000. In accordance with the transitional provisions of Financial Reporting Standard 15, this valuation has not been updated, although disposals have been removed. With effect from 1 September 2014, the freehold building element of the valuation is depreciated at the rates indicated below. The Charity is responsible for keeping the original buildings in fit and useful condition, and these costs are written off as incurred.

Depreciation is provided in equal annual instalments at the following annual rates, in order to write off the cost of all relevant tangible fixed assets less estimated residual value based on current market prices, over their expected useful economic lives, as follows:

| | |
|-----------------------------------|-----------------------------|
| Freehold Buildings | - 1-4% on cost or valuation |
| Fittings, furniture and equipment | - 5-20% on cost |
| Motor Vehicles | - 20% on cost |
| Computers and IT infrastructure | - 10-33% on cost |

Assets under construction are not depreciated until the assets are brought into use.

Assets over a value of £3,000 are capitalised individually. New IT additions with a value of less than £3,000 are capitalised as a "bulk" asset, depreciated over 4 years and disposed of after 5 years.

g) Investments

Investments are carried at market value. Any change in market value between financial years (or from the date of purchase if purchased during the year) is shown as unrealised gains or losses.

Realised gains or losses on disposals are calculated as the difference between the opening market value of the disposed item and disposal proceeds received during the year. Realised and unrealised gains and losses are included in the Statement of Financial Activities. Investments in subsidiaries are valued at cost less provision for impairment.

h) Fees in Advance Schemes

Standard

The School has accepted composition sums in respect of certain pupils and in return has undertaken to discharge defined amounts of the fees chargeable in respect of those pupils subsequent to 31 August 2019. In the event of a pupil's withdrawal from the School before all the agreed amounts have been credited, the School has agreed to return a proportionate part of the composition sum, or to transfer the defined fixed amounts to another School.

The School's liability in respect of advance fees which it has accepted has been brought into these accounts as the liability which would arise if all the pupils covered by such arrangements completed the full term period of the contract entered into.

UPPINGHAM SCHOOL
ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

I. ACCOUNTING POLICIES (CONTINUED)

Inflation free

The School has also accepted deposits that guarantee fees payable up to the amount deposited, some of which are fixed at the 2013-14 fee rate over 5 years from 2014-15 and others are fixed at the 2015-16 fee rate over 5 years from 2016-17. In the event of a pupil's withdrawal from the School before all the amounts have been credited, the balance remaining will be returned.

The liability recognised in respect of this Scheme is considered to be a non-basic financial instrument and has therefore been classified as a financial liability measured at fair value through profit or loss.

i) Pensions

The School contributes to the Teachers' Pension Defined Benefits Scheme at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi- employer pension scheme and it is not possible to identify the assets and liabilities of the scheme which are attributable to the School. In accordance with FRS102 therefore, the scheme is accounted for as a defined contribution scheme.

The School contributes to a Defined Benefits pension scheme for support staff, although this is closed to new members. Rates are set by the Scheme Actuary and advised to the School by the Scheme Administrator. This scheme is being accounted for under FRS102, with the annually calculated notional surplus or deficit on the funding of the Scheme shown in the accounts as a designated fund entitled 'Pensions Reserve', which is deducted from Unrestricted Funds in the balance sheet.

The School also contributes to a defined contribution Group Pension Scheme for support staff, which was set up shortly after the defined benefits scheme was closed to new members. Contributions are invested by its members, and therefore do not appear on the School's balance sheet.

j) Finance and Operating Leases

Where assets are financed by leasing arrangements that give rights approximating to ownership (finance leases), the assets are treated as if they had been purchased outright and the corresponding liability to the leasing company is included as an obligation under finance leases. Depreciation on leased assets is charged to the Statement of Financial Activities on the same basis as above. Leasing payments are treated as consisting of capital and interest elements and the interest is charged to the expenditure over the period of the lease.

All other leases are operating leases and the annual rentals payable are charged to expenditure on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

k) Stock

Stocks are valued at the lower of cost and net realisable value.

l) Financial instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A

UPPINGHAM SCHOOL
ACCOUNTING POLICIES (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

I. ACCOUNTING POLICIES (CONTINUED)

specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions.

Assets and liabilities held in foreign currency are translated into GBP at the balance sheet date at an appropriate year end exchange rate.

Non-basic financial instruments are recognised at fair value at the balance sheet date, and changes in fair value are recognised in the Statement of Financial Activities.

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

| | 2019 £ | 2018 £ |
|---|-------------|-------------|
| 2. SCHOOL FEES | | |
| The School's fee income comprised: | | |
| Gross fees | 30,110,033 | 28,608,587 |
| Less: total bursaries, grants and allowances | (2,488,506) | (2,394,787) |
| Net fees receivable | 27,621,527 | 26,213,800 |
| Add back: Scholarships, Grants etc paid for by Restricted Funds | 402,966 | 407,480 |
| | 28,024,493 | 26,621,280 |

3. INCOME FROM THE SUBSIDIARY'S TRADING ACTIVITIES

The Charity owns the whole of the share capital of Uppingham School Enterprises Limited (USE Ltd), Company Number 01130851, which carried out the business of retailing and non-academic ventures for Uppingham School. Its trading results for the year, as extracted from the audited accounts, are summarised below, together with the School's own results for the year to distinguish them from the group results in the consolidated Statement of Financial Activities:

The results of material entities in the group are as follows:

| | USE Ltd 2019 £ | 2018 £ | Charity 2019 £ | 2018 £ |
|---|----------------------|-----------|----------------------|--------------|
| Turnover and fee income | 1,493,248 | 1,457,022 | 29,518,879 | 27,969,415 |
| Cost of sales: subsidiary | (543,803) | (525,875) | - | - |
| Gross profit: subsidiary | 949,445 | 931,147 | 29,518,879 | 27,969,415 |
| Administration: Subsidiary | (745,942) | (745,658) | - | - |
| Other income | - | - | 408,615 | 382,329 |
| Investment income receivable | - | - | 209,281 | 175,492 |
| Net income for year | 203,503 | 185,489 | 30,136,775 | 28,527,236 |
| Gift Aid donation | (210,530) | (181,713) | 283,370 | 181,713 |
| Gross incoming resources: | | | 30,420,145 | 28,708,949 |
| Charity | | | | |
| Costs of Charitable Activities | - | - | (28,701,789) | (27,337,086) |
| Costs of Generating Funds: | - | - | (783,499) | (2,525,056) |
| Charity | | | | |
| Net income before fair value movements on financial instruments | (7,027) | 3,776 | 934,857 | (1,153,193) |

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2019

3. INCOME FROM THE SUBSIDIARY'S TRADING ACTIVITIES (CONTINUED)

The net assets of USE Ltd at 31 August 2019 were £90,252 (2018: £97,279).

