

Berkhamsted Schools Group

REPORT AND FINANCIAL STATEMENTS

For the year ended
31 July 2021

Berkhamsted Schools Group

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Berkhamsted Schools Group

WHO WE ARE

Berkhamsted Schools Group is a prestigious group of independent day schools in Hertfordshire and Buckinghamshire which also offer boarding for the senior year groups. Founded in 1541, the school celebrated 480 years of history and tradition in 2021. We are a school firmly rooted in our local community with an international outlook having overseas students joining the school from Year 10.

Berkhamsted has an outstanding reputation based on the following key characteristics:

A 'diamond school' - one of just a handful in the country, Berkhamsted offers co-educational tuition up to age 11 and single sex classroom education from the age of 11 to 16 - at a time when we believe girls and boys benefit most from being taught separately in the classroom, whilst extracurricular activities are undertaken co-educationally at all ages. Girls and boys come back together in a co-educational Sixth Form. We also have a girls-only Prep School, Heatherton, in Amersham, which has a co-educational nursery class.

A passion for learning and well-being – the world is changing at an ever-increasing pace. We believe life-long learning will be required of all of us and awareness of the skills that enable us to learn effectively are a key requirement. At the school we develop these skills through the use of an educational framework called "Building Learning Power" which underpins our approach in the classroom and in all extra-curricular activities. We also believe that our pupils need to develop mental toughness and resilience to believe they can cope with whatever life throws at them. Our well-being programme and framework is at the forefront of any school programme in the country and we care deeply about the well-being of our school community and the individuals within it.

A broad education - we develop outstanding, well-rounded, remarkable young people through a broad education based not just on academic excellence, but also through activities outside the classroom, including sport, outdoor education, music, art and drama. We are proud to have produced excellence at national and international levels while maintaining very high levels of pupil participation in extra-curricular activities. We have one of the most outstanding outdoor education programmes at any school in the country, demonstrated by the high numbers of participants in the Duke of Edinburgh's Award at all levels, and the range of experiences offered through our Combined Cadet Force. Every pupil in senior school attends Bushcraft training and spends a night under canvas as part of the introduction to the Duke of Edinburgh's Award.

A school that 'grows with you' - we offer our pupils fantastic experiences and opportunities that stretch their abilities and develop their all-round potential at all stages throughout their formative years. Our pupils leave us with the qualifications and life skills needed to make a successful transition to the next stage of life, be that a top university, or the start of their career in the workplace. These are gained through initiatives such as our innovative The Student Consultancy, pioneered at Berkhamsted in conjunction with the Oxford University Careers Service and since rolled out nationally or the work experience opportunities we provide to our Sixth Formers. Other opportunities exist at our Sports Centre as a lifeguard or with our in-house caterers to gain customer service experience at School events.

Outstanding pastoral care – we are predominantly a day school running on structures built up through a history of being a traditional boarding school. We have a vertical house system, run by Heads of House and their teams of tutors, who oversee and support each child's personal development.

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A large school with a small school feel - we are based on four campuses in Berkhamsted and one in Amersham, each structured to cater for the different age groups taught at those sites from Pre-Prep in the woodland setting of the Haresfoot campus to a Sixth Form moving between Castle and Kings campuses as a taster of what lies ahead at university. Each school benefits from outstanding whole school facilities in close proximity, which smaller schools are unable to provide. Examples include our 500 seat Centenary Theatre, the Knox-Johnston Sports Centre and 25 metre swimming pool, nine Eton Fives courts, a Wooded Gruffalo Trail and our High Ropes course.

A school with community spirit - our pupils are consistently helping in the community and looking to uphold the school's value of 'Serving Others'. From the Prep school children visiting the local care home for regular musical performances, to Year 7 boys litter picking across town, through to our Sixth Formers helping at local primary schools and in High Street charity shops. The introduction of The Berkhamsted Society has also offered our local neighbours the opportunity to use the school's facilities and attend a number of cultural events which are open to all. We work with maintained sector schools in Berkhamsted, Hemel Hempstead and Luton, and co-sponsor the Wren Academies Trust.

A school which supports working parents - we provide care at all stages of a child's school journey so parents need never be concerned if they are delayed at the office, have to go on a business trip, or wish to find activities for their child in the holidays. We provide wrap-around care at both ends of the day up to Prep School, flexi-boarding at the senior schools, and work with a specialist company to lay on a range of courses and activities during half terms. We offer all year-round nursery provision from five months to three years old. In addition, our travel network also offers those in senior school a coach service from home to school each day with late services available to cater for those pupils taking part in after-school activities.

