

CANFORD SCHOOL LIMITED
(Limited by Guarantee)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

Registered Company No: 00190956
Registered Charity No: 306315

CONTENTS

DIRECTORS AND OFFICERS	2
NOTICE OF ANNUAL GENERAL MEETING.....	4
DIRECTORS AND TRUSTEES' REPORT	5
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANFORD SCHOOL LIMITED	155
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES	177
CONSOLIDATED AND CHARITY BALANCE SHEETS	19
CONSOLIDATED CASH FLOW STATEMENT	190
NOTES TO THE FINANCIAL STATEMENTS	201

DIRECTORS AND OFFICERS**DIRECTORS**

Chairman	David Levin BEcon MA FRSA	
Vice-chairman	Michael Jeffries Dip Arch RIBA FICE FRSA	
	Annette Anthony JD	Resigned 28 January 2020
	Mary Armitage CBE BSc MB ChB DM FRCP FRCPE	
	Teresa Colaianni	
	Barry Coupe BA DipArch RIBA	
	Lieutenant General Sir Gary Coward KBE CB	
	Robert Daubeney BA	
	Philippa Dickins MA MBBS DCH DRCOG MRCPGP	
	Georgina Fozard MA Cantab MBBS MRCPsych	
	Professor Mark French MA Oxon PhD	
	Nicholas Holloway BA	
	Stephen Le Bas FCA BA Hons	
	Richard Nicholl BA PGCE	
	Adam Richards BA	
	Rev John Simmons	
	James Stileman MA	
	Annabel Thomas BA	

OFFICERS

Headmaster	Ben Vessey MA MBA	
Bursar	David J Brook OBE BSc MA CEng MRAS	
Company Secretary	Michael Porter MSc BA	
Registered Office	The Bursary Canford School Wimborne BH21 3AD	
Solicitors	Harrison Clark Rickerbys Limited Ellenborough House, Wellington Street Cheltenham GL50 1YD	Steele Raymond LLP Richmond Point, 43 Richmond Hill Bournemouth BH2 6LR
	Veale Wasbrough Vizards LLP Narrow Quay House, Narrow Quay Bristol BS1 4QA	
Auditors	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG	

Bankers	Barclays Bank Plc Wytham Court 11 West Way, Botley Oxford OX2 0XP
Insurance Brokers	Marsh Limited Capital House 15 Perrymount Road Haywards Heath RH16 3SY
Investment Advisors	Rathbone Brothers Plc 8 Finsbury Circus London EC2M 7AZ Ruffer LLP 80 Victoria Street, London SW1E 5JL

NOTICE OF ANNUAL GENERAL MEETING

The Annual General Meeting of the company will be held at 12 noon on Thursday 25 March 2021 at Canford School, Wimborne BH21 3AD.

In accordance with the Articles of Association Mr Jeffries, Mr Holloway, Mr Le Bas, Rev Simmons and Ms Thomas retire by rotation and, being eligible, offer themselves for re-election. For a third of the governors to be re-elected, required by the Articles of Association, Mr Daubeney, as the longest serving governor, retires by rotation and being eligible, offers himself for re-election.

DIRECTORS AND TRUSTEES' REPORT

FINANCIAL STATEMENTS

The directors present their annual report and audited financial statements for the year ended 31 July 2020. The directors have adopted the provisions of the Charities Statement of Recommended Practice (SORP) (Second Edition, effective 1 January 2019) based on Financial Reporting Standard (FRS) 102, in preparing the annual report and financial statements of the charity.

OBJECTS AND AIMS

Charitable Objects

The Charity's Object is to advance the education of boys and girls including but not limited to the provision of a senior school in or near Canford, Dorset and/or if thought desirable, in other parts of England or Wales, in accordance with the principles of the Church of England.

Public Benefit Aims and Intended Impact

In furtherance of this Object, Canford School's public benefit aim is to provide a first class independent education, through strong academic tuition and through developing wider sporting, artistic, cultural and social skills in all its pupils. This is intended to provide an environment where each pupil can develop and fulfil his or her potential, thus to help build self-confidence and inculcate a desire to contribute to the wider community.

Canford has restricted and unrestricted funds for the development of the School's facilities as well as for scholarships, prizes and other educational purposes. The School provides bursaries for those without the means to support their child through school.

The Charity also has to maintain its heritage endowment, with its Grade I and II listed buildings and historic park and tree collection, which are all considered of national importance.

Canford views the social responsibilities it carries as an educational institution as being a central feature of our ethos, aims and actions. The '*Importance of Community*' is one of our core aims whereby we recognise '*the importance of community and the engendering of a deep rooted sense of social responsibility in the context of Canford's Christian origins and heritage*' alongside '*respecting the abilities, views and dignity of others throughout the school community and in the wider world*'.

This is not just a form of words but articulates an attitude and approach which guides and informs much of what we do within and beyond the school. Aside from activities within the school based educational programme which seek to raise awareness and understanding of issues and problems confronting the wider world, hundreds of our pupils and many of our staff are engaged in active charitable and community partnership work locally, regionally, nationally and internationally. It is beyond the scope of this report to outline all of the detail of this extensive activity, although some more information can be found on pages 7 and 8. This social engagement and interaction in a meaningful and sustained sense is very much part of the fabric of Canford's culture.

In the furtherance of these aims the Governors, as the charity trustees, have complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act. In addition, the Trustees act to promote the success of the school by: considering the likely consequences of any decision in the long term; looking at the interests of the company's employees; fostering relationships with pupils, parents, staff, suppliers and others; considering the impact of the Charity's operations on the community and the environment; by maintaining a reputation for high standards of business conduct; and acting fairly as between members of the company.

STRUCTURE, GOVERNANCE AND MANAGEMENT

The School is a company limited by guarantee and each of its members has undertaken to contribute an amount not exceeding £1 (one pound) towards the assets of the company in the event of the same being wound up and the assets being insufficient to cover the company's debts and liabilities. The School is a registered charity and is governed by its Articles of Association as most recently amended on 26th September 2013 by Special Resolution. Canford School is a member of the Allied Schools group of independent schools, all of which were founded by the Martyrs' Memorial and Church of England Trust (MMT). On September 26th 2013 the Allied Schools signed a management Agreement with MMT by which the members of the group agreed to the appointment of the Allied Schools Agency to oversee the performance of the schools and to monitor their adherence to the foundational religious principles on behalf of MMT.

The School has a subsidiary company, Cheneford Limited, which undertakes a range of trading activities including the letting of the School's sports facilities to the public. We also co-operate with many local charities in our on-going endeavours to widen public access to the schooling we 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 Canford.

Governing Body

The Governors, who are also the directors and charity trustees, are responsible for the overall management and control of Canford School and meet three times a year. The work of detailed formulation and implementation of most of their policies is carried out by members of the Finance and Executive Committees, who usually meet a few weeks in advance of the full Governing Board. The Education and Safeguarding, Property, External Relations and Communication, and Awards sub-Committees perform detailed reviews in their specialist areas.

Governors are elected by the Governing Body, except that two trustees are nominated by the Martyrs Memorial and Church of England Trust if the total does not exceed 12, three if the number exceeds 12 but does not exceed 18, and four if the number exceeds 18. New governors are appointed by existing governors with input from the Headmaster and Bursar and care is taken to ensure that the relevant skills and experience are represented. Each new governor is provided with an information pack (handbook) and meets with key staff as part of an induction process. They are all encouraged to spend time at the School to experience lessons as the pupils do. All governors receive information on governor training update courses.

All governors have access to the meeting papers and minutes for all committee meetings, whether or not they are members of that committee. This ensures that they are informed about the issues being addressed by those committees but can also raise queries and monitor progress in a wide range of areas. The chairmen of the sub committees meet regularly with the School's lead for each committee area, thereby ensuring that they are fully briefed on issues and can provide advice, challenge and support as required.

Organisational Management

The day to day running of the School is delegated to the Headmaster, the Bursar and the Senior Leadership Team (SLT), which comprises of Deputy Head Academic, Deputy Head Pastoral, Deputy Head Co-Curricular and two Assistant Heads (Academic and Pupils). Strategic matters are discussed with the Senior Management Group (SMG), which comprises of the SLT plus the directors of Marketing, Admissions, Development, Human Resources, Finance and Estates, as well as the School Services Manager. Various educational management groups also operate to progress educational and pastoral matters.

Changes to the remuneration levels of key management personnel are made with reference to industry standards, such as the Baines Cutler benchmark reports. Remuneration changes for specific roles are made with reference to internal performance criteria and external role benchmarks, including salary surveys and use of a benchmarking agency as required.

The Headmaster and Bursar attend meetings of all the governors' committees.

STRATEGIC REPORT AND FUTURE PLANS

Canford's Governors recognise that the School must remain competitive, relevant and sustainable in a rapidly changing and increasingly uncertain environment in which there is no shortage of local and regional competitor schools. In looking to the future, Canford intends to maintain and enhance its profile and position as a premium independent school. The Governing Body is already implementing strategies that will enable the School to defend and grow its share of the prestige school boarding and day markets. The key to this will be attracting and retaining suitably able pupils by meeting or exceeding their and their parents' expectations for high academic results, a wide range of high-quality co-curricular facilities and for comfortable pupil accommodation. Our plans include a wide array of educational programmes to enhance the learning experience of our pupils and the provision of flexible, adaptable infrastructure in order to widen the gap between full capacity and the break-even point, allowing flexible and efficient operation with an appropriate level of spare capacity. This strategy is subject to regular reviews, particularly in light of the Covid-19 pandemic.