Other income and administration include £73,773 (2018: £70,605) in respect of rent from USE Ltd. Sales from USE Ltd to the School amount to £316,908 (2018: £256,492) and within the subsidiary departments £53 (2018: £356).

The Charity also owns the whole of the share capital of Uppingham School International Limited, company number 09895518, which is dormant, which in turn owns the whole of the share capital of Uppingham School (Asia) Limited, company number 11334333, and Uppingham School (Selwyn) Limited, company number 12141906, which is dormant.

Other income includes £15,000 (2018: nil) in respect of trademark, branding and premises licence fees from US(A) Ltd.

4. OTHER INCOME

| | 2019 | 2018 |
|------------------------------------|----------------|----------------|
| | £ | £ |
| Interest due on overdue fees | 22,304 | <i>15,418</i> |
| Donated deposits | 35,000 | <i>72,732</i> |
| Registration Fees | 110,565 | <i>66,235</i> |
| Theatre income | 39,591 | <i>51,024</i> |
| Profit on disposal of fixed assets | 15,630 | <i>5,505</i> |
| Music Concert income | 23,371 | <i>11,275</i> |
| Other | 1,359 | <i>1,871</i> |
| | 247,820 | <i>224,060</i> |

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

| | Staff costs £ | Other £ | Depreciation £ | 2019 Total £ | 2018 Total £ |
|-------------------------------|-------------------|-------------------|-------------------|--------------------|--------------------|
| Cost of generating funds: | | | | | |
| Fundraising costs | 164,224 | 38,902 | - | 203,126 | 155,737 |
| Finance costs (see below) | - | 580,373 | - | 580,373 | 2,369,319 |
| Total for Charity | 164,224 | 619,275 | - | 783,499 | 2,525,056 |
| Trading costs of subsidiaries | 695,130 | 455,099 | 10,996 | 1,161,225 | 944,436 |
| Total for Group | 859,354 | 1,074,374 | 10,996 | 1,944,724 | 3,469,492 |
| Charitable activities: | | | | | |
| Teaching | 9,228,773 | 2,457,532 | 699,267 | 12,385,572 | 12,094,208 |
| Welfare of pupils | 2,073,175 | 3,067,466 | - | 5,140,641 | 4,804,642 |
| Premises | 1,909,953 | 3,328,334 | 1,588,691 | 6,826,978 | 6,403,784 |
| Summer School costs | 174,555 | 312,770 | - | 487,325 | 290,858 |
| Support (see below) | 1,765,391 | 1,556,764 | - | 3,322,155 | 3,213,491 |
| Grants, awards & prizes | - | 402,966 | - | 402,966 | 407,480 |
| | 15,151,847 | 11,125,832 | 2,287,958 | 28,565,637 | 27,214,463 |
| Governance costs | - | 136,152 | - | 136,152 | 122,623 |
| Total | 15,151,847 | 11,261,984 | 2,287,958 | 28,701,789 | 27,337,086 |
| Total expended: Group | 16,011,201 | 12,336,358 | 2,298,954 | 30,646,513 | 30,806,578 |
| Charity | 15,316,071 | 11,881,259 | 2,287,958 | 29,485,288 | 29,862,142 |

Finance costs in 2018 include the £1,962,555 cost of cancelling the interest rate swap (note 12).

| | 2019 £ | 2018 £ |
|----------------------------------|------------------|------------------|
| Support costs | | |
| Salaries & Pension Contributions | 1,765,391 | 1,658,512 |
| Support Office Costs | 1,099,220 | 900,242 |
| Central Office Costs | 457,544 | 654,737 |
| | 3,322,155 | 3,213,491 |

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

6. STAFF COSTS

| | 2019 | | 2018 | |
|--|-------------|------------|-------------|------------|
| The average headcount and full-time equivalent numbers employed within each category of persons was: | No. | | No. | |
| | Avg | FTE | Avg | FTE |
| Teaching | 245 | 168 | 241 | 166 |
| Welfare of pupils | 155 | 95 | 179 | 93 |
| Others | 171 | 122 | 171 | 122 |

| | | | |
|------------|------------|------------|------------|
| 571 | 385 | 591 | 381 |
|------------|------------|------------|------------|

| | 2019 | | 2018 | |
|--|-------------------|--|-------------|--|
| The costs incurred in respect of these employees were: | £ | | £ | |
| Wages and salaries | 13,080,090 | | 12,586,342 | |
| Social Security costs | 1,239,660 | | 1,178,940 | |
| Pension costs | 1,691,451 | | 1,777,158 | |

| | |
|-------------------|-------------------|
| 16,011,201 | 15,542,440 |
|-------------------|-------------------|

| | | |
|---|------------------|-----------|
| Aggregate employee benefits of key management personnel | 2,173,707 | 2,023,739 |
|---|------------------|-----------|

| Number of employees earning over £60,000 during the year were as follows: | 2019 | 2018 |
|---|-------------|-------------|
| | No. | No. |
| £60,001 - £70,000 | 22 | 20 |
| £70,001 - £80,000 | 14 | 9 |
| £80,001 - £90,000 | 3 | 3 |
| £90,001 - £100,000 | 4 | 2 |
| £150,001 - £160,000 | 1 | 1 |
| £210,001 - £220,000 | - | 1 |
| £220,001 - £230,000 | 1 | - |

During the year there were redundancy or termination payments which amounted to £111,371 (2018: £142,936). There was £NIL (2018: £40,668) outstanding at the year-end.

Uppingham School is committed to providing job security for its staff but if, following all reasonable efforts to avoid them, redundancy or termination payments are necessary, these will be negotiated with regard to both legal guidelines and the particular circumstances.