A key aim of the Berkhamsted Schools Group is to deliver teaching and learning excellence for the benefit of pupils throughout the group. Investment in the continuous training, professional development and well-being of our staff is a priority. We are proud to have been awarded the Investors in People Gold Award twice in recent years, an unprecedented achievement for an independent school, reflecting our commitment to this aim.

Berkhamsted Schools Group

GOVERNORS

The Board of Governors is appointed in accordance with the terms and conditions laid down in the Scheme of the Charity Commissioners for England and Wales sealed on 29 August 1996. Except as otherwise indicated, the Governors served throughout the year and are as follows:

	Appointed /Resigned	(1)	(2)	(3)	(4)	(5)	(6)
G.C. Laws (Chair)	Appointed 17 March 2012	* (c)				* (c)	* (c)
S. Turner (Vice Chair until 5 December 2020)	Appointed 19 January 2011 Resigned 5 December 2020			*		*	
D.J. Atkins	Appointed 1 September 2014		*				
Prof S-J Blakemore	Appointed 17 June 2017				*		
A.K. Fahy	Appointed 1 September 2014 Resigned 13 March 2021		*				
Dr M.A. Fenton	Appointed 1 January 2014				*		
A.R Hart	Appointed 1 December 2018			*			
K Musgrave *	Appointed 1 December 2018		*		*		
K Niljar	Appointed 24 September 2020				*		
C. Nicholls	Appointed 1 September 2015	*			* (c)		
S. Rolland	Appointed 19 January 2011			*			
S. Shields	Appointed 25 March 2017			*			
S. Tidey	Appointed 19 January 2011 Resigned 5 December 2020		*				
J.J. Smith	Appointed 1 September 2020				*		*
N. Twogood	Appointed 1 September 2015	*	* (c)			*	*
A. Wilcock	Appointed 26 November 2016				*		
J. Williams (Vice-Chair from 5 December 2020)	Appointed 1 March 2018	*		* (c)		*	

- (1) Chair's Committee
- (2) Finance and Property Committee
- (3) Risk and Regulatory Committee
- (4) Education Committee
- (5) Nominations Committee
- (6) Remuneration Committee

- (c) Chair

Note * K Musgrave served initially on the Education Committee before switching to the Finance & Property Committee in March 2021

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OFFICERS

The Principal	R P Backhouse MA (Cantab)
Clerk to the Governors	M Shell LL.B (Hons)
Vice Principal	A Ford BA
Chief Operating Officer	J Anthony BSc, FCA
Chief People Officer	T L Evans CIPD, FInstLM
Assistant Vice Principal (External Relations)	R C Thompson BA
Headteacher, Berkhamsted Sixth	M Walker BA
Headteacher, Berkhamsted Boys	M-C Startin BA, MA
Headteacher, Berkhamsted Girls	E A Richardson BA
Headteacher, Berkhamsted Prep	J Hornshaw MEd, BEd, NPQH, FInstLM
Headteacher, Heatherton (left 31 st August 2020)	D Isaachsen MEd, BEd (Hons)
Headteacher, Heatherton (joined 1 st September 2020)	N Nicoll MEd, BEd (Hons)
Headteacher, Berkhamsted Pre-Prep	K O'Connor BA (Hons), PGCE, NPQH

Principal address and Registered Office

6 Chesham Road
Berkhamsted
Hertfordshire HP4 3AA

Bankers	NatWest Bank P.O. Box 202 199 High Street Berkhamsted Hertfordshire HP4 1BH
Solicitors	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS
Auditors	Crowe U.K. LLP 55 Ludgate Hill London EC4M 7JW
Investment Advisors	Brewin Dolphin 12 Smithfield Street London EC1A 9BD
Insurance Brokers	Aon UK Limited 8 Devonshire Square London EC2M 4PL
Property Advisers	Aitchison Raffety 8 Cavendish Square London W1G 0PD

Bidwells
Trumpington Road
Cambridge CB2 9LD

Berkhamsted Schools Group

ANNUAL REPORT OF THE GOVERNORS CHAIR'S REPORT

CHAIR'S REPORT

Despite the disruptions imposed on them by the pandemic, staff and students at the Berkhamsted Schools Group have had a year characterised by outstanding support for students academically, pastorally, and, as far as has been possible, in their extra-curricular pursuits. Parental feedback has been exceptionally strong. Consequently, the reputation of the school grows: enquiries for places have risen by double digit percentages and we have waiting lists for entry into many of our year groups.

