

REGISTERED COMPANY NUMBER: 00908443 (England and Wales)
REGISTERED CHARITY NUMBER: 529420

Hill House School Limited

Financial Statements For The Year Ended 31 August 2019

Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

Hill House School Limited

Contents of the Financial Statements
For The Year Ended 31 August 2019

	Page
Report of the Trustees	1 to 6
Report of the Independent Auditors	7 to 8
Statement of Financial Activities	9
Balance Sheet	10
Cash Flow Statement	11
Notes to the Cash Flow Statement	12
Notes to the Financial Statements	13 to 21

Report of the Trustees
For The Year Ended 31 August 2019

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

OBJECTIVES AND ACTIVITIES

Objectives and aims

Our Ethos

The school is committed to providing a rounded and complete education and is proud of its high standards and high expectations. The high standards of academic success achieved are a testament to the commitment and dedication of the staff and the high expectations adopted by the pupils. Our aim is to help children progress in as many directions as possible, to encourage their excellence and to give them opportunities to develop skills away from the classroom, preparing them for future lives.

The school communicates on a regular and appropriate basis with parents of children in school regarding their academic, co-curricular and pastoral progress by a variety of means including termly newsletters and reports, parents evenings, emails and the school's website where appropriate.

Objectives and aims

The objectives of the charity are to promote and provide for the advancement of education and in connection therewith to conduct, carry on, acquire, establish, maintain, promote and develop in the United Kingdom any schools, facilities and institutions for the education of young children from age 3, young persons and adults of both sexes. In the year under review the school offered nursery places and education facilities for boys and girls up to age 18.

It is the board's policy to keep fees at a level as low as is practicably possible in order to widen access to as many children as possible within the Doncaster area. This policy has been taken into consideration when reviewing fee increases each year and as a result, the increase applied to fees for the 2019/2020 academic year was in line with the sector norm.

The school's policy is to attain the highest academic levels whilst providing an environment that also promotes the moral and physical development of pupils. This aims to develop other interests and prepare pupils for university, college and, of course, their working life beyond education. Hill House School aims to provide a happy, stimulating environment in which caring, professional staff motivate children, and young adults, to achieve their full potential.

The school believes that life outside the classroom should be rich and rewarding. School years are an important time for trying out new skills and activities, which can give lifelong pleasure and opportunities. Extra-curricular activities are an integral part of a full and stimulating education encouraging children to develop interests beyond their academic pursuits. Over 100 extra-curricular activities are offered each week allowing children to develop existing interests and discover new talents. Trips and visits are another key aspect of the Hill House School life. For the first time this year junior school children had the opportunity to visit France on the Year 6 summer residential.

Each year the school offers the Silver and Gold Duke of Edinburgh Award to Year 10 and Lower sixth students respectively. During the year the Silver award was achieved by 18 pupils and Gold by 12.

Sport plays a huge part in the life of the school as we wholeheartedly believe that teamwork and resilience are important skills to learn both inside the classroom and on the sports field. The school is proud to be district and county champions in many sports and a number of our teams have achieved regional and national successes.

The school has six choirs, three orchestras and numerous ensembles and therefore a remarkable number of pupils are able to enjoy and excel in music. School drama productions are important calendar events - during the year there have been three large productions one of which spans the junior and senior schools.

The governors are encouraged to attend sporting events, productions, concerts and also to visit school during a normal school day to take part in routine lessons and experience the normal day to day running of the school.

The governors' investment powers are set out in the Memorandum and Articles of Association. These allow the charity to invest funds not immediately required for furtherance of its objects in such investments, securities or property as may be thought fit, subject to any conditions imposed by law.

Report of the Trustees
For The Year Ended 31 August 2019

STRATEGIC REPORT

Achievement and performance

Charitable activities

The school considers the Charity Commission's guidance on public benefit when setting objectives and developing plans for the future.

Hill House School has established links with the local and wider community in order to further enhance the overall experience of pupils and to allow children and young people from the wider community to benefit from the facilities offered at Hill House.