7. RESOURCES EXPENDED

| | 2019 | 2018 |
|---|---------------|-------------|
| | £ | £ |
| Charitable expenditure includes (exclusive of VAT): | | |
| Audit fee | 29,213 | 30,920 |
| Auditor other services | 20,524 | 28,850 |

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

8 FIXED ASSETS GROUP

| | Freehold Property | Assets under construction | Fittings Furniture & Equipment | Motor Vehicles | Computers & Office Equipment | Total |
|-----------------------------------|----------------------|---------------------------------|--------------------------------------|-------------------|------------------------------------|--------------------------|
| Cost | £ | £ | £ | £ | £ | £ |
| 1 September 2018 | 86,598,460 | - | 7,189,547 | 686,732 | 1,367,871 | 95,842,610 |
| Additions in year | 298,278 | 802,914 | 303,864 | 83,797 | 99,636 | 1,588,489 |
| Transfer | - | - | (2,521) | - | 2,521 | - |
| Disposals | - | - | (31,821) | (33,532) | (136,146) | (201,499) |
| | <u>86,896,738</u> | <u>802,914</u> | <u>7,459,069</u> | <u>736,997</u> | <u>1,333,882</u> | <u>97,229,600</u> |
| Depreciation | | | | | | |
| 1 September 2018 | 11,787,873 | - | 3,871,437 | 548,783 | 782,832 | 16,990,925 |
| Charge for year | 1,588,691 | - | 399,501 | 63,490 | 247,272 | 2,298,954 |
| Transfer | - | - | (6,690) | - | 6,690 | - |
| Disposals | - | - | (31,821) | (33,532) | (136,146) | (201,499) |
| | <u>13,376,564</u> | <u>-</u> | <u>4,232,427</u> | <u>578,741</u> | <u>900,648</u> | <u>19,088,380</u> |
| Net Book Value 31 Aug 2019 | <u>73,520,174</u> | <u>802,914</u> | <u>3,226,642</u> | <u>158,256</u> | <u>433,234</u> | <u>78,141,220</u> |
| <i>31 Aug 2018</i> | <u>74,810,587</u> | <u>-</u> | <u>3,318,110</u> | <u>137,949</u> | <u>585,039</u> | <u>78,851,685</u> |

FIXED ASSETS CHARITY

| | | | | | | |
|-----------------------------------|-------------------|----------------|------------------|----------------|------------------|--------------------------|
| Cost | | | | | | |
| 1 September 2018 | 86,598,460 | - | 7,151,805 | 686,732 | 1,311,529 | 95,748,526 |
| Additions in year | 298,278 | 802,914 | 303,864 | 83,797 | 99,636 | 1,588,489 |
| Transfer | - | - | - | - | - | - |
| Disposals | - | - | (31,821) | (33,532) | (136,146) | (201,499) |
| | <u>86,896,738</u> | <u>802,914</u> | <u>7,423,848</u> | <u>736,997</u> | <u>1,275,019</u> | <u>97,135,516</u> |
| Depreciation | | | | | | |
| 1 September 2018 | 11,787,871 | - | 3,836,168 | 548,783 | 746,670 | 16,919,492 |
| Charge for year | 1,588,692 | - | 397,566 | 63,490 | 238,210 | 2,287,958 |
| Transfer | - | - | - | - | - | - |
| Disposals | - | - | (31,821) | (33,532) | (136,146) | (201,499) |
| | <u>13,376,563</u> | <u>-</u> | <u>4,201,913</u> | <u>578,741</u> | <u>848,734</u> | <u>19,005,951</u> |
| Net Book Value 31 Aug 2019 | <u>73,520,175</u> | <u>802,914</u> | <u>3,221,935</u> | <u>158,256</u> | <u>426,285</u> | <u>78,129,565</u> |
| <i>31 Aug 2018</i> | <u>74,810,589</u> | <u>-</u> | <u>3,315,637</u> | <u>137,949</u> | <u>564,859</u> | <u>78,829,034</u> |

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

8. FIXED ASSETS (CONTINUED)

All fixed assets are used for direct charitable use.

Inalienable and historic assets

In addition to the capitalised fixed assets held for its own use since its inception in 1584, the School has also been bequeathed a number of artefacts whose intrinsic value is bound up with the School's history. The Trustees consider that these assets are held in accordance with the School's charitable objects as a vital part of its history and heritage and, where relevant, as a resource for the advancement of education. As they are not held principally for their contribution to knowledge and culture, they do not meet the definition of Heritage Assets in SORP FRS 102 "Heritage Assets" and hence are considered as assets in use under Tangible Fixed Assets. The majority of these historic assets have been held for many years and accurate historic cost information is not available for these assets. However, the Trustees consider that their historical cost less depreciation would not be material.

| 9. INVESTMENTS GROUP | Permanent Endowment £ | Restricted Fund £ | Unrestricted Fund £ | Total £ |
|--------------------------------------|-----------------------------|-------------------------|---------------------------|------------------|
| At Market Value | | | | |
| 1 September 2018 | 4,993,749 | 95,641 | 4,003,248 | 9,092,638 |
| Purchases at cost | 591,910 | - | 3,994,850 | 4,586,760 |
| Disposal proceeds | (591,910) | (11,300) | (3,994,850) | (4,598,060) |
| Cash transfer to investments | - | 7,139 | (3,248) | 3,891 |
| Loan repayments | 24,100 | - | - | 24,100 |
| Gain/(loss) on investments: realised | 5,561 | (8,440) | - | (2,879) |
| Unrealised | - | - | 125,745 | 125,745 |
| 31 August 2019 | 5,023,410 | 83,040 | 4,125,745 | 9,232,195 |
| Listed on UK Stock Exchanges | 4,741,032 | 75,303 | - | 4,816,335 |
| Cash deposits | 282,378 | 7,737 | 4,125,745 | 4,415,860 |
| At historical cost | | | | |
| 31 August 2019 | 4,262,606 | - | 4,000,000 | 8,262,606 |
| <i>31 August 2018</i> | <i>4,218,331</i> | <i>-</i> | <i>4,000,000</i> | <i>8,218,331</i> |
| CHARITY: as above | | | | 9,232,195 |
| Investment in subsidiary companies | | | | 29,561 |
| | | | | 9,261,756 |

All investments (other than cash) are quoted on a recognised UK Stock Exchange or are valued by reference to investments listed on a recognised Stock Exchange.