Our aim is to be a school which serves its local community excellently, with outstanding staff and infrastructure that compares to the best in the country. We want to be world class in everything we do to give the young people here the best chance to develop and succeed in whatever they choose to do. We do not just select pupils purely on academic skills – we offer an all-round education challenging our students and giving them real skills to help in later life.

During the academic year we have continued to build on our Digital Device Provision strategy which saw School Microsoft Surface devices provided to every child in Years 5-13. The use of Microsoft Teams and OneNote and digital device provision continued to be expanded to support the teaching of skills and dispositions consistent with our long-term strategy to implement Professor Guy Claxton's research on excellent learning and teaching.

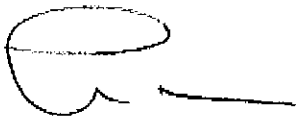
We continue to invest sustainably in our infrastructure. During the year, planning permission was obtained for a new Sixth Form Centre, and projects to relocate maintenance workshops and the Principal's accommodation were successfully undertaken. The refurbishment of Deans' Hall to provide flexible lecture space and large group accommodation for up to 500 pupils was completed on time and to the highest standard. Berkhamsted Day Nursery's accommodation was upgraded to provide an improved environment for our youngest pupils. Negotiations were successfully undertaken to acquire a valuable piece of land adjacent to Heatherton. We have now invested over £30m in the schools' sites during the last 15 years. We recognise that students and parents rightly expect first class facilities, and we are continuing to invest in infrastructure which generates educational opportunities for young people. We are also very aware that affordability of school fees is at the front of many parents' minds. Our goal is to provide an outstanding all-round education at a competitive price and therefore we have continued to strive to constrain our fee increases for the past few years whilst finding efficiencies within the schools to allow continued investment in staff and facilities.

With over 500 staff and around 2,000 pupils aged between 5 months and 18 years old, and in excess of 100 acres of land in Berkhamsted, we recognise our importance and need to contribute to, the local community. Our students have committed thousands of hours of their time to community service, with nearly 2,000 hours by the sixth form alone. Whether it's visiting a senior citizens' home, a hospice, reading with pupils at local primary schools, or working with disabled adults and children, Berkhamstedians' time and effort makes a difference to the lives of so many in our community. We also open up our facilities up to the community, and the Knox-Johnston Sports Centre is very well used outside of school hours. We support the people of the area through the provision of wraparound care and holiday camps to help working parents. In a new development, we have hosted booster weeks for Looked After Children in partnership with Hertfordshire Virtual Schools in both Easter and Summer holidays and participated in a pilot in which teaching staff mentored Key Stage 5 students in Wandsworth. The Berkhamsted Schools Group and the London Diocesan Board for Schools continue to co-sponsor the Wren Academies Trust who have opened a new school in Enfield.

Berkhamsted Schools Group

ANNUAL REPORT OF THE GOVERNORS CHAIR'S REPORT

The community of the school – staff, pupils and parents – have worked together in an extraordinary way in the last 12 months. I would like particularly to thank the staff for their commitment and dedication. I would also like to place on record my appreciation of all the work done by Governors this year. Berkhamsted Schools Group is in good shape and ready for any challenges that may be thrown at us.



G.C. LAWS
Chair of Governors

Berkhamsted Schools Group

STRATEGIC REPORT

CONSTITUTION AND OBJECTS

Berkhamsted Grammar School was founded on 14 October 1541, re-founded by an Act of Parliament in 1549, and is regulated by a scheme made under the Endowed Schools Act on 13 May 1887 and subsequent amendments. Berkhamsted Girls Grammar School was constituted by the above scheme on 13 May 1887. The administration and management of these two charities and other subsidiary charities were amalgamated by a scheme dated 14 August 1975 approved by the Charity Commissioners for England and Wales.

With effect from 1 August 2011, the School merged with Heatherton House, a Prep School for Girls in Amersham. As part of the merger process, Berkhamsted School changed its name to Berkhamsted Schools Group and became an incorporated charity. The registered charity number is 310630 and the registered company number is 622349.