The school regularly hosts events such as a Science Fair, Music Day, sports tournaments and a cross country event in which pupils and staff from both Hill House and other local schools can participate.

The school is in partnership with the Rose Learning Trust, a multi-academy trust operating several primary schools in the Doncaster area, and regularly invites pupils from these schools to take part in events at Hill House. This provides opportunities otherwise unavailable to in excess of 200 children each year from schools in this group. Additionally the school sponsors 4 pupils each year from the Trust to be members of a local professional choir. This has given these children the opportunity to sing at prestigious venues across the country. Hill House led training sessions are opened up to teaching staff within the group and colleagues are encouraged to share best practice in a wide range of subject areas.

Since 2011, the school has also hosted The Robin Hood Music and Drama Festival annually. This has proved to be an increasingly popular annual event, welcoming children from the wider community into the school to show off their artistic talents and gain experience from the artistic styles of their peers.

The school is the home of Finningley 558 Squadron air cadets, which comprises approximately 100 pupils from local schools providing facilities and minibuses, at no cost. The annual regional training day for the air cadets has also been hosted at the school for the previous 3 years welcoming cadets from around the region.

The school and the pupils are committed to charitable fundraising and regularly hold events to raise money for charities such as Children in Need. During the year the school raised in excess of £13k to donate to several charities.

Academic performance

The average number of pupils in school during the year was 696 (2018: 702). The average number of nursery school pupils during the year was 37 (2018: 37). In 2019, 59 pupils (2018: 68) were entered in GCSE examinations with 93% (2018: 97%) obtaining at least 5 passes at grade C and above (including Maths and English); 46% (2018: 43%) of GCSEs were graded A*/A. The average number of passes per candidate at grade C or above was 8.4 (2018: 8.7).

Students have continued to achieve very pleasing results in the Sixth Form, with our best ever results cementing our place as the most successful academic Sixth Form locally. A level results were excellent in 2019, further strengthening the school's reputation at the same time as equipping the students with the results that will ensure they are well placed to achieve their goals after leaving Hill House. 44 students were entered for A levels in 2019; 37% of exams were graded A* or A, 63% A* to B, while 89% were graded A* to C; the overall pass rate was an outstanding 100%. The average number of subjects entered was 3.0 per pupil. 95% of those applying to university got into their first or second choice course with over 54% entering Russell Group universities.

Developments

In addition to a rolling programme of facilities updates throughout the school, further development of the woodland area acquired in 2015 has taken place during the year, providing further educational and recreational opportunities for the school community.

Financial review

Performance

2018/19 has been another very successful year for the School. Pupil numbers remained strong despite economic and political uncertainty and, whilst growth has slowed, numbers across the school have remained reasonably stable. The financial results are set out in the Statement of Financial Activities. Fee income for the year was marginally lower than budget whilst higher than the prior year, resulting in a surplus in line with budget. This was achieved mainly as a result of rigorous cost control and debt management throughout the year.

The key financial indicators reported by the school are Income Growth %, Gross Profit margin %, Net Profit Margin %, Teaching staff costs/Income %, Food cost/person/day, Total overhead/Income % and Debt Service Cover. The main KPIs were in line with or surpassed budget during the year.

Reserves policy

The trustees aim is to build up sufficient reserves to enable the charity to meet its capital repayment commitments due on borrowings following the acquisition of premises and for the continuing plan of capital improvement expenditure.

Report of the Trustees
For The Year Ended 31 August 2019

STRATEGIC REPORT

Future plans

The Sixth form continues to evolve as a relatively new entity; over the coming years it is envisaged that the combination of attractive academic scholarships and rising entrance requirements will ensure results develop further.

Throughout the school a group of senior staff and teachers have formed a working party looking at the "Curriculum 2020". The aim of the school-wide project is to ensure that the Hill House curriculum is optimised for the coming decades balancing modernity with our traditional values. The school is committed to continued investment in school facilities, ensuring existing facilities are maintained to a high standard and considering projects to enhance the whole site further.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The charity is controlled by its governing document, a deed of trust, and constitutes a limited company, limited by guarantee, as defined by the Companies Act 2006.