Vision and Mission Statements

Our Vision: 'Canford: a school community where all are inspired to explore, empowered to express and challenged to excel.'

Our Mission: 'To build a community of open minded people who are motivated to embrace learning in all its forms, and committed to making a difference to their own lives, and to the lives of others. Our exceptional education grants freedom to grow and creates opportunities for all to explore, to express and to excel.'

Our Values: 'Develop Purposeful engagement – Building a confident mindset develops positive life-long learning. We inspire members of our community to be curious and determined in pursuit of knowledge and opportunity.
Instil a Courageous Attitude – Being principled and strong, yet reflective and tolerant takes courage. We support members of our community to be bold and sensitive in expressing thoughts, words and deeds.
Promote Humble Ambition – Pursuing goals without arrogance or complacency brings meaningful success. We challenge members of our community to be energetic and resilient in pursuit of their goals but honest and grateful for fulfilment of them.
Encourage Gracious Leadership – Fulfilling a duty to guide and support others makes a difference. We urge members of our community to lead graciously and serve willingly for the greater good.'

Achievements and Performance

Our vision and values have played out each and every day over the past year in so many ways, not least in the way all have adapted and supported each other over the past months during the challenges of the Covid-19 pandemic.

During the Summer Term, our remote education programme saw the delivery of over 12,000 remote lessons and a wide range of activities and pastoral meetings. The quality of our remote educational provision was 'mentioned in dispatches' in a letter from a leading educationalist to the Education Select Committee at the end of June which stated '*I have been involved, for various reasons, in phoning headteachers both of state and independent schools, and the difference in 'offer' during this period can be enormous. Canford independent school is the best I have come across and if you want an example of what can be provided, I suggest you look at Canford.*' It has been very much a team and a community effort and the achievements of all are shared by everyone.

Academic and Enrichment

Our leaving Upper Sixth had always set the bar high and their future ambitions were no exception. Most are heading on to Higher Education. Of 160 UCAS applications submitted 578 offers have been received with 13 to Oxbridge, 433 to Russell Group universities and 63 to Sunday Times Top Twelve institutions such as Bath and St Andrews. However, increasingly our leavers are exploring a wider range of post school options, including a number of impressive dreams in the creative and performing arts and in the world of work.

Our significant enrichment programme is designed to change ways of thinking and engaging with a wide range of issues and perspectives. This year's Festival of Ideas saw 22 speakers over three days. The whole 6th Form was taken off timetable for the festival to engage fully with the theme of "Identity and Diversity" – part of an ongoing focus on key issues of inequality, ignorance and intolerance which face our society and the need to bring about changes in thought, culture and action. The need for such a focus has been brought into even sharper focus with the death of George Floyd and the advent of the Black Lives Matter movement, and we have a range of other initiatives in the planning stage to ensure that Canfordians head into the wider world with a clearer and stronger knowledge and sense of understanding of society and what has shaped it.

Festival Speaker highlights included Carol Murraine from Eastside Young Leaders talking about educational inequality and opportunity for young black children; Peter Tatchell on his career campaigning for Gay rights; Fiona Hathorn discussing women on boards; Alison

Branitsky discussing living with mental illness and Paul Whittaker, a musician who lost his hearing at birth, who had the entire 5th Form signing SClub7 within an hour on a dark Thursday night as part of his efforts to create an appreciation of how loss of key senses opens up other opportunities. Other enrichment activities saw over 20 Lower Sixth pupil-led "Ted Talks" delivered to fourth form scholars on a wide range of topics; 24 separate Tower Society discussion lunches; and hundreds of pupils involved in debating and numerous department book clubs.

All 147 Lower Sixth submitted an entry into the Baynham & C P Snow essay competitions. 13 were shortlisted to either win or receive special commendation. Entries were submitted to 23 separate external academic competitions with two first place winners. We have also seen the establishment of a modern languages' academic magazine "Hispanista" and a university interview exchange programme with local schools and the City of London Academy

As part of our remote programme provision for the Upper Sixth who suddenly found themselves with a significant gap in their focus following the cancellation of public exams, a superb College Programme was put in place. It included 25 external speakers focused on a range of issues and experiences including Peter Singer, Laura Bates, A C Grayling, Michael Tomlinson, Deanna Rodger, Marie-Christine Nibagwire and James Landale. Many of these talks were open to and attended by pupils in other year groups. There were 90 separate electives developing insight into and engagement with a stunning range of topics and over 200 separate Academic seminars.

Sport

The Christmas term saw Canford field 39 teams across 11 sports with 626 pupils representing the school in some form of competitive sport. The Easter term saw a similar number of teams across many different sports with similar participation levels. Over 20 different sports were offered over the two terms. The 1st XV rugby squad achieved 10th in the national rankings playing in a style and with an attitude which was very impressive. The U16 and 1st netball squads who showed incredible grit, talent and wonderful team spirit over the season and both teams secured 4th place nationally at the National Finals on the last sporting weekend before lockdown. The Summer term was fallow for obvious reasons but there was plenty of online physical activity, competition and focus using a range of innovative and creative concepts with inspiring messages from top sports stars such as Jonny Wilkinson and Kevin Peterson. There were many individual and team highlights at all levels across range of sports with significant county/ regional/ national representation but also commitment and courage across the lower teams representing school.

Drama

The Drama department staged 12 different events over the first two terms ranging from small scale pieces such as 'If You Want Something Done', devised and performed by pupils, to Chicago with 45 cast members and 17 crew. Cinderella; a Canford Pantomime, written by a shell pupil saw 13 students and 2 staff in the cast with 7 crew. The House Drama competition included 9 performances involving approximately over 130 pupils. The final production, Frankenstein with 17 cast and 6 crew was magnificent and was the final activity we saw in the theatre before lock down. Over 250 pupils have been involved in drama productions in some capacity, not counting those that made up the audience. During remote schooling we saw two small groups of pupils write, record and edit their own series of radio plays; 28 monologue presentations were recorded; pupils have had the opportunity to submit their own films; and 15 pupils have been engaged in script writing and/or set design programmes. The 'show must go on' mind set has been ever present despite the problems faced.

Music

28 live concerts were held this year. Alongside the many music lessons and much hard work which saw excellent outcomes on ABRSM exams there were four professional workshops including our annual link with The Britten Sinfonia. Once again, those Canford Values shone through during 'lockdown' as we were enthralled by 22 remote ensemble performances recorded remotely and assembled, some released 'standalone' which involved pupils from all years and staff. There were 6 'live', virtual concerts, and one pre-recorded informal concert to allow those in the Far East to take part. We also had 6 YouTube concert releases of previously recorded events, including 2 previously unheard concerts of the GCSE and A level compositions from this year. Over 120 pupils have performed music formally as part of an ensemble at some point during the year.

Outward Bound, CCF, Duke of Edinburgh and Trips

This year the Outward Bound programme has offered many opportunities for Canfordians to develop their character and skills. In D of E we currently have 29 working towards Bronze and 59 working on their Gold Award.

In the CCF programme, this was the first year we entered The Rifles Cup, a national cadet CCF and ACF competition, run in Surrey in

September 2019. In our first attempt at this competition, Canford returned victorious beating a large number of CCF and ACF units. The CCF Annual Inspection was one of final events before lockdown – and it was an incredible testament to the programme and crucial skills developed by those hundreds of Canfordians who take part in CCF. Canfordians are not confined to base - across all aspects of educational life we ran 135 trips including 10 overseas in first two terms.

Community Service and Public Benefit

Community partnership engagement is a crucial part of Canford's programme to develop greater social awareness and responsibility. The Independent Schools Council have a website called 'Schools Together' (<https://www.schoolstogether.org/>) which catalogues the independent-state school partnerships run termly by around 1200 ISC schools. Canford has 64 case studies included and 20 state school partnerships.

Community Service has involved 33 separate community placements involving over 300 pupils with a focus on ongoing partnership links such as the Northam City Reach, SHINE projects and support for state schools. The relationship with the Bourne Academy continues to thrive. Five Canford staff and four Canford parents serve as governors on The Bourne Academy Governing Body and there are regular reports on its work to the Canford Governing Body so that joint initiatives can be discussed and explored. During the year The Bourne Academy achieved a 'Good' rating under the new rigorous OFSTED regime. Canford Sixth Formers spent over 800 hours with pupils at The Bourne Academy working together on a variety of projects. Bourne Academy pupils attend future careers fairs and speaker events at Canford School and this year we will also be inviting pupils to attend the Annual Festival of Ideas. All Bourne Academy Teach First staff spend a week at Canford with the appropriate department and anyone doing a PGCE at Canford can do their teaching practice at The Bourne Academy.

The Shine scheme involving 'gifted and talented' pupils from three local primary schools, which feed into The Bourne Academy, continues. The City Reach scheme is thriving and 16 pupils and staff walked 16 miles in the Easter term to raise funds for the project. City Reach also visited at Christmas for lunch and a swim. Unfortunately, a planned trip to the Isle of Wight had to be cancelled due to the pandemic.

A full range of community projects ran prior to the pandemic lock down, including 100 hours spent performing musical concerts in a number of care homes; 49 pupils helped in local primary schools; 150 hours spent visiting patients in a local hospice; nine pupils taught local school children to swim in Canford's pool; and over 200 hours were spent helping in local charity shops. In total, nearly 9,000 volunteer hours were given by Canford Sixth Formers supporting local community projects.