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

| 10. DEBTORS | Group | | Charity | |
|----------------------------------|------------------|------------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Fee debtors | 110,115 | 62,406 | 110,115 | 62,406 |
| Other debtors | 962,976 | 574,987 | 657,760 | 506,978 |
| Loans | 36,406 | 36,372 | 36,406 | 36,372 |
| Endowment Loan | 333,383 | 357,483 | 333,383 | 357,483 |
| Prepayments and Accrued income | 473,893 | 432,618 | 462,100 | 418,224 |
| Uppingham School (Asia) Ltd | - | - | 351,193 | - |
| Uppingham School Enterprises Ltd | - | - | 254,816 | 261,980 |
| | <u>1,916,773</u> | <u>1,463,866</u> | <u>2,205,773</u> | <u>1,643,443</u> |
| Balance Sheet | | | | |

The loans are made to Houseparents to assist them perform their duties and are interest free.

The School borrowed £482,000 from the Endowed Funds with the permission of the Charity Commission. This is repayable through a recoupment order, which began in July 2013, over a 20-year period. The amount receivable after more than one year is £309,283 (2018: £333,383).

11. CREDITORS: amounts falling due within one year

| | Group | | Charity | |
|---|------------------|------------------|------------------|------------------|
| | 2019 | 2018 | 2019 | 2018 |
| | £ | £ | £ | £ |
| Trade creditors | 1,216,729 | 1,187,131 | 1,181,437 | 1,106,344 |
| Fees received in respect of Autumn Term | 5,405,689 | 5,129,436 | 5,405,689 | 5,129,436 |
| Acceptance deposits held | 519,575 | 448,498 | 519,575 | 448,498 |
| Social Security and Other Taxes | 332,236 | 319,105 | 323,073 | 309,690 |
| Loan repayments | 24,100 | 24,100 | 24,100 | 24,100 |
| Other creditors | 1,010,941 | 853,044 | 854,178 | 725,750 |
| Accruals | 1,021,649 | 903,465 | 988,482 | 866,800 |
| Uppingham School (Asia) Limited | - | - | 99,993 | - |
| | <u>9,530,919</u> | <u>8,864,779</u> | <u>9,396,527</u> | <u>8,610,618</u> |
| Balance Sheet | | | | |

Fees received in respect of Autumn Term vary considerably depending on whether the start of term falls in August or September. Fees in Advance Scheme deposits have been split between amounts falling due within one year and amounts falling due after more than one year.

BORROWING FACILITIES

On 3 November 2017 the School agreed a £25m 31-year fixed interest unsecured private placement with BAE Systems Pension Fund for a blended rate of 3.075%, and the Note Purchase Agreement was signed by the parties on 10 November 2017. The loan is repayable from November 2021 over the life of the loan, except for a £12 million bullet payment in 2048. On 30 November 2018 the School drew down £12.5 million of the loan facility in order to repay the £9,918,054 balance outstanding on a loan from Royal Bank of Scotland, taken out in March 2009, and £1,962,555 to cancel an interest rate swap (see note 12).

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

11. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR (CONTINUED)

On 31 May 2018, a further £6.25m was drawn down so that at 31 August 2019, a total of £18.75m (2018: £12.5m) of the loan facility had been drawn down. The bank finance was secured to provide the balance of funding for the Boarding House Modernisation programme and other infrastructure strategy projects.

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

| | 2019 £ | 2018 £ |
|--------------------------------|-------------------|-------------------|
| Long term loan (see note 11) | 18,750,000 | 12,500,000 |
| Loan from Endowment Fund | 309,283 | 333,383 |
| Acceptance deposits | 2,806,869 | 2,537,940 |
| Interest Rate Swap (see below) | - | - |
| Balance Sheet | <u>21,866,152</u> | <u>15,371,323</u> |

Interest Rate Swap

| | 2019 £ | 2018 £ |
|--------------------------------|-----------|-------------|
| Fair value at 1 September 2018 | - | 2,518,642 |
| (Gain)/loss on fair value | - | (241,087) |
| Discount on cancellation | - | (315,000) |
| Cost of cancellation | - | (1,962,555) |
| Fair value at 31 August 2019 | <u>-</u> | <u>-</u> |

On 31 October 2018 the interest rate swap taken out in March 2009 from Royal Bank of Scotland was cancelled for a price of £1,962,555, including a discount offered by the Bank of £315,000.

13. CREDITORS: FEES IN ADVANCE SCHEMES

| | 2019 £ | 2018 £ |
|----------------|------------------|-------------------|
| Standard | 8,999,591 | 7,892,033 |
| Inflation Free | 994,160 | 2,692,435 |
| | <u>9,993,751</u> | <u>10,584,468</u> |

Assuming pupils will remain in the School, fees in advance will be applied as follows:

| | | |
|---------------------------|------------------|------------------|
| Within one year: | | |
| Standard | 5,240,914 | 3,999,653 |
| Inflation Free | 663,230 | 1,679,644 |
| Balance Sheet | <u>5,904,144</u> | <u>5,679,297</u> |
| After more than one year: | | |
| Standard | 3,758,677 | 3,892,380 |
| Inflation Free | 330,930 | 1,012,791 |
| Balance sheet | <u>4,089,607</u> | <u>4,905,171</u> |

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

13. CREDITORS: FEES IN ADVANCE SCHEMES (CONTINUED)

Standard

| | 2019 | 2018 |
|--------------------------------------|------------------|------------------|
| | £ | £ |
| Balance 1 September 2018 | 7,892,033 | 6,567,915 |
| New deposits | 5,922,732 | 5,512,938 |
| Discounts given on new deposits | 112,625 | 201,028 |
| Fee payments | (4,395,381) | (3,975,168) |
| Discount written off during the year | (140,430) | (162,809) |
| Refunds | (391,988) | (251,871) |
| | <u>8,999,591</u> | <u>7,892,033</u> |

The Standard fees in advance scheme represents cash received in advance for fees which will be applied against fees chargeable in the future. The scheme offers a discount on fees charged, included in the amount due shown above, which for future years amounts to £190,808 (2018: £227,411).