Recruitment and appointment of new trustees

Trustees are appointed to provide the board as a whole with a broad spectrum of experience across relevant areas of operation of the school and to ensure a balance of skills and knowledge on the board of governors. Induction takes place at a relevant stage and various responsibilities are identified and communicated at the time. Membership of AGBIS (Association of Governing Bodies of Independent Schools) provides individual Trustees and the senior management with support in their roles whilst providing valuable training resources and guidance. Trustees' knowledge and experience dictates how sub-committees are populated to ensure effective oversight of specific areas of governance. Trustees are supported in their roles by the senior management team and through regular training and resources available through AGBIS.

Organisational structure

Hill House School Limited was formed in 1967 to acquire the school of that name as a going concern. Its registered company number is 908443 and it is governed by the provisions of its Memorandum and Articles of Association. It is a registered charity, number 529420.

The school operated under the name of Hill House St Mary's School from 2002 at the time of its amalgamation with St Mary's School until relocation to its new site in August 2008 when it reverted to the name of Hill House School under which it now operates.

The board of governors determine the school's policies and strategies and monitor them as appropriate. They review the risks of operation periodically together with the systems of internal control and mitigation of risk including, as appropriate, insurance cover and ensure that risks are minimised as far as possible.

Day to day management of the school's operations is delegated by the Board to the Headmaster, the Bursar and the Senior Management Team who report to the Board termly, as a minimum, through an appropriate structure of sub-committees which scrutinise activities closely.

The sub-committees, having responsibility to report into the Board are:

FGPSC - Finance and General Purposes Sub-Committee

HRSC - Human Resources Sub-Committee

ARSC - Academic and Related Sub-Committee

SRSC - Statutory and Regulatory Sub-Committee

Remuneration Committee

In addition to the sub-committee structure, working parties, made up of Governors and Managers with the relevant experience and knowledge, are formed to oversee specific projects when appropriate.

The remuneration of key management personnel is determined by the Remuneration Committee and approved by the Trustees after considering market rates. This committee meets annually during the Lent term.

Risk management

The trustees have a duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error. The school's risk management processes are reviewed regularly by sub-committees and the Board of Governors. Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. Responsibility for the day to day financial management is delegated to relevant individuals and the financial system is open to scrutiny by the board.

Risks are reviewed at each meeting by sub-committees and this is subject to overall scrutiny by the SRSC in full.

Report of the Trustees
For The Year Ended 31 August 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number
00908443 (England and Wales)

Registered Charity number
529420

Registered office
Fifth/Sixth Avenue
Auckley
Near Robin Hood Airport
Doncaster
DN9 3GG

Trustees

R A De Mulder
R S Colbear
Mrs J Jameson
Mrs V Cusworth
N R Ebdon
R P Leggott
J A L Sprenger
M J Wilson-Maccormack
Dr A Cooper
Dr M J Fraser
Dr D J Eggitt (appointed 1.9.2018)
Mrs J W Fearn (appointed 1.9.2018)

The following trustees are to retire by rotation at the forthcoming annual general meeting but offer themselves for reappointment:

N R Ebdon
R P Leggott
J A L Sprenger
Dr A Cooper

Auditors

Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

Bankers

Yorkshire Bank plc
19 St Sepulchre Gate
Doncaster
South Yorkshire
DN9 3GG

Solicitors

HLW Keeble Hawson LLP
14 Prince's Street
Doncaster
South Yorkshire
DN1 3NJ

Report of the Trustees
For The Year Ended 31 August 2019

REFERENCE AND ADMINISTRATIVE DETAILS

Management

The school headmaster, D Holland is assisted in running the school by the following management team:

B McCrae	- Deputy Head
J Hall	- Head of Junior School
S Hopkinson	- Second Master
K Kidney	- Bursar and Clerk to the Governors
C Rogerson	- Assistant Head and Head of Sixth Form
C Leach	- Deputy Head of Junior School

The management team is supported by appropriate support staff.