During the lock down period, pupils made a number of videos showing, for example, craft activities and sports skills that were sent to local primary schools to use with their pupils. Other pupils wrote postcards to elderly members of our local community amongst. Staff delivered food parcels and cakes baked by Canford chefs to elderly local residents and care homes; donated food to the local food bank and assisted NHS field hospitals with laundry provision. Several staff and pupils telephoned isolated local residents.

Following the tragic death of a Sixth Form pupil in December 2015, a charitable trust was established to support various local needs and pupils continued to raise funds through a series of events.

Unfortunately, our Canford Partnership trips to India, Ghana and Argentina, plus a new trip to Cambodia, had to be cancelled this year.

Stakeholder Relationships

Canford exists as a community; our links with current and former pupils, parents and staff, as well as our community partners, are strong. Similarly, our relationships with suppliers are crucial to our success.

Over the last year, the School have used more than 50 suppliers, supporting our local, regional and national economy. We have improved our payment performance, in regards to paying within the agreed terms, and continue to focus on this. In particular, during the lock down period due to Covid-19, we ensured suppliers continued to be paid on time and provided flexibility when appropriate. We are grateful to our suppliers for their continued support for Canford.

Fundraising Performance

Canford undertakes fundraising activity to its supporters via fundraising events, sponsored events and direct mail. Email is used in line with the Fundraising Code of Practice set by the Fundraising Regulator. Our fundraising promise, which is available on our website alongside our privacy notice to reassure supporters of our approach, is:

“When you support you can be sure of the following:

- We will never sell your contact details to anyone
- If you ask us to change how we communicate with you, or stop, we will respect that
- We try hard to ensure no one ever feels pressurised to support our work
- All our activities are open, fair, honest and legal.”

Canford is registered with the Fundraising Regulator and adheres to the standards of the Fundraising Code of Practice. There were no complaints about fundraising activity during the year.

Total fundraising costs during the year including operating budget and salaries were £174K (2019: £217K). Event income (tickets purchased) partially offset some of the costs. Income from fundraising activities totalled £100K (2019: £687K). The Development Programme continues to seek to engage alumni, parents and friends of Canford as School benefactors. This can be through giving of time and expertise through volunteering; the giving of financial donations including one-off gifts, regular giving, or gifts of stocks, shares or art; and securing longer-term legacies.

There are three main areas of activity within the current Development Programme: (1) engaging the Canford Community, (2) encouraging and promoting volunteering, and (3) fundraising to increase access to a Canford education through the provision of pupil bursaries. Secondary fundraising priorities include funding capital and equipment projects.

Engaging the Canford Community involves supporting the many different volunteer-driven groups which themselves aim to benefit Canford, Canfordians and associated partner charities and organisations. The Development team provide support to the Old Canfordian Society (OCS), the Friends of Canford School, the Friends of Canford Music and the Friends of Canford Rowing. Events and monies raised by these groups are returned directly to benefit the education and enrichment of pupils and the Canford Community. Modernisation of the OCS is continuing, and developments will transform connections between OCs and facilitate better communication, knowledge and support of our alumni.

Volunteers to Canford give in a variety of ways. All school governors are volunteers and provide strategic oversight. Many others serve as alumni, sports or committee representatives. Alumni and parents provide careers advice to pupils providing mentoring, work experience or coming in to Canford to speak to pupils about their experiences. Other volunteer duties include supporting music at Canford, supporting sport at home and away fixtures and speaking at Canford events. During the year over 250 individuals provided their time and expertise free of charge to Canford. The Governing Body is very appreciative of this invaluable support.

Donations include cash gifts, regular gifts, bequests received and gifts-in-kind. The Development Office also supports the work of the Friends of Canford School (FCS), a parent and friends' group. This group continues to support educational enrichment at Canford, through the provision of grants to departments and clubs within the school. They also support external charities with whom Canford has an existing partnership, most notably the City Reach project in Southampton.

The fundraising board meets regularly. The third annual fundraising auction to support the Martin Marriott Foundation raised a significant amount for the Foundation in November 2019. Regular donors acquired through the 2019 Telethon are established and stewarded accordingly. The Case for Support on the website has been updated to include new testimonies from bursary pupils, state fundraising aims and provide an accessible method for making online donations. Our fundraising focus has changed in light of Covid-19 and engagement has been of primary importance. The new strategic plan for 2019-2024 is complete with an action plan re-drafted following Covid-19.

Employee Engagement and Employment Policy

Governors communicate with employees through a variety of channels. Both governors and employees sit on the Joint Consultative Committee where matters relating to pay, benefits and working conditions are discussed. Governors and employees also sit on the Health and Safety Committee. Governors write to employees to explain the impact of significant decisions, such as pay reviews and the strategic direction of the School. Any significant decisions taken during governors' meetings are assessed for the impact they will have on staff, with the governors aware that the School cannot be successful without an engaged, motivated staff body. In particular, the governors provided employees with a number of specific reassurances during the Covid-19 lockdown which were unanimously appreciated by staff.

For information on the relationship between governors and management, see section 'Structure, Governance and Management'.

Canford School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests. Employees are made aware of the financial performance of the school.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

Current pupil numbers, and considerable future interest in the School, give us confidence that we will be at full capacity for the foreseeable future. This is a result of our continued resolve to deliver a top quality education, supported by talented staff in an inspiring environment – features that are now synonymous with Canford School.

The School's financial policy is to maintain total fee income at a level sufficient to generate a surplus over time to meet the objectives of the School's strategic plan, allowing for investment in the school. This will be achieved through a mixture of operating cash flow and fund raising. As a charity the parents of our pupils have the assurance that all the income of the school must be applied for educational purposes.

In preparing its budget for this year the School recognised the need to continue to invest in high quality staff and to invest in the School's fabric to ensure that both continue to support the educational mission.

Financial review summary	2020	2019
School fees receivable	£17,421K	£19,804K
Fundraising income	£100K	£687K
All other income	£2,324K	£1,966K
Provision of education	£(19,015)K	£(19,138)K
Other costs	£790K	£(842)K
Net income	£40K	£2,478K

Operational financial performance improved this year during the first two terms, principally due to high pupil numbers and careful management of costs. However, the Covid-19 pandemic necessitated a move to remote teaching and a reduction in fees charged, reducing school fee income considerably. Whilst income from the Government's Coronavirus Job Retention Scheme (CJRS) mitigated the impact, the continuation of high-quality remote education meant that the majority of costs, being teaching staff, could not be covered under the CJRS. The amount raised through fundraising was lower, due to a bequest in the prior year, and investments saw losses. The operating surplus (general funds) as a percentage of net fee income was 0.7% (2019: 11.3%).

Total gross fee income for the year was 9.7% lower than last year (2019: 6.1%). The Statement of Financial Activities shows the School's Loss Before Transfer of Funds to be £0.5M (2019: surplus of £2.5M). The principal reasons for this reduction, compared to the prior year, are the reduction in school fees receivable (£2.4M) due to Covid-19 fee reductions; the lack of any significant fundraising income (£0.6M); partially offset by increased receipts from the CJRS (£0.8M). Careful cost control was exercised throughout the year, particularly during remote education, on charitable activity expenditure to ensure that resources were focussed on pupil outcomes.

The overall cost of the School's capital expenditure in this financial year amounted to £4.1M (2019: £1.8M), which included the strategic capital works programme (infrastructure upgrades £1.1M, new Library £0.6M, new Boarding House £0.8M and new Outdoor Education Centre £0.9M). Other capital expenditure included continued reinvestment into the fabric of the school. Investing in additional flexible capacity and improved core facilities will ensure Canford's future sustainability and there is a clear imperative to complete the strategic building plans which are essential to support future sustainability and success. The economic environment and effects of Covid-19 will demand caution, therefore, whilst planning work for subsequent phases of the capital programme will continue, the decision for any construction to begin will be preceded by a wholesale review of demand and requirements. All projects will remain subject to the usual governance and approval processes. Given the investment in capital expenditure there was a reduction in cash of £1.4M (2019: £2.1M).

Overall the Trustees accepted this financial result, given the economic circumstances of the past year, and are reviewing the level of surplus required to meet the objective of providing sufficient income for the School's strategic plan` objectives.

Reserves Policy

The beneficiaries of Canford School are its pupils; any reserves held must ultimately be for their benefit. Governors have determined that Canford should not hold excessive reserves, money that could otherwise be used for the benefit of pupils. Equally, insufficient reserves, in the event of a crisis, may mean that pupils experience undue disruption to their education.

Given the current economic climate, political climate and the Covid-19 pandemic, or in the event of a crisis, trustees have reaffirmed their commitment for pupils to be able to complete the current academic year as a minimum. This strikes a balance between unduly tying up funds and minimising disruption in a crisis such as unplanned closure. To ensure this, the level of general reserves held will be equivalent to the sum of cash liabilities in the longest period in the academic year with no fee income, approximately £6M. This has been tested

against a number of scenarios to confirm the suitability of this level of reserves.

Whilst restricted funds fall outside the definition of free reserves, some restricted funds are maintained principally for the award of bursaries and the advance payment of school fees. Designated funds are also held, in addition to the reserves above, for the purposes of matching the investment made in the fabric of the school, to fund the school's partnership activities and to provide bursaries.

At the year end the school held total funds of £44.1M, of which £2.9M was held in restricted funds principally for the award of bursaries and the advance payment of school fees. The trustees have designated a further £31.0M for the following purposes:

- a) to match the investment it has made over the years in the fabric of the school estate and is not therefore freely available £25.1M
- b) to set aside funds to support the school's partnership activities £0.2M; and
- c) to set aside funds that are invested for the provision of bursary support £5.7M.