The Charity has two operating wholly owned non-charitable subsidiaries, Berkhamsted School Enterprises Limited and Berkhamsted Day Nursery Limited. The school actively supports the provision of the highest standards of education in the independent sector and co-operates with many local charities, schools and organisations to widen public access to the education and facilities it provides for the public benefit.

The School's objects and principal activity, as set out in the Articles of Association, are to promote the education (including social and physical training) of boys and girls for the public benefit and in particular to conduct and maintain day or day and boarding schools in or near Berkhamsted, at which religious education in accordance with the principles of the Church of England is provided.

GOVERNANCE AND MANAGEMENT

Governing Body

There is one Governing Body for all the schools in the Group. Details of the Governing Body, together with the school's officers and principal advisors, are given on pages 4-5.

The Governing Body consists of between twelve and fifteen people with each Governor term limited to three years. Each Governor is limited to a maximum of three terms, unless elected to become the Chair or Vice Chair, or if the Board consider it would be in the best interest of the Charity for a Governor to be eligible for re-election, in which case further terms are permissible.

Recruitment and Training of Governors

The school's Governors are appointed at a meeting of the Governing Body on the basis of recommendations made by the Nominations Committee, taking into account eligibility, personal competence, specialist skills and availability.

New Governors are inducted into the workings of the school and of the Charity, including Strategy, Policies and Procedures, at an induction meeting organised by the Clerk to the Governors. Governor training is carried out by using seminars either organised nationally or arranged internally.

Having carried out a detailed self-assessment exercise in March 2020 the Governors are familiar with the Charity Governance Code including updates published in December 2020 which sets out the principles and recommended practice for good governance within the sector. As a result of their self-assessment review, the Governors implemented some additional practices including the following:

- Ensure suppliers have a strong environment sustainability programme when tendering for services such as catering and construction

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- At the end of the auditors' annual presentation to the Finance & Property committee, the Executive team to be asked to leave the room for a few minutes so that the Governors have the opportunity to meet the auditors without paid staff being present at least once a year.
- Carry out an SDI (Strength Deployment Inventory) session with Governors, identifying personal characteristics, strengths and overdone strengths, to enhance their abilities to lead with clarity and empathy, building stronger teams, and more effectively navigating conflict.
- Formalise the Governors' skills register for submission to the Board
- Enhanced processes and website coverage for interested parties to apply for vacant Governor positions
- Add complaints reporting as a standing agenda item for Risk & Regulatory Committee.

The Governors are therefore satisfied that the Charity applies the principles of the code within its current Governance arrangements.

Organisational Management

The School Governors, as the Trustees of the Charity, are legally responsible for the overall management and control of the school and normally meet four times each year, plus one biennial meeting usually in Lent Term to review strategy.

The School's Committees are:

- The Finance and Property Committee, whose responsibility is to plan and oversee delivery of the Board's strategies in relation to all financial and property matters.
- The Education Committee, whose responsibility is to plan and oversee the delivery of all academic, co-curricular and pastoral education.
- The Risk and Regulatory Committee, which has responsibility for the implementation, ongoing management and review of performance in practice of the Group's regulatory, statutory and general policies. It also acts to ensure that major risks for the Group are actively managed, and that an appropriate balance is struck between controls to mitigate risk and the costs (financial or non-financial) associated with doing so and to monitor the environmental and sustainability activities being done across the group to ensure we continually work to improve our environmental impact.
- The Chair's Committee, comprising the Chair of Governors, the Chairs of the other Governor Committees, the Principal, Vice Principal, Chief Operating Officer and Chief People Officer. The function of this Committee is to review strategic issues prior to consideration by the full Governing Body.
- The Nominations Committee, which has responsibility for overseeing Governor and Executive appointments.
- The Remuneration Committee, which has responsibility for setting the remuneration of the Principal and overseeing the remuneration of other senior personnel.

The day-to-day management of the school is delegated to the Principal, Vice Principal, Chief Operating Officer and Chief People Officer who, together with the Headteachers of the respective schools in the group and the Vice Principal, External Relations form the Executive. The Executive is supported by the Senior Management Team which includes the Deputy Heads and other key educational and operational roles. Remuneration of staff is set by the Governors with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding fairly and responsibly individual contributions to the school's success.

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The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the school remains sensitive to the broader issues of pay and employment conditions elsewhere.

We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the school's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

Employment Policy

The 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.