BURSARY POLICY

The school has long maintained a policy of awarding bursaries, within budgetary constraints, where personal financial circumstances warrant it.

The Governors view the bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees are able to access the education and facilities available at Hill House School. The Bursary policy has been reviewed during the year to ensure that it is robust and fair, providing clear guidelines for decision making. Each application is assessed on its own merit and social factors always taken into consideration alongside the means testing parameters.

The school's Bursary awards are available to all who meet general entry requirements and are made solely on the basis of parental means or to relieve temporary hardship for existing families where a pupil's education would otherwise be at risk. Existing and new parents are given the opportunity to apply for assistance and all applications are assessed taking account several factors including family income, investments and savings and family circumstances including the number of siblings and dependant relatives. The school can only allocate a limited amount of resources for the provision of bursaries and must maintain a fair balance taking into account the sacrifices that existing fee paying parents often have to make to ensure the continuity of their child's education.

The bursary awards range from 10% to 100% remission of fees. Information about the school's bursary policy is available through the school's website, within the prospectus and in any promotional literature produced by the school.

The School's commitment to providing access for pupils, regardless of their circumstances, resulted in provision of school funded financial assistance to over 380 pupils across the age range.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

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

In so far as the trustees are aware:

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

Report of the Trustees
For The Year Ended 31 August 2019

AUDITORS

The auditors, Allotts Business Services Ltd, will be proposed for re-appointment as auditor at the forthcoming Annual General Meeting.

Report of the trustees, incorporating a strategic report, approved by order of the board of trustees, as the company directors, on 12 March 2020 and signed on the board's behalf by:



Mrs V Cusworth - Trustee

Report of the Independent Auditors to the Members of
Hill House School Limited

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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

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

Other Information

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

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

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

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Report of the Independent Auditors to the Members of
Hill House School Limited

Responsibilities of trustees

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

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

Our responsibilities for the audit of the financial statements

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

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

Use of our report

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



Steven Pepper FCA (Senior Statutory Auditor)
for and on behalf of Allotts Business Services Ltd, Statutory Auditor
Chartered Accountants
Sidings Court
Lakeside
Doncaster
South Yorkshire
DN4 5NU

12 March 2020

Hill House School Limited

Statement of Financial Activities
(Incorporating an Income and Expenditure Account)
For The Year Ended 31 August 2019

	Notes	Unrestricted fund £	Restricted funds £	2019 Total funds £	2018 Total funds £
INCOME AND ENDOWMENTS FROM					
Donations and legacies	3	-	-	-	11,547
Charitable activities	6				
Fees receivable		7,281,687	-	7,281,687	7,090,974
Other trading activities	4	119,675	-	119,675	116,481
Investment income	5	5,851	-	5,851	3,974
Other income		15,123	-	15,123	14,598
Total		7,422,336	-	7,422,336	7,237,574
 EXPENDITURE ON					
Charitable activities	7				
Teaching		6,743,491	12,345	6,755,836	6,640,797
NET INCOME/(EXPENDITURE)		678,845	(12,345)	666,500	596,777
 RECONCILIATION OF FUNDS					
Total funds brought forward		6,490,375	292,491	6,782,866	6,186,089
TOTAL FUNDS CARRIED FORWARD		7,169,220	280,146	7,449,366	6,782,866

The notes form part of these financial statements

Hill House School Limited (Registered number: 00908443)