After these designations, and the value of fixed assets not represented by the property fund, the free reserves of the school are £10.2M (2019: £11.3M) which the trustees consider exceed the reserves policy objective. This excess will be used to fund capital projects for the charity's beneficiaries, with at least £8m capital expenditure planned in 20/21 (on projects started prior to the Covid-19 lock down). Trustees monitor reserve levels on a regular basis, considering the working capital management of the school and the desire to continually improve its facilities.

Investment Policy and Objectives

Canford School holds investments in three portfolios with the prime objective to preserve and grow the capital value of funds, whilst generating sufficient income to meet the current commitments of the School. This is achieved through a balanced approach to income and asset growth and appropriate risk diversification. The policy recognises that there will be differing investment styles required for some of the restricted funds.

The school uses external professional discretionary fund managers to achieve the investment objectives, which may be a single firm or several firms. The performance of these managers is reviewed regularly by the Investment Sub-committee of the Finance Committee as is the overall allocation of assets by type and manager. During the year, following a tender process, Rathbone Brothers PLC were appointed to manage the investment portfolio from February 2020, with all funds transferred from Ruffer LLP. Rathbone Brothers have discretionary management powers. In 2020 a loss of 3.8% (2019: 1.1% gain) was seen across the funds. Post-year end, the first three months of the year have seen a gain of 2.9%

The largest portfolio is a fund for the award of scholarships and bursaries. This fund comprises the Assyrian Fund and Canford Partnership Fund. The investment policy is to maximise long-term total return in such a way as to permit the regular award of scholarships and bursaries while maintaining or increasing the value of the fund in real terms. The second portfolio comprises various funds restricted by the donors for the provision of scholarships, bursaries and prizes. The Composition Fees Scheme for advance payment of fees, the third portfolio, were invested with the aim of preserving the capital and achieving a return over a period of five years sufficient to fund the School's liabilities under the scheme.

The company's Articles of Association empower it to invest the monies of the company not immediately required, as it thinks fit.

Grant Making Policy

This year, the value of scholarships, grants, prizes and other awards made to the School's pupils was £768K (2019: £845K). The Governors' policy is to make these awards based on the individual's educational potential, subject to the particular conditions imposed by the original donor where an award is made from restricted funds. In addition, means-tested bursary awards totalling £1,172K (2019: £958K) were provided. £157K (2019: £384K) of the bursaries awarded were funded from investments – the remainder being funded from fees income. The policy for awarding bursaries is to broaden access to the school for prospective pupils and to relieve hardship where a current pupil's education and future prospects would otherwise be at risk. Awards representing 90% or more of the fees went to 23 pupils (2019: 16). The availability of all such awards for fee assistance, together with the terms and conditions for each kind of award, is advertised on our website. In the year the Governors reaffirmed their plan to increase the funding available for means tested fee assistance through fundraising.

Energy and Carbon Performance

For the first time, we are reporting the School's energy and carbon use. This is an area which receives an ever-increasing focus in the School. During the year, several actions were taken to reduce the School's environmental impact. In November 2019, a new contract for renewable electricity was put in place, meaning the vast majority of the school's electricity is from renewable sources. Based on the

latest Energy Savings Opportunity Scheme (ESOS) report, a number of buildings were converted to LED lighting in order to reduce energy consumption. A pupil-led campaign resulted in reductions in plastic waste, using non-disposable water bottles, and food waste, through improved reporting that highlighted the issue. These efforts resulted in the school being awarded Silver status under the Eco-Schools programme.

For all Canford's major capital projects, early consideration is given to heat generation options for the building, including the investigation of low and zero carbon technologies. Each option is evaluated on its likely reduction of carbon emissions, along with the practicalities of the location, likely impact on the setting and surrounding grounds, along with technical and cost considerations.

The new Boarding House will have a building management system to optimise hot water heating efficiencies and ventilation will either be natural or use high efficiency plate heat exchangers, where required. All lighting will be based on low energy LED technology, with daylight and motion sensors. The new Library will use a similar LED lighting system and is designed to have a high air tightness rating along with a high efficiency heating system.

It has not been possible to determine CO₂ emissions from activities; neither has it been possible to gather data on the full range of the School's energy consumption. However, the details below provide a benchmark for future years in order to improve both the reporting and performance of the Schools' energy and carbon use, including the use of an intensity ratio

	Consumption	Notes
Electricity	1,730,850 kWh	All School buildings and houses where the school is responsible for electricity costs
Gas	5,478,691 kWh	All School buildings and houses where the school is responsible for gas costs
Transport fuel	18,250 litres	Diesel fuel for minibuses and car; future reports to include other vehicle usage

Risk Management

The Board of Governors is responsible for the management of the risks faced by the School. Risks are identified and reviewed by the School's leadership team and separated into functional risk areas. The Governors' functional sub-committees then review their risk areas on a termly basis, implementing measures as appropriate to mitigate their effect. The most significant risks are reviewed by the Governing Body each term. Through the different elements of this process the Governors are satisfied that the major risks to the School have been identified and have been reasonably mitigated with key controls.

The Governors consider the major risks to the School to be:

- The inability to deliver high quality education and / or charge sufficient fees to sustain the school due to the Covid-19 outbreak.
- Competition from other schools could adversely affect pupil numbers.
- Significant disruption to school activities from power outages, fire or the failure of key computer hardware or software.
- Pupils significantly underachieve their potential.
- Pressure on fees from a challenging economic outlook and / or rising cost base could affect the affordability of Canford's fees, including uncertainty in the wake of the UK voting to leave the European Union.
- A lack of readily available financial reserves might limit the School's ability to respond to unexpected catastrophic events.
- Staff costs rise at unsustainable levels given the increasing level of employer pension contributions and the National Living Wage.
- A road traffic accident or similar incident leads to injury or death, on or off school premises.

The key controls include:

- A full reopening risk assessment, to mitigate the effects of Covid-19, was undertaken. This includes social distancing measures, enhanced cleaning regimes and the use of face coverings, as well as many other measures. This risk assessment is published on the School's website.
- Strategic risk assessment, planning, budgeting and management accounting, focussing funds on critical areas of infrastructure.
- Formal written policies.
- Risk assessments for individual activities and departments.
- Vetting procedures as required by law for the protection of vulnerable people.
- Clear Terms of Reference for all Committees and appropriate membership.
- Clear organisational structure, lines of reporting and authority limits.
- Formal agenda and minutes to support decisions of all Committee and Governing Body activities.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors are responsible for preparing the Directors and Trustees' Report, incorporating the strategic report, and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors 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 the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and group for that period. In preparing these financial statements, the Directors are required to:

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

The Directors are responsible for keeping proper accounting records that 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. They are also responsible for safeguarding the assets of the charitable company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Directors is aware at the time the report is approved:

- there is no relevant audit information of which the charitable company and group's auditors are unaware; and
- the Directors 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.

AUDITORS

Haysmacintyre LLP have expressed their willingness to continue as auditors to Canford School Limited.

This report was approved by the Board on 27 November 2020 and signed on its behalf by:



David R Levin
Director/Trustee

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF CANFORD SCHOOL LIMITED

Opinion

We have audited the financial statements of Canford School Limited for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the 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 of the parent charitable company's affairs as at 31 July 2020 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 14, 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 and the parent 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 group or the parent 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.

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 parent 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 Directors and Trustees' Report. 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 Directors and Trustees' Report (which incorporates the strategic report) 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 have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

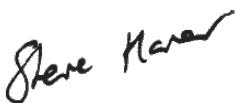
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors and Trustees' Report (which incorporates the strategic report).

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:

- adequate accounting records have not been kept by the parent charitable company; or
- the parent charitable 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.

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.



Steven Harper (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors

10 Queen Street Place
London
EC4R 1AG

Date: 18 February 2021

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(Incorporating an Income and Expenditure account)

Note	2020				2019			
	General Funds £	Designated Funds £	Restricted Funds £	Total 2020 £	General Funds £	Designated Funds £	Restricted Funds £	Total 2019 £
INCOME FROM								
Income from charitable activities								
School fees receivable	17,421,096	0	0	17,421,096	19,804,412	0	0	19,804,412
Other educational income	424,042	0	0	424,042	435,956	0	0	435,956
Other ancillary trading income	87,207	0	0	87,207	124,693	0	0	124,693
	17,932,345	0	0	17,932,345	20,365,061	0	0	20,365,061
Other trading activities								
Fundraising	27,976	0	71,964	99,940	38,567	0	648,917	687,484
Trading company	598,918	0	0	598,918	801,832	0	0	801,832
Rents and school lets	185,134	0	0	185,134	371,980	0	0	371,980
Income from Investments	74,367	59,607	41,787	175,761	91,802	70,581	51,838	214,221
Other income	852,678	0	0	852,678	17,700	0	0	17,700
Total Income	19,671,418	59,607	113,751	19,844,776	21,686,942	70,581	700,755	22,458,278
EXPENDITURE ON								
Expenditure on raising funds	694,382	47,678	47,705	789,765	712,312	57,635	71,932	841,879
Expenditure on Charitable activities	18,853,979	(2)	161,271	19,015,248	18,718,601	16,152	403,660	19,138,413
Total Expenditure	19,548,361	47,676	208,976	19,805,013	19,430,913	73,787	475,592	19,980,292
NET INCOME before transfers and investments gains/ (losses)	123,057	11,931	(95,225)	39,763	2,256,029	(3,206)	225,163	2,477,986
OPERATING SURPLUS before investment gains/ (losses)	95,081	11,931	(167,189)	(60,177)	2,217,462	(3,206)	(423,754)	1,790,502
Net gains/(losses) on Investments	0	(307,672)	(216,861)	(524,533)	1	(11,471)	4,380	(7,090)
FUNDRAISING INCOME	27,976	0	71,964	99,940	38,567	0	648,917	687,484
SURPLUS before transfer of funds	123,057	(295,741)	(312,086)	(484,770)	2,256,030	(14,677)	229,543	2,470,896
Additions to reserves				0				0
Transfers between funds	(1,276,926)	1,276,926	0	0	52,394	(52,394)		0
Transfers between funds	(1,276,926)	1,276,926	0	0	52,394	(52,394)	0	0
NET MOVEMENT IN FUNDS	(1,153,869)	981,185	(312,086)	(484,770)	2,308,424	(67,071)	229,543	2,470,896
Fund balance brought forward at 1 August	11,346,042	30,048,154	3,173,460	44,567,656	9,037,619	30,115,224	2,943,917	42,096,760
Balance carried forward at 31 July	10,192,173	31,029,339	2,861,374	44,082,886	11,346,042	30,048,154	3,173,460	44,567,656

All operations of the company continued throughout both years and no operations were acquired or discontinued in either year. The company had no recognised gains or losses in the year other than those above. The statement of financial activities includes the income and expenditure account.