Inflation Free

| | 2019 | 2018 |
|--|----------------|------------------|
| | £ | £ |
| Balance 1 September 2018 | 2,692,435 | 5,096,388 |
| Fee Payments | (1,679,644) | (2,338,316) |
| Refunds to parents | - | (31,569) |
| Fair value movement on liability recognized in finance costs | (18,631) | (34,068) |
| | <u>994,160</u> | <u>2,692,435</u> |

A new Inflation Free Fees in Advance Scheme with a limited number of places available was launched in December 2011 and attracted total funds of £5,758,143. Fees charged to parents who participated in this scheme were frozen at the 2011-12 fees payable. These funds were released over 5 years from September 2012 to August 2017.

Further places in the Inflation Free Fees in Advance Scheme were offered to parents in September 2013 and September 2015 and attracted total funds of £7,168,267 and £4,776,446 respectively. Fees charged to participating parents were frozen at the 2013-14 and 2015-16 rates. Funds in the 2013 Scheme were released over 5 years from September 2014 to August 2019, and those in the 2015 Scheme will be released over 5 years from September 2016 to August 2021.

In the event of a pupil withdrawing from the School and a period of one term's notice being given, all remaining deposit amounts will be refunded to the parents or guardians.

The fair value of the scheme liability reflects the present value of the future expected fee income, where the discount rate used represents the financial effect of the expected fee increases foregone, spread over the term of the arrangement. This fair value has been estimated by allocating the expected future fee increases over the arrangement term on a straight-line basis. These estimated future fee increases are reviewed and revised where appropriate on an annual basis. At the year-end the annualised expected future fee increase over the next 5 years was 3%. In the view of the Trustees this approach results in a carrying value which is materially consistent with that which would be generated by a more detailed fair value calculation.

The maximum cash refundable, assuming all pupils gave notice to leave the scheme at the year-end, would have been £9,802,943 (2018: £10,357,057).

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

14. FINANCIAL INSTRUMENTS

| | 2019 £ | 2018 £ |
|---|--------------|--------------|
| Financial asset measured at fair value through profit or loss (a) | 9,232,196 | 9,092,638 |
| Financial liabilities measured at fair value through profit or loss (b) | (4,320,603) | (5,678,873) |
| Financial assets measured at amortised cost (c) | 24,920,088 | 16,591,179 |
| Financial liabilities measured at amortised cost (d) | (35,716,334) | (27,919,127) |

- a) Financial assets include assets held as investments
b) Financial liabilities include an interest rate swap, Inflation Free Fees in Advance, acceptance deposits
c) Financial assets include cash, trade debtors, other debtors and staff loans
d) Financial liabilities include a loan, trade creditors, other creditors, loan repayments, Standard Fees in Advance

15. ANALYSIS OF NET ASSETS OF CHARITY AND GROUP BETWEEN FUNDS

| | Unrestricted Funds £ | Restricted £ | Permanent Endowment £ | 2019 Total £ |
|--|----------------------------|-----------------|-----------------------------|-----------------|
| Fund balances at 31 August 2019 are represented by: | | | | |
| Tangible Fixed Assets* | 75,328,060 | - | 2,801,505 | 78,129,565 |
| Investments | 4,155,306 | 83,040 | 5,023,410 | 9,261,756 |
| Current Assets | 23,730,104 | 1,487,642 | 333,383 | 25,551,129 |
| Current Liabilities | (15,200,678) | - | - | (15,200,678) |
| Long Term Liabilities | (25,955,759) | - | - | (25,955,759) |
| Charity (see below) | 62,057,033 | 1,570,682 | 8,158,298 | 71,786,013 |
| Subsidiary's reserves | 60,692 | - | - | 60,692 |
| Group (see below) | 62,117,725 | 1,570,682 | 8,158,298 | 71,846,705 |
| Pension surplus/(deficit) | (4,654,000) | - | - | (4,654,000) |
| Group (see below) | 57,463,725 | 1,570,682 | 8,158,298 | 67,192,705 |

* Unrestricted fixed assets include £6,677 of assets purchased during the year from restricted funds (see note 18), which have fulfilled the restriction and been released to unrestricted.

Unrestricted funds

| | |
|------------------|-------------|
| Charity: General | 61,632,594 |
| Designated | 424,439 |
| Pension Deficit | (4,654,000) |

57,403,033

| | |
|-----------------|-------------|
| Group: General | 61,693,286 |
| Designated | 424,439 |
| Pension deficit | (4,654,000) |

57,463,725

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

15. ANALYSIS OF NET ASSETS OF CHARITY & GROUP BETWEEN FUNDS (CONT)

| | Unrestricted Funds £ | Restricted £ | Permanent Endowment £ | 2018 Total £ |
|---|----------------------------|-----------------|-----------------------------|---------------------|
| Fund balances at 31 August 2018 are represented by: | | | | |
| Tangible Fixed Assets | 76,022,130 | - | 2,806,904 | 78,829,034 |
| Investments | 4,032,808 | 95,641 | 4,993,749 | 9,122,198 |
| Current Assets | 15,150,760 | 1,729,223 | 357,483 | 17,237,466 |
| Current Liabilities | (14,289,914) | - | - | (14,289,914) |
| Long Term Liabilities | (20,276,494) | - | - | (20,276,494) |
| Charity (see below) | 60,639,290 | 1,824,864 | 8,158,136 | 70,622,290 |
| Subsidiary's reserves | 67,719 | - | - | 67,719 |
| Group (see below) | 60,707,009 | 1,824,864 | 8,158,136 | 70,690,009 |
| Pension surplus/(deficit) | (1,448,000) | - | - | (1,448,000) |
| Group (see below) | 59,259,009 | 1,824,864 | 8,158,136 | 69,242,009 |
| Unrestricted funds | | | | |
| Charity: General | 60,406,385 | | | |
| Designated | 232,904 | | | |
| Pension Deficit | (1,448,000) | | | |
| | 59,191,289 | | | |
| Group: General | 60,474,105 | | | |
| Designated | 232,904 | | | |
| Pension deficit | (1,448,000) | | | |
| | 59,259,009 | | | |

16. UNRESTRICTED FUNDS

Unrestricted funds include an asset valuation of £24,791,500 (2018: £24,791,500) for all assets held without restriction regarding use or disposal. Details of the valuation are held in Note 8.

With the exception of the Boarding House Improvement Fund (see below), the Trustees do not maintain designated funds as all unrestricted funds are held at the discretion of the Trustees year by year as regards capital and income.