Balance Sheet
31 August 2019

	Notes	Unrestricted fund £	Restricted funds £	2019 Total funds £	2018 Total funds £
FIXED ASSETS					
Tangible assets	16	12,560,085	330,378	12,890,463	13,006,911
CURRENT ASSETS					
Stocks	17	10,345	-	10,345	8,267
Debtors	18	313,045	-	313,045	380,334
Cash at bank and in hand		1,199,050	-	1,199,050	854,302
		<u>1,522,440</u>	<u>-</u>	<u>1,522,440</u>	<u>1,242,903</u>
CREDITORS					
Amounts falling due within one year	19	(1,902,908)	(50,232)	(1,953,140)	(2,030,605)
NET CURRENT ASSETS		<u>(380,468)</u>	<u>(50,232)</u>	<u>(430,700)</u>	<u>(787,702)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>12,179,617</u>	<u>280,146</u>	<u>12,459,763</u>	<u>12,219,209</u>
CREDITORS					
Amounts falling due after more than one year	20	(5,010,397)	-	(5,010,397)	(5,436,343)
NET ASSETS		<u>7,169,220</u>	<u>280,146</u>	<u>7,449,366</u>	<u>6,782,866</u>
FUNDS	24				
Unrestricted funds				7,169,220	6,490,375
Restricted funds				280,146	292,491
TOTAL FUNDS				<u>7,449,366</u>	<u>6,782,866</u>

The financial statements were approved by the Board of Trustees on 12 March 2020 and were signed on its behalf by:



V Cusworth - Trustee

The notes form part of these financial statements

Hill House School Limited

Cash Flow Statement
For The Year Ended 31 August 2019

	Notes	2019 £	2018 £
Cash flows from operating activities			
Cash generated from operations	1	1,172,736	1,259,177
Interest paid		(282,177)	(289,157)
Net cash provided by operating activities		890,559	970,020
Cash flows from investing activities			
Purchase of tangible fixed assets		(315,305)	(338,952)
Interest received		4,196	2,424
Net cash used in investing activities		(311,109)	(336,528)
Cash flows from financing activities			
Loan repayments in year		(234,702)	(223,403)
Net cash used in financing activities		(234,702)	(223,403)
Change in cash and cash equivalents in the reporting period		344,748	410,089
Cash and cash equivalents at the beginning of the reporting period		854,302	444,213
Cash and cash equivalents at the end of the reporting period		1,199,050	854,302

The notes form part of these financial statements

Hill House School Limited

Notes to the Cash Flow Statement
For The Year Ended 31 August 2019

1. RECONCILIATION OF NET INCOME TO NET CASH FLOW FROM OPERATING ACTIVITIES	2019 £	2018 £
Net income for the reporting period (as per the Statement of Financial Activities)	666,500	596,777
Adjustments for:		
Depreciation charges	251,753	298,025
Interest received	(4,196)	(2,424)
Interest paid	282,177	289,157
(Decrease) in payments on account	(3,704)	(86,182)
Increase in stocks	(2,078)	(3,708)
Decrease/(increase) in debtors	67,289	(125,956)
(Decrease)/increase in creditors	(85,005)	293,488
Net cash provided by operations	<u>1,172,736</u>	<u>1,259,177</u>

The notes form part of these financial statements

Hill House School Limited

Notes to the Financial Statements For The Year Ended 31 August 2019

1. LEGAL FORM

The charitable company is limited by guarantee. Its registered office is Fifth/Sixth Avenue, Auckley, Near Robin Hood Airport, Doncaster, DN9 3GG. Its principal activity is the provision of educational services.

2. ACCOUNTING POLICIES

Basis of preparing the financial statements

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

Going concern

The trustees assess whether the use of going concern is appropriate i.e. whether there are any material uncertainties related to events or conditions that may cast significant doubt on the ability of the company to continue as a going concern. The trustees make this assessment in respect of a period of one year from the date of approval of the financial statements. There are no material uncertainties about the charity's ability to continue its operations.

Tangible fixed assets

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Leasehold land and property	- 0.5% on cost
Freehold land and improvements	- 10% on cost and 0% on cost
Fixtures and fittings	- 33% on cost and 10% on cost

Depreciation is charged on assets from the point at which they come into use.

Stocks

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

All stationery, books and teaching materials purchased are written off against profit in the year of purchase.