The notes on pages 20 to 36 form an integral part of these financial statements.

CONSOLIDATED AND CHARITY BALANCE SHEETS

CANFORD SCHOOL LIMITED AS AT 31 JULY 2020

COMPANY REGISTERED NO: 190956

	Notes	Group		Charity	
		July 2020 £	July 2019 £	July 2020 £	July 2019 £
FIXED ASSETS					
Cost		43,434,211	39,890,009	43,286,716	39,742,514
Depreciation		(13,578,870)	(12,507,976)	(13,451,903)	(12,393,244)
Tangible Fixed Assets	8	<u>29,855,341</u>	<u>27,382,033</u>	<u>29,834,813</u>	<u>27,349,270</u>
INVESTMENTS					
Investment in subsidiary undertaking	9	0	0	100	100
Investment for composition fees	10	1,158,313	1,809,068	1,158,313	1,809,068
Restricted investments	11	2,721,621	2,944,776	2,721,621	2,944,776
Other investments	11	5,951,778	6,267,520	5,951,778	6,267,520
		<u>9,831,712</u>	<u>11,021,364</u>	<u>9,831,812</u>	<u>11,021,464</u>
CURRENT ASSETS					
Stocks	12	110,078	147,257	11,595	30,670
Debtors	13	671,669	675,260	700,781	800,309
Cash at bank and in hand		10,515,472	12,000,438	10,360,897	11,847,915
		<u>11,297,219</u>	<u>12,822,955</u>	<u>11,073,273</u>	<u>12,678,894</u>
CREDITORS: amounts falling due within one year	14	(6,046,795)	(5,587,742)	(5,813,690)	(5,425,569)
NET CURRENT ASSETS		<u>5,250,424</u>	<u>7,235,213</u>	<u>5,259,583</u>	<u>7,253,325</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>44,937,477</u>	<u>45,638,610</u>	<u>44,926,208</u>	<u>45,624,059</u>
CREDITORS: amounts falling due after more than one year	15	(854,591)	(1,070,954)	(854,044)	(1,067,125)
NET ASSETS		<u>44,082,886</u>	<u>44,567,656</u>	<u>44,072,164</u>	<u>44,556,934</u>
UNRESTRICTED FUNDS					
General fund		10,192,173	11,346,042	10,181,451	11,335,320
Designated funds:					
Property fund		25,066,311	23,789,385	25,066,311	23,789,385
Assyrian Fund		5,749,803	6,033,464	5,749,803	6,033,464
Canford Partnership fund		213,225	225,305	213,225	225,305
RESTRICTED FUNDS		<u>2,861,374</u>	<u>3,173,460</u>	<u>2,861,374</u>	<u>3,173,460</u>
TOTAL FUNDS	17	<u>44,082,886</u>	<u>44,567,656</u>	<u>44,072,164</u>	<u>44,556,934</u>

The loss of the parent charitable company before consolidation was £484,770 (2019: surplus of £2,470,896).

The financial statements were approved and authorised for issue by the Board of Directors on 27 November 2020 and were signed on its behalf by:



David R Levin
Chairman



Stephen Le Bas
Chairman of Finance Committee

The notes on pages 20 to 36 form an integral part of these financial statements.

CONSOLIDATED CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 JULY 2020

	Notes	2020 £	2019 £
Net movement in funds		(484,770)	2,470,896
Investment income receivable		(175,761)	(214,221)
(Gains)\losses on investments		<u>524,533</u>	<u>7,091</u>
Operating surplus for the year		(135,998)	2,263,766
Depreciation		1,369,236	1,392,146
(Profit)\loss on disposal of fixed assets		211,068	(8,437)
Amortisation of lease granted over land		(7,666)	(7,666)
Discount given on Composition fees		15,071	22,106
Decrease \ (increase) in stocks		37,179	17,399
(Increase)\decrease in debtors		3,591	55,520
(Decrease)\increase in creditors		787,922	99,362
Net cash inflow from operating activities		<u>2,280,403</u>	<u>3,834,196</u>
Investing			
Investment income received		175,761	214,221
Purchase of tangible fixed assets		(4,184,115)	(1,626,123)
Proceeds from sale of tangible fixed assets		3,808	14,499
Net Sale\ (Purchase) of investments		81,805	(236,043)
Net movement in composition fee investments		<u>583,314</u>	<u>131,267</u>
Net cashflow from capital expenditure and financial investments		<u>(3,339,427)</u>	<u>(1,502,179)</u>
Net cash inflow/(outflow) before financing		<u>(1,059,024)</u>	<u>2,332,017</u>
Financing			
Composition fees received		439,695	770,753
Composition fee payments		(863,359)	(957,006)
Lessee's payments for the reduction of the outstanding liability relating to a finance lease		<u>(2,278)</u>	<u>(1,563)</u>
Net cashflow from financing		(425,942)	(187,816)
Increase\ (Decrease) in cash in the year	22	<u><u>(1,484,966)</u></u>	<u><u>2,144,201</u></u>
Cash and cash equivalents at the start of the year		12,000,438	9,856,237
Cash and cash equivalents at the end of the year		10,515,472	12,000,438

The notes on pages 20 to 36 form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2020

1. ACCOUNTING POLICIES

a) *General information*

The Charity is a private company limited by guarantee, incorporated in England and Wales (company number 190956) and a charity registered in England and Wales (charity number 306315). The Charity's registered office address is The Bursary, Canford School, Wimborne, Dorset BH21 3AD.

b) *Basis of accounting*

The financial statements have been prepared in accordance with 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) (Second Edition, effective 1 January 2019) - (Charities SORP (FRS 102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006. Canford School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s). Financial statements are prepared in pounds sterling rounded to the nearest pound.

These financial statements consolidate the results of the charity and its wholly owned subsidiary Cheneford Limited. In accordance with Section 408 of the Companies Act 2006, no separate Statement of Financial Activities is presented for Canford School Limited.

The Trustees have reviewed the appropriateness of adopting the going concern basis of accounting in preparing the annual financial statements to assess whether the charity was viable in accordance with the new requirement of the UK Corporate Governance Code. The assessment included a review of the budget and principal risks facing the charity, their potential impact, how they were being managed and a review as to the appropriate period for the assessment. This assessment included the short- and medium-term risks associated with Covid-19. The Trustees are confident that there is a reasonable expectation that the charity will be able to continue in operation and meet its liabilities as they fall due over the one-year period of the assessment.

c) *Significant judgements and sources estimation uncertainty*

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Charity's accounting policies. The key judgements that have been applied by management relate to:

- Items covered above in Basis of accounting, such as determining the charity is a going concern, and
- Estimates regarding pensions liabilities have been made and are covered in Note 21.

d) *Income and expenditure*

School fees and operating expenses are included in the financial statements on the accruals basis. Fees receivable are stated after deducting allowance, scholarships and other remissions granted by the school. Entrance and registration fees are credited to income in the year in which they are received. All income and expenditure included in the financial statements is from continuing operations.

Expenditure is allocated to expense headings either on a direct cost basis or apportioned according to the management estimates of time spent or space occupied, as appropriate. VAT is included with the item of expenditure to which it relates.

Governance costs comprise the cost of running the company, including strategic planning for its future development, external audit, and all the costs of complying with constitutional and statutory requirements, such as the cost of governor and committee meetings and preparing financial statements.

e) *Termination payments*

Termination payments are accounted for in the year in which the commitment is made. This applies to pay in lieu of notice, redundancy payments and payments under compromise agreements.

f) *Donations*

Donations of tangible fixed assets are capitalised, and a matching gift in kind is accounted for as a donation within the Statement of Financial Activities. Other donations are accounted for within the Statement of Financial Activities and are recognised when the school is entitled to the receipt.

g) Repairs and maintenance

Repairs and maintenance expenditure is charged as an operating expense in the year in which it is incurred net of any grants receivable.

h) Investments

The investments are stated at market value, less any provision for permanent diminution in value. It is the company's policy to keep valuation up to date such that when investments are sold there is no gain or loss arising. As a result, the Statement of Financial Activities only includes those unrealised gains or losses arising from the revaluation of the investment portfolio throughout the year.