The Boarding House Improvement Fund represents the Gift Aid paid to the School by the trading subsidiary USE Ltd and the profit of the Summer School. This is allocated by the Trustees for the purpose of improving the School's boarding houses on an annual rolling programme.

| | 1 September 2018 £ | Designated Funds £ | Expenditure £ | 31 August 2019 £ |
|---------------------------------|--------------------------|--------------------------|------------------|------------------------|
| Boarding House Improvement Fund | 232,904 | 424,439 | (232,904) | 424,439 |

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

16. UNRESTRICTED FUNDS (CONTINUED)

| | 1 September 2017 £ | Designated Funds £ | Expenditure £ | 31 August 2018 £ |
|---------------------------------|--------------------------|--------------------------|------------------|------------------------|
| Boarding House Improvement Fund | 224,155 | 232,904 | (224,155) | 232,904 |

17. PERMANENT ENDOWMENT FUND

Fixed Assets

The following assets are permanently endowed.

| Building | Land 1992 Value £ | Building 1992 Value £ | Accumulated Depreciation £ | Building Net Book Value £ | Total Asset Value £ |
|-----------------|-------------------------|-----------------------------|----------------------------------|---------------------------------|---------------------------|
| Chapel | 1,764,300 | 311,400 | 15,570 | 295,830 | 2,060,130 |
| Old School Room | 449,700 | 79,400 | 3,970 | 75,430 | 525,130 |
| Pine House | 74,600 | 149,100 | 7,455 | 141,645 | 216,245 |
| | 2,288,600 | 539,900 | 26,995 | 512,905 | 2,801,505 |

Endowment Fund

The trustees are restricted to using only the income earned from the investment of endowed donations for the general purposes of the School.

Scholarship and Prize Fund

The trustees are restricted to using the fund for the purposes of financing scholarships and prizes awarded.

The movements for the year are as follows: -

| | Endowments £ | Scholarship & Prize Fund £ | Total £ |
|---|-----------------|----------------------------------|------------|
| Balance at 1 September 2018 | 5,763,914 | 2,394,222 | 8,158,136 |
| Depreciation in the year | (5,399) | - | (5,399) |
| Realised surplus from sale of investments | (19,457) | (16,655) | (36,112) |
| Unrealised gain on investments for year | 20,849 | 20,824 | 41,673 |
| 31 August 2019 | 5,759,907 | 2,398,391 | 8,158,298 |
| | £ | £ | £ |
| Balance at 1 September 2017 | 5,704,196 | 2,340,082 | 8,044,278 |
| Additions in the year | (5,399) | - | (5,399) |
| Realised surplus from sale of investments | (3,164) | (2,360) | (5,524) |
| Realised gain on Investments for year | 68,281 | 56,500 | 124,781 |
| 31 August 2018 | 5,763,914 | 2,394,222 | 8,158,136 |

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

17. PERMANENT ENDOWMENT FUND (CONTINUED)

Funds at 31 August 2019 represented by:

| | Endowments | Scholarship & Prize Fund | Total |
|---|------------------|-----------------------------|-------------------------|
| | £ | £ | £ |
| Investments at market value including cash with brokers | 2,774,042 | 2,249,368 | 5,023,410 |
| Property | 2,801,505 | - | 2,801,505 |
| Owed to Funds through Recoupment Order (note 10) | 184,361 | 149,022 | 333,383 |
| | <u>5,759,908</u> | <u>2,398,390</u> | <u>8,158,298</u> |
| Investments at book value including cash with brokers | 2,356,442 | 1,906,164 | 4,262,606 |

18. RESTRICTED FUNDS

Bursary Funds

The Trustees are restricted to using the funds to help provide an Uppingham education to children who would not otherwise be able to afford one. The total amount is made up of a number of named funds, including the Winkley Opportunity Fund, Reeves Trust, Chetwode Foundation, Peter Mason Bequest, Richard Harman Foundation Award, 1584 fund and the Stephen Pearson Bequest.

Gaffikin Fund

The Trustees are restricted to using the funds to promote education at Uppingham School by providing training opportunities for Assistant Masters.

Other Restricted Funds

These consist of covenants and donations received for specific projects. As projects are completed (and corresponding restrictions fulfilled) and the particular assets are brought into use, the funds representing those assets are transferred from restricted to unrestricted.

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

18. RESTRICTED FUNDS (CONTINUED)

The transfer relates to capital items that have met their restriction.

Movements for the year are as follows:

| | 1 Sept 2018 £ | Investment Income £ | Investment (Losses) £ | Donations £ | Awards £ | Transfer £ | 31 Aug 2019 £ |
|-----------------|---------------------|---------------------------|-----------------------------|----------------|------------------|----------------|---------------------|
| Bursary Funds | 1,609,412 | 51,267 | - | 79,817 | (402,966) | - | 1,337,530 |
| Western Quad | - | - | - | 6,477 | - | (6,477) | - |
| Gaffikin | 102,120 | 4,090 | (8,440) | - | (10,241) | 3,248 | 90,777 |
| Boarding Houses | 9,269 | - | - | 5,100 | (9,770) | 1,000 | 5,599 |
| Other | 104,063 | - | - | 29,450 | 3,463 | (200) | 136,776 |
| | <u>1,824,864</u> | <u>55,357</u> | <u>(8,440)</u> | <u>120,844</u> | <u>(419,514)</u> | <u>(2,429)</u> | <u>1,570,682</u> |

| | 1 Sept 2017 £ | Investment Income £ | Investment Gains £ | Donations £ | Awards £ | Transfer £ | 31 Aug 2018 £ |
|-----------------|---------------------|---------------------------|--------------------------|----------------|------------------|-----------------|---------------------|
| Bursary Funds | 1,819,870 | 53,343 | - | 143,679 | (407,480) | - | 1,609,412 |
| Western Quad | - | - | - | 6,758 | - | (6,758) | - |
| Gaffikin | 104,199 | 5,445 | (1,224) | - | (6,300) | - | 102,120 |
| Boarding Houses | 13,939 | - | - | 5,100 | (9,770) | - | 9,269 |
| Other | 93,589 | - | - | 55,679 | (2,168) | (43,037) | 104,063 |
| | <u>2,031,597</u> | <u>58,788</u> | <u>(1,224)</u> | <u>211,216</u> | <u>(425,718)</u> | <u>(49,795)</u> | <u>1,824,864</u> |

| | |
|--------------|--------------|
| Total | Total |
| 2019 | 2018 |
| £ | £ |