The school has a Disability policy and an Equal Opportunities policy, which is compliant with the Equality Act 2010, and has regard to the guidance issued by the Equality and Human Rights Commission "What equality law means for you as an education provider: schools". The Disability policy states that the school will maintain and drive a positive culture towards inclusion of disabled people in all the activities of the school, and will not knowingly discriminate against any disabled person, including in matters of employment such as admissions, training and career development.

In addition, the school has a strict Staff Code of Conduct policy that sets the standards of behaviour for all staff to ensure the ethos of the school is maintained.

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AIMS, OBJECTIVES AND ACTIVITIES

Aims

The School's aim for the public benefit is to be the first-choice independent school in the area for families seeking educational excellence.

The governors are mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Board has monitored closely the guidance of public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.

Primary Objectives

The primary objectives of the School to fulfil these aims are for every pupil to:

- develop the skills and ambition necessary for lifelong success;
- strive for the best achievements possible;
- grow in moral purpose and courage to become respectful and wise;
- explore and enjoy the fullest breadth and extent of life's opportunities;
- contribute to the success and wellbeing of each other, locally, nationally and globally;
- belong to a community which looks outwards and forwards;
- be inspired by the School's values, heritage, and Christian foundation.

The aims and objectives set for the School's subsidiaries are to facilitate the achievement of the School's aims and objectives as above.

The School continues to place huge importance on its Core Values. At the heart of every decision made and practice used we continue to cultivate a culture in which our values are evident. Our Values are as follows:

- Aim High with Integrity

We believe that we should strive to be the best possible version of ourselves, in the classroom or debating chamber, on the stage or sports pitches, to be the best we can be in everything we do. To aim high *with integrity* means being successful without exercising sharp elbows. Try, as CS Lewis suggested, to 'do the right thing even when no one is looking'. Whatever we achieve in life will be all the more worthy if it is done in support and not at the expense, of others.

- Be Adventurous

Being adventurous is an important ingredient of aiming high. We need to discover what our talents might be before we can develop them, and this will only happen if we are adventurous in thought, word, and deed. We must all have the courage to fail and the resilience to do so repeatedly...because we will. We should all think of mistakes – whether made by ourselves or others – as opportunities to learn. As Nelson Mandela once said: 'Do not judge me by my successes; judge me by how many times I fell down and got up again.' If we are all brave enough to try, fail and then start again, we will all, in time, become the best we can be.

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- **Serve Others**

We want our students to grow in moral purpose, character, and courage as they go through our school, and in doing so, contribute to the wellbeing of our community. We want them to become remarkable people. Our definition of success is an inclusive one, and our expectation of school life is for it to be a team game: we believe it is as important to contribute to the successes of others as to our own. Our definition of leadership includes elements of altruism, and being a school community, we often find that, in giving, we are also receiving. We celebrate and encourage the work of our students in the local community, as volunteers for example, and as those who engineer change for good, inside and outside the School. Our expectation is that Berkhamstedians will not just go on and do well, although of course, we expect that they will, but that they will also go on and do good.

STRATEGIES TO ACHIEVE PRIMARY OBJECTIVES

The Group has selected seven areas of focus, which will not only help us to meet our primary aims and objectives but move us to a position where we are recognised to be world class. It must be noted that this list does not preclude our pursuit of excellence in all areas.

Teaching and Learning / ICT

Building Learning Power, a whole school approach to teaching and learning, is being embedded across the group to provide a core focus on dispositions within the four learning types (emotional, social, cognitive, and strategic). We will continue to work with schools in both the independent and maintained sectors, universities, and teacher training institutions to share best practice so that Berkhamsted becomes a centre of excellence for teaching and learning. Alongside a strong focus on cyber security we have this year rolled out phase 3 of the Digital Device provision, issuing 575 new and replacement devices as well as migrating to a new intranet and resource platform providing staff and pupils with an easy to use dashboard and navigation, consolidating the digital side of teaching and learning.

Wellbeing

The school recognises the importance of wellbeing amongst its pupils and staff and employs several strategies to encourage and promote it. The senior school operates a house system which ensures a high level of pastoral care for pupils which is further supported by the availability of counselling services and other initiatives such as the presence of wellbeing dogs throughout the school week. In all parts of the school, class sizes are small enough to enable our teachers to notice any behavioural changes that may require their intervention. Staff wellbeing is also deemed very important and all staff have access to counselling services on request and provision is made for other beneficial activities such as mindfulness sessions, yoga, wellbeing treatments and a wide range of other social activities.