The school also holds an investment at cost in its subsidiary, Cheneford Limited, shown in Note 9.

i) Tangible fixed assets and depreciation*Freehold land and buildings*

Expenditure relating to the acquisition of and extensions to freehold land and buildings together with the initial equipping thereof is capitalised and is stated in the financial statements at cost less depreciation and any provision for impairment.

No depreciation is charged on freehold land. Leases granted over land are amortised over the term of the lease. Land and buildings are reviewed annually for impairment in accordance with FRS 102.

Depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Donations of tangible fixed assets are capitalised at their cash value or at estimated cash value if received in kind. Depreciation is provided on tangible fixed assets so as to write off their cost, less estimated residual value, by equal instalments over the expected useful lives of the assets concerned. Assets with a cost of more than £5,000 are capitalised. The estimated useful lives are considered to be as follows:

Freehold buildings	-	Up to 50 years
Property improvements	-	5 – 25 years
Plant and equipment	-	7 – 20 years
Computer equipment	-	4 – 7 years
Furniture, fixtures and fittings	-	10 – 20 years
Motor vehicles	-	4 Years

j) Composition fees

Composition fees represent payments in advance in respect of school fees for current and future pupils. These are recorded in the School's balance sheet as a liability (representing the fees received in advance from parents) and assets (being the investments managed by Rathbone Brothers PLC). A transfer to the revenue account is made each term in respect of school fees which are then due.

k) Stocks

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

l) Assets acquired under finance leases

Assets acquired under finance leases, which confer rights and obligations similar to those attached to owned assets are capitalised and included under tangible fixed assets in the balance sheet and are depreciated over the shorter of the lease term and their useful lives.

The capital elements of finance lease obligations are recorded as liabilities while the interest elements are charged to the Statement of Finance Activities over the primary lease period, to produce a constant rate of charge on the balance of capital repayments outstanding.

m) Operating leases

Assets used by the school under operating leases are not capitalised. The costs associated with their rental are charged on a straight-line basis over the lease term, even if the payments are not made on such basis.

n) Pensions

The School's professional teaching staff are members of a Superannuation Scheme operated by the Department for Education and

Skills. This is a multi-employer defined benefits scheme and individual schools are not able to identify their share of the underlying assets and liabilities of the scheme. The results for the year are stated after charging the relevant employer's contributions to this scheme.

Other staff are members of a defined contribution scheme. Further information and the basis of accounting is given in Note 21.

o) Taxation

The School is considered to pass the tests set out in paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

p) Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments, including trade and other debtors and creditors are initially recognised at transaction value and subsequently measured at their settlement value.

q) Government grants

Government grants are accounted for on an accruals basis.

2. FEES

	2020	2019
	£	£
Gross School Fees	19,813,741	21,944,462
Less: scholarships, bursaries, grants and allowances	(2,549,475)	(2,523,732)
	<hr/>	<hr/>
	17,264,266	19,420,730
Add: scholarships funded from Assyrian Fund and from Scholarship Bursary and Prize Fund	156,830	383,682
	<hr/>	<hr/>
	17,421,096	19,804,412

3. INCOME FROM SUBSIDIARY'S TRADING ACTIVITIES

The company owns 99% of the issued share capital of Cheneford Limited, a company registered in England, (Company number: 2694274). The company lets the facilities of the school, including a golf course, for use by the public and various organisations. The subsidiary's net profit is paid to Canford under a Deed of Covenant.

The subsidiary's trading results for the year, as extracted from the audited financial statements, are summarised below:

	2020	2019
	£	£
Turnover	608,414	920,776
Cost of Sales	(539,407)	(776,399)
Gross Profit	<u>69,007</u>	<u>144,377</u>
Administration expenses	(21,319)	(30,491)
Other operating income	0	0
Operating profit	<u>47,688</u>	<u>113,886</u>
Interest receivable	107	124
Interest payable	(1,004)	(1,214)
Net profit	<u><u>46,791</u></u>	<u><u>112,796</u></u>

Turnover includes £29,407 (2019: £118,944) supplied to the School. Costs include contributions to the overheads of the School totalling £159,072 (2019: £244,476). These intercompany transactions are excluded from the consolidated figures shown on the SOFA and in note 6.

At 31 July 2020 there was a balance of £53,052 (2019: £171,526) owed by Cheneford to Canford School Limited and £3,180 (2019: £338) owed by Canford School Limited to Cheneford Limited.

The subsidiary's balance sheet as at 31 July 2020 as extracted from the audited financial statements is summarised below:

	2020	2019
	£	£
Fixed assets	20,528	32,763
Current assets	280,179	315,926
Less current liabilities	(289,338)	(334,038)
Long term liabilities	(547)	(3,829)
Net Assets	<u>10,822</u>	<u>10,822</u>
Called up share capital	100	100
Profit and loss account	10,722	10,722
	<u><u>10,822</u></u>	<u><u>10,822</u></u>

4. OTHER INCOME

	2020	2019
	£	£
Other educational charitable activities		
Fee income for extra subjects	320,906	309,745
Entrance and registration fees	68,035	81,269
Courses and sub lettings	35,101	44,942
	<u>424,042</u>	<u>435,956</u>
Other ancillary trading income		
Ancillary income	87,207	124,693
Insurance commission	0	0
	<u>87,207</u>	<u>124,693</u>
Other income		
Other operational income	420	10,034
Amortisation of lease granted over land	7,666	7,666
CJRS claims	844,592	0
	<u>852,678</u>	<u>17,700</u>

5. INVESTMENT INCOME

	General	Restricted	2020	General	Restricted	2019
	Funds	Funds	Total	Funds	Funds	Total
	£	£	£	£	£	£
Investment income	59,608	41,787	101,395	70,581	51,838	122,419
Interest received	74,366	0	74,366	91,802	0	91,802
	<u>133,974</u>	<u>41,787</u>	<u>175,761</u>	<u>162,383</u>	<u>51,838</u>	<u>214,221</u>

6. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Other costs £	Depreciation £	2020 Total £	Staff costs £	Other costs £	Depreciation £	2019 Total £
Costs of generating funds:								
Fundraising	110,062	63,984	0	174,046	118,872	98,183	0	217,055
Trading costs of subsidiary	137,387	244,770	12,235	394,392	151,965	286,499	14,662	453,126
Finance costs	0	221,327	0	221,327	0	171,698	0	171,698
	<u>247,449</u>	<u>530,081</u>	<u>12,235</u>	<u>789,765</u>	<u>270,837</u>	<u>556,380</u>	<u>14,662</u>	<u>841,879</u>
Charitable Activities								
Provision of education								
-Teaching	7,252,660	729,832	0	7,982,492	6,568,167	666,695	0	7,234,862
-Welfare	3,026,958	790,281	0	3,817,239	2,859,261	1,063,472	0	3,922,733
-Premises	1,294,397	1,853,538	1,357,001	4,504,937	1,196,717	2,124,018	1,377,485	4,698,220
-Support costs	1,749,838	728,024	0	2,477,862	1,895,177	909,694	0	2,804,871
Governance	0	64,205	0	64,205	0	51,871	0	51,871
	<u>13,323,853</u>	<u>4,165,880</u>	<u>1,357,001</u>	<u>18,846,735</u>	<u>12,519,322</u>	<u>4,815,750</u>	<u>1,377,485</u>	<u>18,712,557</u>
Grants, awards and prizes	0	168,513	0	168,513	0	425,857	0	425,857
	<u>13,323,853</u>	<u>4,334,393</u>	<u>1,357,001</u>	<u>19,015,248</u>	<u>12,519,322</u>	<u>5,241,607</u>	<u>1,377,485</u>	<u>19,138,414</u>
Total Expenditure	<u>13,571,302</u>	<u>4,864,474</u>	<u>1,369,236</u>	<u>19,805,013</u>	<u>12,790,159</u>	<u>5,797,987</u>	<u>1,392,147</u>	<u>19,980,292</u>

All support costs relate to the provision of education. Support staff costs include the salaries of the Headmaster, Finance, Human Resources, IT, Marketing and Admissions. Other support costs include computer equipment, photocopying equipment, software licences professional fees and the apprenticeship levy.

	Group		Charity	
	2020 £	2019 £	2020 £	2019 £
Charitable activities include:				
Depreciation on owned assets	1,369,236	1,392,146	1,357,001	1,377,485
Operating leases	68,973	85,240	68,973	85,240
Finance costs include				
Bad debts expense	122,901	38,943	119,292	33,260
Governance costs include				
Auditors remuneration for				
Audit services	17,790	19,220	14,640	16,170
Other service	0	0	0	0

7. STAFF COSTS

	2020 £	2019 £
Total staff costs were as follows:		
Wages and salaries	10,867,894	10,321,746
Social security costs	986,788	945,640
Pension contributions	1,716,620	1,522,773
	<u>13,571,302</u>	<u>12,790,159</u>

The governors received no remuneration during the year (2019: £nil). No related party transactions occurred during the year (2019: £nil). Two trustees have a child in the school paid at standard rates. Two trustees have children / grandchildren who receive merit-

based scholarships. The related trustees were not involved in the decisions to make these awards.

An aggregate amount of £2,3030 was reimbursed to 5 governors during the year, in respect of travel expenses (2019: £2,681 to 3 governors).

	2020	2019
	No.	No.
Staff numbers		
The number of employees in the year were:	486	468
The number of employees whose emoluments exceeded £60,000 were		
£60,001 to £70,000	18	20
£70,001 to £80,000	4	3
£80,001 to £90,000	3	0
£90,001 to £100,000	0	1
£110,001 to £120,000	1	0
£170,001 to £180,000	0	1
£180,001 to £190,000	1	0

The employer pension contributions paid for the above higher-paid staff were £383,390 (2019: £275,794). £325,774 (2019: £224,346) was paid to the Teachers' Pension Scheme, a defined benefit scheme, and £57,616 (2019: £51,448) to other schemes.