Restricted Funds at 31 August 2019 represented by:

| | | |
|------------------|------------------|-----------|
| Cash with School | 1,570,682 | 1,824,864 |
|------------------|------------------|-----------|

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

19. FINANCIAL COMMITMENTS

| | 2019 | 2018 |
|---|------------------|----------------|
| | £ | £ |
| a) Future Capital Expenditure | | |
| Contracted for but not provided for | <u>709,891</u> | <u>85,895</u> |
| b) Operating Leases | | |
| At 31 August 2019 the School had commitments under non-cancellable operating leases as set out below: | | |
| Buildings & Equipment operating leases that expire: | | |
| Within one year | 213,812 | 132,051 |
| In the second to fifth years | 411,818 | 243,444 |
| After fifth year | <u>612,080</u> | <u>437,760</u> |
| | <u>1,237,710</u> | <u>813,255</u> |

20. RELATED PARTIES

No Trustee received any remuneration for services as a Trustee. The Charity Commission has confirmed that Trustees who undertake professional services for the School may be paid the normal charges associated with such services.

The School paid Vera Taylor Design £NIL (2018: £17,380) in respect of interior design and sourcing work, under an arms-length consultancy agreement. Vera Taylor is the wife of one of the School's key management personnel, who does not manage the contractual relationship.

The School paid F A N Grounds £5,374 (2018: £7,029) in respect of floral displays, under an arms-length agreement. F A N Grounds is the husband of one of the School's key management personnel, who does not manage the contractual relationship.

During the year 4 (2018: 4) Trustees received reimbursement of meeting expenses of £530 (2018: £2,255) in total. The children of staff and Trustees may attend the School, subject to the normal entry procedures. In such cases, Trustees pay School fees at the standard rates, but staff members may receive a discount. 4 (2018: 6) Trustees had children at the school, 1 (2018: 2) of whom received scholarships worth £3,872 (2018: £6,314) during the year. None of the Trustees had a role in the awarding of these scholarships.

21. PENSION SCHEMES

Teaching Staff

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 £1,046,658 (2018: £1,007,276) and at the year-end £141,824 (2018: £141,084) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by the Teachers' Pension Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a 'pay as you go' basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

21. PENSION SCHEMES (CONTINUED)

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the valuation report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving total employer contribution rate of 23.68%.

The March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgement that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discrimination will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly, no provision for any additional past benefit pension costs is included in these financial statements.

Support Staff

The School runs a Scheme for its support staff, the Uppingham School Group Pension Plan (USGPP) which is a defined contribution scheme. This is open to members above the age of 16 who have completed the necessary probation period. Employer contributions paid over to the Scheme in the year amounted to £236,324 (2018: £164,217).

The School also runs a Scheme for support staff which is a defined benefits scheme. This scheme is now closed to new members. The charge for the year, against which employer contributions paid over to the Scheme Trustees in the year amounted to £313,440 (2018: £334,361), together with

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

21. PENSION SCHEMES (CONTINUED)

the actuarial gains and losses on the Scheme for the year, is recognised in the Statement of Financial Activities in accordance with FRS102.

A full actuarial valuation of the scheme was last carried out at 1 September 2016 and updated to 31 August 2019 by a qualified independent actuary. The major assumptions adopted by the actuary as at 31 August 2019 were:

| | 31 August 2019 | 31 August 2018 |
|---|----------------|----------------|
| Discount rate | 1.8% | 2.7% |
| Retail price inflation | 3.3% | 3.4% |
| Consumer price inflation | 2.3% | 2.4% |
| Salary increase rate | 4.3% | 4.4% |
| Pension increases – LPI maximum 5% | 2.3% | 2.4% |
| Pension increases – PLI maximum 2.5% | 1.8% | 1.8% |
| Deferred pension revaluation – LPI maximum 5% | 2.3% | 2.4% |
| Deferred pension revaluation – LPI maximum 2.5% | 2.3% | 2.4% |
| Assumed life expectations on retirement age 65: | | |
| Retiring today – males | 21.9 | 21.8 |
| Retiring in 20 years – males | 24.1 | 23.9 |
| Retiring today – females | 24.0 | 24.0 |
| Retiring in 20 years – females | 26.3 | 26.2 |

Contributions to the scheme during the year to 31 August 2019 and agreed contribution rates for the year to 31 August 2019 were as follows:

| | Contributions to 31 August 2019 | Agreed rates to 31 August 2019 |
|-----------|---------------------------------|--------------------------------|
| | % | % |
| Employer | 24.2% | 24.2% |
| Employees | 6.8% | 6.8% |

The School is committed to paying ex gratia pensions each year which are internally funded. The amount paid for the year to 31 August 2018 was £5,954 (2018: £6,022).

The amounts recognised in the balance sheet are as follows:

| | Year to 31 August 2019 | Year to 31 August 2018 |
|-------------------------------------|------------------------|------------------------|
| | £ | £ |
| Fair value of plan assets | 15,152,000 | 14,525,000 |
| Value of money purchase liabilities | (100,000) | (100,000) |
| Value of final salary liabilities | (19,706,000) | (15,873,000) |
| Deficit | (4,654,000) | (1,448,000) |
| Amounts in the balance sheet | | |
| Liabilities | (4,654,000) | (1,448,000) |
| Assets | - | - |
| Net liability | (4,654,000) | (1,448,000) |

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

21. PENSION SCHEMES (CONTINUED)

Changes in the present value of the defined benefit obligation are as follows:

| | Year to 31 August 2019 | Year to 31 August 2018 |
|---|---------------------------|---------------------------|
| | £ | £ |
| Opening defined benefit obligation | 15,973,000 | 17,157,000 |
| Current service cost | 573,000 | 695,000 |
| Interest cost | 434,000 | 431,000 |
| Actuarial (gains)/losses | 3,159,000 | (1,752,000) |
| Liabilities extinguished on settlements | - | (217,000) |
| Benefits paid | (333,000) | (341,000) |
| | <u>19,806,000</u> | <u>15,973,000</u> |
| Closing defined benefit obligation | | |

Changes in the fair values of the scheme assets are as follows:

| | Year to 31 August 2019 | Year to 31 August 2018 |
|-------------------------------------|---------------------------|---------------------------|
| | £ | £ |
| Opening fair value of scheme assets | 14,525,000 | 13,844,000 |
| Interest income | 395,000 | 349,000 |
| Actuarial gains | 59,000 | 105,000 |
| Contributions | 506,000 | 568,000 |
| Benefits paid | (333,000) | (341,000) |
| | <u>15,152,000</u> | <u>14,525,000</u> |
| Closing fair value of plan assets | | |

The employer expects to contribute £414,000 to this defined benefit pension plan in the year to 31 August 2020.