Taxation

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

Fund accounting

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

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

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

Pension costs

The school participates in a defined benefit pension scheme but is unable to identify its share of the underlying assets and liabilities. The school also contributes to a defined contribution pension scheme for certain employees, and the assets of this scheme are held by trustees independent of the company's assets. The pension costs charged to the statement of financial activities are the total contributions payable to both schemes in respect of the accounting period.

Hire purchase and leasing commitments

Rentals paid under operating leases are charged to the profit and loss account on a straight line basis over the period of the lease.

Incoming resources

Fees consist of charges for the school year ending 31 August 2019, less bursaries and allowances given.

Donations are recognised in the accounts when they are received. Other incoming resources are accounted for on a receivable basis.

Hill House School Limited

Notes to the Financial Statements - continued For The Year Ended 31 August 2019

2. ACCOUNTING POLICIES - continued

Hire purchase and leasing commitments

Resources expended

Expenditure is allocated to expense headings either on a direct cost basis, or apportioned according to time spent. Expenditure is accounted for on an accruals basis in the academic year to which it relates. The school is registered for VAT and VAT is reclaimed on limited categories of expenses. The irrecoverable element of VAT is included with the item of expense to which it relates.

Liabilities

Liabilities are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Termination payments

Termination payments are accounted for when a constructive obligation exists.

Acquisition of St. Mary's School

Transfer commission paid on the purchase of St Mary's School has been fully amortised in prior periods.

3. DONATIONS AND LEGACIES

	2019 £	2018 £
Donations and grants	<u> </u>	<u>11,547</u>

4. OTHER TRADING ACTIVITIES

	2019 £	2018 £
Pupil bus fares	<u>119,675</u>	<u>116,481</u>

5. INVESTMENT INCOME

	2019 £	2018 £
Rents received	1,655	1,550
Deposit account interest	<u>4,196</u>	<u>2,424</u>
	<u>5,851</u>	<u>3,974</u>

6. INCOME FROM CHARITABLE ACTIVITIES

	Activity	2019 £	2018 £
Tuition fees	Fees receivable	7,075,107	6,864,555
Wrap around and activity weeks	Fees receivable	44,634	46,622
Nursery fees	Fees receivable	<u>161,946</u>	<u>179,797</u>
		<u>7,281,687</u>	<u>7,090,974</u>

Hill House School Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

7. CHARITABLE ACTIVITIES COSTS

	Direct Costs (see note 8) £	Support costs (see note 9) £	Totals £
Teaching	6,749,896	5,940	6,755,836

8. DIRECT COSTS OF CHARITABLE ACTIVITIES

	2019 £	2018 £
Staff costs	4,658,104	4,543,295
Food	233,085	230,401
Academic costs and games expenses	188,397	216,145
Teaching and student other costs	225,670	233,037
Running of school other costs	698,496	636,097
Premises costs	212,214	187,620
Depreciation	251,753	298,025
Interest payable and similar charges	282,177	289,157
	<u>6,749,896</u>	<u>6,633,777</u>

9. SUPPORT COSTS

	Governance costs £
Teaching	5,940

10. NET INCOME/(EXPENDITURE)

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

	2019 £	2018 £
Depreciation - owned assets	251,753	298,024
Auditors' remuneration	5,940	7,020
Operating lease costs	66,236	74,417

11. TRUSTEES' REMUNERATION AND BENEFITS

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

Trustees' expenses

There were no trustees' expenses paid for the year ended 31 August 2019 nor for the year ended 31 August 2018.

12. STAFF COSTS

	2019 £	2018 £
Wages and salaries	3,810,741	3,716,799
Social security costs	354,913	348,256
Other pension costs	492,450	478,240
	<u>4,658,104</u>	<u>4,543,295</u>

Redundancy payments of £17,500 were made in the year (2018: £nil).

Hill House School Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

12. STAFF COSTS - continued

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

	2019	2018
Teaching	94	102
Administration	12	12
Maintenance	16	15
Domestic		1
	<u>122</u>	<u>130</u>

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

	2019	2018
£60,001 - £70,000	3	2
£70,001 - £80,000	1	1
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>5</u>	<u>4</u>

Retirement benefits are accruing to four employees under a defined benefit scheme.