There are a number of key management personnel in the School including the Senior Management Team and the Support Staff Senior Management Team. The total amount of remuneration, benefits (excluding those listed below) and pensions paid to this group of individuals was £1,642,209 (2019: £1,629,066).

In addition to the payments contained in the bandings above, the School provides fee remission to teaching and some senior staff typical for the independent school sector and accommodation (or reimbursement for own accommodation) to staff who are entitled to accommodation by virtue of their role.

Pension contributions and commitments

Teaching staff are eligible to contribute to the Teachers' Pension Scheme. Support staff are eligible to contribute to a personal pension plan, which is a defined contribution scheme administered by Scottish Widows. All schemes permit staff to make additional voluntary contributions.

Further details relating to these pension schemes are set out in note 21.

	2020	2019
	£	£
Pension contributions		
Total employer contributions incurred during the year were:		
Teaching staff	1,081,898	747,295
Support staff	634,722	775,478
	<u>1,716,620</u>	<u>1,522,773</u>

	2020	2019
	£	£
Redundancy & Termination Payments		
made in the year totalled	74,270	56,134

8. TANGIBLE FIXED ASSETS – GROUP

	Freehold property	Plant & equipment	Computer equipment	Furniture, fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£	£
Historic cost						
Opening - 1st August	32,291,154	3,846,747	1,825,396	1,729,154	197,558	39,890,009
Transfers	0	0	0	0	0	0
Additions	2,197,258	1,401,843	88,623	369,696	0	4,057,420
Disposals	(467,310)	(16,299)	(207)	(29,402)	0	(513,218)
Closing - 31st July	34,021,102	5,232,291	1,913,812	2,069,448	197,558	43,434,211
Depreciation						
Opening - 1st August	8,501,770	1,833,587	1,289,621	703,238	179,760	12,507,976
Transfers	0	0	0	0	0	0
Charge in year	711,987	376,771	140,971	129,141	10,366	1,369,236
Disposals	(258,965)	(16,299)	(82)	(22,996)	0	(298,342)
Closing - 31st July	8,954,792	2,194,059	1,430,510	809,383	190,126	13,578,870
Net Book Value						
Opening - 1st August	23,789,384	2,013,160	535,775	1,025,916	17,798	27,382,033
Closing - 31st July	25,066,310	3,038,232	483,302	1,260,065	7,432	29,855,341

8. TANGIBLE FIXED ASSETS – CHARITY

	Freehold property	Plant & equipment	Computer equipment	Furniture, fixtures & fittings	Motor vehicles	Total
	£	£	£	£	£	£
Historic cost						
Opening - 1st August	32,291,154	3,710,341	1,814,307	1,729,154	197,558	39,742,514
Transfers	0	0	0	0	0	0
Additions	2,197,258	1,401,843	88,623	369,696	0	4,057,420
Disposals	(467,310)	(16,299)	(207)	(29,402)	0	(513,218)
Closing - 31st July	34,021,102	5,095,885	1,902,723	2,069,448	197,558	43,286,716
Depreciation						
Opening - 1st August	8,501,770	1,729,944	1,278,532	703,238	179,760	12,393,244
Transfers	0	0	0	0	0	0
Charge in year	711,987	364,536	140,971	129,141	10,367	1,357,002
Disposals	(258,966)	(16,299)	(82)	(22,996)	0	(298,343)
Closing - 31st July	8,954,791	2,078,181	1,419,421	809,383	190,127	13,451,903
Net Book Value						
Opening - 1st August	23,789,384	1,980,397	535,775	1,025,916	17,798	27,349,270
Closing - 31st July	25,066,311	3,017,704	483,302	1,260,065	7,431	29,834,813

9. INVESTMENTS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Investment in subsidiary undertaking	-	-	100	100

10. COMPOSITION FEES

	2020	2019
	£	£
At 1 August 2019	1,944,150	2,134,007
Composition fees received	439,695	770,753
Income arising from investments	(45,092)	61,738
Management fees and similar charges	(11,847)	(20,179)
Applied to school fees	(863,359)	(957,006)
Net Movement in the year	<u>(480,603)</u>	<u>(144,694)</u>
Total liability as at 31 July 2020	1,463,547	1,989,313
Unrealised gain/(loss) on investments	(7,012)	(45,163)
At 31 July 2020	<u>1,456,535</u>	<u>1,944,150</u>
Represented by:		
Investment with Rathbones (2019 Ruffer)	1,158,313	1,809,068
Cash at bank	298,222	135,082
Interest Receivable	0	0
	<u>1,456,535</u>	<u>1,944,150</u>
Amounts falling due within one year	625,597	833,630
Amounts falling due after one and within five years	696,247	896,806
Amount falling due after five years		
	<u>1,321,844</u>	<u>1,730,436</u>
Composition Fees Reserve	134,691	213,714
	<u>1,456,535</u>	<u>1,944,150</u>

The investments are managed by Rathbone Brothers PLC in accordance with an investment policy established by the school as a trustee. The surplus of funds invested over liabilities has been recognised and is shown as a restricted reserve.

	2020	2019
	£	£
Investments representing Composition Fees Funds		
Investments representing restricted funds at cost	1,165,325	1,854,231
	<u>1,158,313</u>	<u>1,809,068</u>
Market value of assets representing restricted funds	1,158,313	1,809,068
	<u>1,158,313</u>	<u>1,809,068</u>
The funds are invested by Rathbones (2019 Ruffer)		
UK equities	422,301	165,609
Overseas equities	261,582	569,187
Index linked	217,497	662,671
Other	217,421	304,737
Cash and commitments	39,512	106,864
	<u>1,158,313</u>	<u>1,809,068</u>

11. OTHER INVESTMENTS

	2020	2019
	£	£
a) Assyrian Fund		
Cost of assets representing School Funds	5,965,675	6,455,939
	<u>5,943,028</u>	<u>6,258,770</u>
Market value of assets representing School Funds	5,943,028	6,258,770
	<u>5,943,028</u>	<u>6,258,770</u>
The funds are invested by Rathbones (2019 Ruffer)		
	2020	2019
	Total	Total
	£	£
UK equities	1,761,050	576,160
Overseas equities	2,069,625	1,975,558
Index linked	516,403	2,318,561
Other	1,059,734	1,039,621
Cash and commitments	536,216	348,870
	<u>5,943,028</u>	<u>6,258,770</u>
b) Other Assets held as Investments		
Market value of assets representing School Funds	8,750	8,750
	<u>8,750</u>	<u>8,750</u>
Total Other Investments	<u>5,951,778</u>	<u>6,267,520</u>

	2020	2019
	£	£
c) Restricted Funds - Scholarship, Bursaries and Prize Fund		
Investments representing restricted funds at cost	2,763,968	2,966,572
Market value of assets representing restricted funds	2,721,621	2,944,776
The funds are invested by Rathbones (2019 Ruffer)		
	2020	2019
	Total	Total
	£	£
UK equities	829,318	253,508
Overseas equities	950,230	880,465
Index linked	103,206	1,034,377
Other	219,117	476,595
Cash and commitments	619,750	299,831
	<u>2,721,621</u>	<u>2,944,776</u>

The investments are managed by Rathbones Investment Management Ltd (from February 2020, taken over from Ruffer LLP) in accordance with an investment policy established by the School as trustee. Notes 17 and 18 show the funds to which these investments relate.

12. STOCKS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Goods for resale	110,078	147,257	11,595	30,670

The replacement cost of stocks is not considered to be materially different from their historical costs.

13. DEBTORS

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Debtors in respect of school fee account	69,306	177,250	69,306	177,250
Amounts owed by subsidiary undertaking	0	0	53,052	171,526
Other debtors	224,135	74,579	203,410	31,882
Prepayments and accrued income	378,228	423,431	375,013	419,651
	<u>671,669</u>	<u>675,260</u>	<u>700,781</u>	<u>800,309</u>

14. CREDITORS: amounts falling due within one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
School fees paid on account	2,642,312	2,171,038	2,642,312	2,171,038
Composition fees (see note 10)	625,597	833,630	625,597	833,630
Trade creditors	548,186	692,373	535,641	677,154
Amounts owed to subsidiary undertaking	0	0	3,180	338
Other creditors	564,354	398,001	458,249	311,161
Taxation & social security	272,763	274,979	262,733	271,054
Finance lease obligations	2,810	1,806	0	0
Accruals and deferred income	1,390,773	1,215,915	1,285,978	1,161,194
	<u>6,046,795</u>	<u>5,587,742</u>	<u>5,813,690</u>	<u>5,425,569</u>

15. CREDITORS: amounts falling due after more than one year

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Composition fees due 2 - 5 years (see note 10)	696,247	896,806	696,247	896,806
Composition fees due more than 5 years (see note 10)	0	0	0	0
Deferred Income due 2 - 5 years	30,664	30,664	30,664	30,664
Deferred Income more than 5 years	107,324	114,990	107,324	114,990
Finance lease obligations due 2 - 5 years	547	3,829	0	0
Finance lease obligations more than 5 years	0	0	0	0
Pension Scheme Deficit 2 - 5 years (see note 21)	19,809	21,665	19,809	21,665
Pension Scheme Deficit more than 5 years (see note 21)	0	3,000	0	3,000
	<u>854,591</u>	<u>1,070,954</u>	<u>854,044</u>	<u>1,067,125</u>

The Deferred Income relates to a lease granted over land and is amortised over the life of the lease.