The amounts included within the Statement of Financial Activities are as follows:

| | Year to 31 August 2019 | Year to 31 August 2018 |
|-------------------------------------|---------------------------|---------------------------|
| | £ | £ |
| Service cost | 479,000 | 587,000 |
| Losses/(gains) on settlements | - | (217,000) |
| Net interest expense | 39,000 | 82,000 |
| | <u>518,000</u> | <u>452,000</u> |
| Total operating charge | | |
| Employee contribution to be set off | 100,000 | 110,000 |

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

21. PENSION SCHEMES (CONTINUED)

The major categories of scheme assets as a percentage of total Scheme assets are as follows:

| | Year to 31 August 2019 | As at 31 August 2018 |
|------------------|---------------------------|-------------------------|
| | % | % |
| Equities | 1 | 71 |
| Bonds | - | 15 |
| Insured pensions | 5 | 6 |
| Cash | 94 | 8 |
| | <u>100</u> | <u>100</u> |

Analysis of the amount recognised in statement of total recognised gains and losses (SOFA)

| | Year to 31 August 2019 | Year to 31 August 2018 |
|---|---------------------------|---------------------------|
| | £ | £ |
| Actual return less interest income recognised in SOFA | 59,000 | 105,000 |
| Experience gains on benefit obligation | 53,000 | 294,000 |
| Effect of assumption changes on benefit obligation | (3,212,000) | 1,458,000 |
| Actuarial loss/(gain) recognised in SOFA | <u>(3,100,000)</u> | <u>1,857,000</u> |

| | Year to 31 August 2019 | Year to 31 August 2018 |
|---|---------------------------|---------------------------|
| History of experience gains and losses | | |
| Differences between the asset return and the interest income recognised in the SOFA | 59,000 | 105,000 |
| - as % of scheme assets | 0% | 0% |
| Experience gains/losses on obligation | 53,000 | 294,000 |
| - as % of liabilities | 0% | 1.8% |
| Total amount recognised in SOFA | (3,100,000) | 1,857,000 |
| - as % of liabilities | 16% | 11% |

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

21. PENSION SCHEMES (CONTINUED)

The amounts for the current and previous years are as follows:

| | 2019 | <i>2018</i> | <i>2017</i> | <i>2016</i> | <i>2015</i> |
|--|--------------------|--------------------|--------------------|--------------------|-------------------|
| | £ | £ | £ | £ | £ |
| Value of funded obligations | 19,806,000 | <i>15,973,000</i> | <i>17,157,000</i> | <i>16,711,000</i> | <i>12,030,000</i> |
| Fair value of plan assets | 15,152,000 | <i>14,525,000</i> | <i>13,844,000</i> | <i>12,473,000</i> | <i>11,243,000</i> |
| (Deficit) / surplus | (4,654,000) | <i>(1,448,000)</i> | <i>(3,313,000)</i> | <i>(4,238,000)</i> | <i>(787,000)</i> |
| Experience gains on obligation | 53,000 | <i>294,000</i> | <i>68,000</i> | <i>240,000</i> | <i>340,000</i> |
| Difference between the asset return and the interest income recognised in the SOFA | 59,000 | <i>105,000</i> | <i>921,000</i> | <i>713,000</i> | <i>(650,000)</i> |

UPPINGHAM SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2019

22. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

Year ended 31 August 2018

| | Unrestricted £ | Restricted £ | Permanent Endowment £ | Total 2018 £ |
|--|-------------------|------------------|-----------------------------|--------------------|
| INCOMING RESOURCES | | | | |
| Charitable Activities | | | | |
| School fees | 26,621,280 | - | - | 26,621,280 |
| Lettings | 342,048 | - | - | 342,048 |
| Donations | 179,074 | 211,216 | - | 390,290 |
| Other activities | 615,797 | - | - | 615,797 |
| Activities for generating funds: | | | | |
| Subsidiary turnover | 1,200,530 | - | - | 1,200,530 |
| Rents and lettings receivable | 87,664 | - | - | 87,664 |
| Investment income | 116,704 | 58,788 | - | 175,492 |
| Other income | 224,060 | - | - | 224,060 |
| Total incoming resources | 29,387,157 | 270,004 | - | 29,657,161 |
| RESOURCES EXPENDED | | | | |
| Cost of generating funds: | | | | |
| Fundraising costs | 155,737 | - | - | 155,737 |
| Subsidiary costs | 944,436 | - | - | 944,436 |
| Finance costs | 2,369,319 | - | - | 2,369,319 |
| | 3,469,492 | - | - | 3,469,492 |
| Charitable activities | | | | |
| School and grant-making | 26,905,969 | 425,718 | 5,399 | 27,337,086 |
| Total resources expended | 30,375,461 | 425,718 | 5,399 | 30,806,578 |
| Net outgoing resources before fair value movements on financial instruments | (988,304) | (155,714) | (5,399) | (1,149,417) |
| Gain/loss on fair value of interest rate swap | 2,518,642 | - | - | 2,518,642 |
| Investment gains and losses | (5,137) | (1,224) | 119,257 | 112,896 |
| Transfers | 49,795 | (49,795) | - | - |
| Net income | 1,574,996 | (206,733) | 113,858 | 1,482,121 |
| Pension scheme actuarial gain/(loss) | 1,857,000 | - | - | 1,857,000 |
| Net movement of funds | 3,431,996 | (206,744) | 113,858 | 3,339,121 |
| Fund balance carried forward at 31 August 2017 | 55,827,013 | 2,031,597 | 8,044,278 | 65,902,888 |
| Fund balance carried forward at 31 August 2018 | 59,259,009 | 1,824,864 | 8,158,136 | 69,242,009 |