Key management remuneration

The key management personnel comprise the headmaster and the management team as listed in the trustees' report. The total amount of employee benefits (including employer pension contributions) received by key management personnel for their services to the charity was £606,541 (2018: £570,520).

13. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted fund £	Restricted funds £	Total funds £
INCOME AND ENDOWMENTS FROM			
Donations and legacies	-	11,547	11,547
Charitable activities			
Fees receivable	7,090,974	-	7,090,974
Other trading activities	116,481	-	116,481
Investment income	3,974	-	3,974
Other income	14,598	-	14,598
Total	<u>7,226,027</u>	<u>11,547</u>	<u>7,237,574</u>
EXPENDITURE ON			
Charitable activities			
Teaching	6,632,398	8,399	6,640,797
NET INCOME	<u>593,629</u>	<u>3,148</u>	<u>596,777</u>
RECONCILIATION OF FUNDS			
Total funds brought forward	5,896,747	289,342	6,186,089
TOTAL FUNDS CARRIED FORWARD	<u>6,490,376</u>	<u>292,490</u>	<u>6,782,866</u>

Hill House School Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

14. FRIENDS OF HILL HOUSE SCHOOL

This is a support group which aims to raise funds to supply equipment for the pupils of the school. The value of donations received during the year is disclosed as restricted funds since donations are used to acquire equipment or meet expenditure as specified by the group.

15. INTANGIBLE FIXED ASSETS

	Transfer commission £
COST	
At 1 September 2018 and 31 August 2019	320,000
AMORTISATION	
At 1 September 2018 and 31 August 2019	320,000
NET BOOK VALUE	
At 31 August 2019	-
At 31 August 2018	-

16. TANGIBLE FIXED ASSETS

	Leasehold land and property £	Freehold land and improvements £	Fixtures and fittings £	Totals £
COST				
At 1 September 2018	12,428,081	554,322	1,710,511	14,692,914
Additions	26,221	-	109,084	135,305
Disposals	-	-	(165,847)	(165,847)
At 31 August 2019	12,454,302	554,322	1,653,748	14,662,372
DEPRECIATION				
At 1 September 2018	558,140	-	1,127,863	1,686,003
Charge for year	100,117	-	151,636	251,753
Eliminated on disposal	-	-	(165,847)	(165,847)
At 31 August 2019	658,257	-	1,113,652	1,771,909
NET BOOK VALUE				
At 31 August 2019	11,796,045	554,322	540,096	12,890,463
At 31 August 2018	11,869,941	554,322	582,648	13,006,911

17. STOCKS

	2019 £	2018 £
Food and consumables	10,345	8,267

Hill House School Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

18. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Trade debtors	205,066	246,526
Other debtors	22,643	21,270
Prepayments and accrued income	85,336	112,538
	<u>313,045</u>	<u>380,334</u>

19. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2019	2018
	£	£
Bank loans and overdrafts (see note 21)	245,947	234,703
Payments on account	226,165	229,869
Trade creditors	191,528	188,429
Social security and other taxes	86,612	90,755
Other creditors	471,175	560,225
Accruals and deferred income	731,713	726,624
	<u>1,953,140</u>	<u>2,030,605</u>

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

	2019	2018
	£	£
Bank loans (see note 21)	4,830,397	5,076,343
Other creditors	180,000	360,000
	<u>5,010,397</u>	<u>5,436,343</u>

21. LOANS

An analysis of the maturity of loans is given below:

	2019	2018
	£	£
Amounts falling due within one year on demand:		
Bank loans	<u>245,947</u>	<u>234,703</u>
Amounts falling between one and two years:		
Bank loans - 1-2 years	<u>260,100</u>	<u>245,947</u>
Amounts falling due between two and five years:		
Bank loans - 2-5 years	<u>861,295</u>	<u>819,600</u>
Amounts falling due in more than five years:		
Repayable by instalments:		
Bank loans over 5 years	3,709,002	4,010,796

Interest is charged on the loans at various fixed and variable rates.