16. MOVEMENT IN TOTAL DEFERRED INCOME

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
As at 1st August	227,060	242,113	184,580	193,196
New Deferred Income	91,569	78,836	21	36,355
Released to SOFA	(81,407)	(93,889)	(38,926)	(44,971)
As at 31st July	<u>237,222</u>	<u>227,060</u>	<u>145,675</u>	<u>184,580</u>

17. FUNDS

	1 August 2018	Income	Expenditure	Gain/(Loss) on Investment Assets	Transfer Between Funds	1 August 2019	Income	Expenditure	Gain/(Loss) on Investment Assets	Transfer Between Funds	31 July 2020
	£	£	£	£	£	£	£	£	£	£	£
Unrestricted Funds											
Assyrian Fund	6,030,993	67,901	(55,160)	(10,270)	0	6,033,464	57,540	(46,000)	(295,201)	0	5,749,803
Canford Partnership Fund	242,453	2,680	(18,625)	(1,203)	0	225,305	2,069	(1,678)	(12,471)	0	213,225
Designated Property Fund	23,841,778	0	0	0	(52,393)	23,789,385	0	0	0	1,276,926	25,066,311
	30,115,224	70,581	(73,785)	(11,473)	(52,393)	30,048,154	59,609	(47,678)	(307,672)	1,276,926	31,029,339
General Fund	9,026,896	21,242,262	(18,986,231)	0	52,393	11,335,320	19,278,257	(19,155,200)	0	(1,276,926)	10,181,451
Total Unrestricted School Funds	39,142,120	21,312,843	(19,060,016)	(11,473)	0	41,383,474	19,337,866	(19,202,878)	(307,672)	0	41,210,790
Restricted Funds											
Composition Fees Fund	239,422	791,906	(813,038)	(4,577)	0	213,713	455,031	(466,612)	(67,441)	0	134,691
Scholarship Bursary and Prize Fund	2,704,495	679,604	(433,311)	8,959	0	2,959,747	98,414	(182,058)	(149,420)	0	2,726,683
Total Restricted School Funds	2,943,917	1,471,510	(1,246,349)	4,382	0	3,173,460	553,445	(648,670)	(216,861)	0	2,861,374
Total Charity Funds	42,086,037	22,784,353	(20,306,365)	(7,091)	0	44,556,934	19,891,311	(19,851,548)	(524,533)	0	44,072,164
Subsidiary Reserves	10,723	920,900	(920,900)	0	0	10,723	628,432	(628,432)	0	0	10,723
	42,096,760	23,705,253	(21,227,265)	(7,091)	0	44,567,657	20,519,743	(20,479,980)	(524,533)	0	44,082,886

The total of the Income and Expenditure in each year above matches the Net Income before transfers and investments gains/(losses) on the SOFA.

The cost of scholarships in the year from the Assyrian Fund and the Scholarship, Bursary and Prize Funds are included within the total for "scholarships, bursaries, grants and allowances" in note 2.

Purpose of funds

Unrestricted Funds

Assyrian Fund	This is designated for annual scholarship and bursary awards to students.
Canford Partnership Fund	This is designated for work carried out by pupils on trips to orphanages in countries such as Argentina, Ghana and India.
Designated Property Fund	This is designated to match the value of the investment made over the years in the fabric of School buildings.
General Fund	General reserves are available to the group. Governors monitor this fund on a regular basis, considering the working capital management of the School and the desire to continually improve facilities.

Restricted Funds

Composition Fees Fund	This is restricted to the advance payment of fees, and represents funds received in respect of school fees for current and future pupils.
Scholarship Bursary and Prize Fund	This is restricted to terms set out by donors for the provision of scholarships, bursaries and prizes.

Transfers between funds

£1,276,926 was transferred to the designated property fund from the general fund to match the movement in net book value of freehold land and buildings.

18. ALLOCATION OF NET ASSETS TO FUNDS

	Fixed assets	Investments	Other net assets/ (liabilities)	Long term liabilities	2020 Total	Fixed assets	Investments	Other net assets/ (liabilities)	Long term liabilities	2019 Total
	£	£	£	£	£	£	£	£	£	£
Unrestricted General Fund	4,789,030	8,750	5,552,737	(158,344)	10,192,173	3,592,648	8,751	7,918,791	(174,148)	11,346,042
Unrestricted School Funds										
Assyrian Fund	0	5,729,803	20,000	0	5,749,803	0	6,033,464	0	0	6,033,464
Canford Partnership Fund	0	213,225	0	0	213,225	0	225,305	0	0	225,305
Designated Property Fund	25,066,311	0	0	0	25,066,311	23,789,385	0	0	0	23,789,385
	25,066,311	5,943,028	20,000	0	31,029,339	23,789,385	6,258,769	0	0	30,048,154
Restricted Funds										
Composition Fees Fund	0	1,158,313	(327,375)	(696,247)	134,691	0	1,809,068	(698,549)	(896,806)	213,713
Scholarship Bursary and Prize Fund	0	2,721,621	5,062	0	2,726,683	0	2,944,776	14,971	0	2,959,747
	0	3,879,934	(322,313)	(696,247)	2,861,374	0	4,753,844	(683,578)	(896,806)	3,173,460
	29,855,341	9,831,712	5,250,424	(854,591)	44,082,886	27,382,033	11,021,364	7,235,213	(1,070,954)	44,567,656

19. OPERATING LEASE COMMITMENTS

At 31 July 2020 the company's future minimum operating lease payments are as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Within one year	78,441	78,490	74,204	77,959
Between 1 and 5 years	117,963	148,593	106,438	148,593

At 31 July 2020 the company's future minimum operating lease income is as follows:

	Group		Charity	
	2020	2019	2020	2019
	£	£	£	£
Within one year	7,666	7,666	7,666	7,666
Between 1 and 5 years	38,330	38,330	38,330	38,330
Over 5 years	107,323	114,989	107,323	114,989

20. CAPITAL COMMITMENTS

Capital expenditure authorised and contracted for at the balance sheet date amounted to £7,363,490 (2019: £189,571).

21. PENSIONS

The Group operates two pension schemes: Teachers are enrolled in the Teachers' Pension Scheme and Support Staff are offered a Scottish Widows Group Personal Pension Plan. Staff who do not elect to join one of two schemes offered are swept up into the Scottish Widows scheme under auto-enrolment rules. The School is also responsible for paying a share of the pension costs for employees of the Allied School Agency Limited which provides company secretarial and other services to the School through The Pensions Trust Growth Plan. The figures shown below include this liability.

Teachers Pensions

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 £1,161,746 (2019: £796,226).

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions 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.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's 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 a total employer contribution rate of 23.68%.

The 31 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 the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment 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 discriminations will be remedied. A consultation was launched by the government on 16 July 2020 and closed to responses on 11 October 2020.

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 that there would be a review of this cost cap mechanism, in January 2019 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. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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 the consultation and the cost cap mechanism review are completed 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.

The Pensions Trust Growth Plan

To fulfil the School's responsibility to the Allied Schools Agency Limited the company participates in this multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

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

Overall Scheme Deficit Contributions

From 1 April 2019 to 31 January 2025: £11,343,000 per annum (payable monthly and increasing by 3% each on 1st April).

Company Deficit Contributions

From 1 April 2016 to 30 September 2028: £5,234 per annum (payable monthly and increasing by 3% each on 1st April).

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

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

PRESENT VALUES OF PROVISION

	31-Jul-20	31-Jul-19
	(£000s)	(£000s)
Present value of provision	25	30

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period	Period
	Ending	Ending
	31-Jul-20	31-Jul-19
	(£000s)	(£000s)
Provision at start of period	30	47
Unwinding of the discount factor (interest expense)	0	1
Deficit contribution paid	(5)	(6)
Remeasurements - impact of any change in assumptions	0	1
Remeasurements - amendments to the contribution schedule	0	(13)
Provision at end of period	25	30

INCOME AND EXPENDITURE IMPACT

	Period	Period
	Ending	Ending
	31-Jul-20	31-Jul-19
	(£000s)	(£000s)
Interest expense	0	1
Remeasurements - impact of any change in assumptions	0	1
Remeasurements - amendments to the contribution schedule	0	(13)
Contributions paid in respect of future service*	0	0
Costs recognised in income and expenditure account	0	(11)

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

ASSUMPTIONS

	31-Jul-20	31-Jul-19
	% per	% per
	annum	annum
Rate of discount	0.60	1.00

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan

contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

DEFICIT CONTRIBUTIONS SCHEDULE

Year ending	31-Jul-20 (£000s)	31-Jul-19 (£000s)
Year 1	5	5
Year 2	6	5
Year 3	6	6
Year 4	6	6
Year 5	3	6
Year 6	0	3
Year 7	0	0
Year 8	0	0
Year 9	0	0
Year 10	0	0

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

22. ANALYSIS OF CHANGES IN NET DEBT

	1 August 2019	Cashflows	New Finance Leases	Fair Value Movements	Foreign Exchange Movements	Other Non Cash Movements	31 July 2020
Cash	12,000,438	(1,484,966)	0	0	0	0	10,515,472
Composition fees	(1,730,437)	423,666	0	0	0	(15,071)	(1,321,842)
Finance lease obligation	(5,635)	2,278	0	0	0	0	(3,357)
	<u>10,264,366</u>	<u>(1,059,022)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(15,071)</u>	<u>9,190,273</u>