Hill House School Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

22. LEASING AGREEMENTS

At 31 August 2019 the total of the Charity's future minimum lease payments under non-cancellable operating leases was:

	2019 £	2018 £
Amounts due within one year	30,881	64,731
Amounts due between one and five years	55,510	76,039
Amounts due after five years	5,402,375	5,407,875
	<u>5,488,766</u>	<u>5,548,645</u>

These commitments include those arising under the remaining term of a 999 year lease.

23. SECURED DEBTS

The following secured debts are included within creditors:

	2019 £	2018 £
Bank loans	5,076,344	5,311,046
Other creditors	360,000	540,000
	<u>5,436,344</u>	<u>5,851,046</u>

24. MOVEMENT IN FUNDS

	At 1.9.18 £	Net movement in funds £	At 31.8.19 £
Unrestricted funds			
General fund	6,490,375	678,845	7,169,220
Restricted funds			
Equipment fund	35,227	(5,641)	29,586
Building fund	257,264	(6,704)	250,560
	<u>292,491</u>	<u>(12,345)</u>	<u>280,146</u>
TOTAL FUNDS	<u>6,782,866</u>	<u>666,500</u>	<u>7,449,366</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	7,422,336	(6,743,491)	678,845
Restricted funds			
Equipment fund	-	(5,641)	(5,641)
Building fund	-	(6,704)	(6,704)
	<u>-</u>	<u>(12,345)</u>	<u>(12,345)</u>
TOTAL FUNDS	<u>7,422,336</u>	<u>(6,755,836)</u>	<u>666,500</u>

Hill House School Limited

Notes to the Financial Statements - continued **For The Year Ended 31 August 2019**

24. MOVEMENT IN FUNDS - continued

Comparatives for movement in funds

	At 1.9.17 £	Net movement in funds £	At 31.8.18 £
Unrestricted funds			
General fund	5,896,747	593,628	6,490,375
Restricted funds			
Equipment fund	30,970	4,257	35,227
Building fund	258,372	(1,108)	257,264
	<u>289,342</u>	<u>3,149</u>	<u>292,491</u>
TOTAL FUNDS	<u>6,186,089</u>	<u>596,777</u>	<u>6,782,866</u>

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

	Incoming resources £	Resources expended £	Movement in funds £
Unrestricted funds			
General fund	7,226,027	(6,632,399)	593,628
Restricted funds			
Equipment fund	11,547	(7,290)	4,257
Building fund	-	(1,108)	(1,108)
	<u>11,547</u>	<u>(8,398)</u>	<u>3,149</u>
TOTAL FUNDS	<u>7,237,574</u>	<u>(6,640,797)</u>	<u>596,777</u>

The Equipment Fund provides equipment and other fixed assets for use by the school and funds for the purchase of assets. The cost of the assets are written off in line with depreciation policies and released from the fund on this basis.

The Building Fund consists of donations for the acquisition of fixed assets. The cost of the assets is written off in line with depreciation policies and released from the fund on this basis.

25. EMPLOYEE BENEFIT OBLIGATIONS

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis - these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

Valuation of the Teachers' Pension Scheme

Not less than every four years the Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

Hill House School Limited

Notes to the Financial Statements - continued
For The Year Ended 31 August 2019

25. EMPLOYEE BENEFIT OBLIGATIONS - continued

- employer contribution rates set at 23.68% of pensionable pay (including a 0.08% employer administration charge (currently 16.48%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- an employer cost cap of 15.1% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return is 4.45%.

The TPS valuation for 2016 determined an employer rate of 23.68%, which was payable from September 2019.

The employer's pension costs paid to TPS in the period amounted to £465,989 (2018: £455,375) and at the year end £56,565 (2018: £58,402) was accrued in respect of contributions to this scheme.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

26. RELATED PARTY DISCLOSURES

During the year, services supplied to the charity from a trustee amounted to £nil (2018: £668).