Outdoor Education

Very few schools in the South-East have strong Outdoor Education -- this is seen as a market differentiator. The School has a long and distinguished Duke of Edinburgh Award programme and Combined Cadet Force (CCF). Today pupils from Stepping Stones through to Year 13 have extensive opportunities to have a range of outdoor education experiences both at school and around the country and world. An Outdoor Education centre for the Group has been established on the site of the Pre-Prep school.

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Business Education and Skills

Berkhamsted is a business community and many of our parents are business professionals. Berkhamsted School is well placed to be a leader in Business Education and Skills and looks to achieve this by closing

the gap between academic education and the world of work. We give our pupils an understanding of how business works and experience of the workplace outside of the main curriculum. By developing links with alumni and the local community we can offer insights into business and provide enterprise opportunities to enable pupils to develop the skills required for the modern workplace. We are now planning for a new Sixth Form Centre configured to help bridge the gap between school, university and work, and we continue to seek international opportunities that could give pupils a taste of international culture and diversity that will prepare them for careers in a global market.

Early Years

Berkhamsted is a centre of excellence for Early Years Education, regularly hosting national Early Years' conferences and is seen as a beacon of best practice. We have a highly innovative curriculum and some of the best facilities in the country. The teaching facilities at the Pre-Prep in a wonderful woodland setting enable the school to provide the very best in Early Years Education.

Sport

Berkhamsted has a distinguished sporting heritage for both boys' and girls' sport. We aim to be one of the top sporting schools in England by being consistently:

- in the top four schools nationally at Lacrosse, with Regional and National representatives;
- in the top 18 schools nationally at Netball;
- in the top 12 schools nationally at Rugby, with Regional and National representatives;
- the best Fives school in the country for boys and girls, attaining National Championship titles.

Furthermore, we actively seek to have some of the highest participation rates in school sport for a large school as evidenced by the number of pupils who actively participate in physical activity each and every week even though chances of representing the school at sport have been temporarily halted due to Covid.

Music and Drama

Berkhamsted offers pupils the opportunity of music and drama within the curriculum across the age span, but many pupils undertake additional lessons with 378 Senior pupils playing an instrument and 244 music exams taken by Senior pupils in the 2020/21 academic year. Drama also has many participants with over 300 Senior pupils taking LAMDA lessons each term

FUTURE PLANS

The Group's current Strategic Plan was agreed by Governors in 2020 and is subject to bi-annual review by Governors. Significant progress has been made towards the objectives identified in this plan. Future plans to underpin the Group's primary aims and objectives include:

- Continuing to identify and embed the values that the School seeks to live by day to day – to aim high with integrity, be adventurous and serve others based on our heritage and in our community;

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- Developing the education offered to pupils so that it meets excellently the challenges posed by contemporary changes in society, the economy, further education and the workplace;
- Enabling young people to pursue a diverse range of activities and studies excellently, in order to develop character and intellect, and to have outstanding opportunities;
- Attracting and retaining the best teachers, and sector leading staff development;
- Optimising the Group's facilities to better meet the challenges and opportunities above;
- Delivering public benefit by engagement with the local community, co-sponsorship of a MAT, a programme of life-changing bursaries by means of the Anniversary Fund, and more formal and informal partnerships with maintained sector schools.

ACHIEVEMENTS AND PERFORMANCE

Review of achievements and performance for the year

The School has again had a remarkable year. During the 2020/21 academic year the School averaged 2,002 pupils, of whom 1,958 were day pupils. This compares to 1,965 and 1,921 pupils in 2019/20 respectively. Demand for places continues to be high, allowing for comprehensive planning for future improvements and developments.

Following the pandemic, pupils have continued to thrive with their studies via the use of technology. During the year teachers were briefed and guided on the Teacher Assessed Grade process. The Year 11 and Year 13 students along with their parents were provided with guidelines as to how their results would be calculated. These grades were submitted to the exam boards and after following their own procedures the boards issued results as usual in August (albeit a bit earlier than normal). The results overall, especially the value that we add to our pupils, showed an increase from the previous year. Over 30% of GCSE results were at grade 9 and 74% at grade 7 or above. The increase in both attainment and value-added continues to show that Berkhamsted adds significant improvement to pupil outcomes when measured against other participating independent schools.

A-level results were also calculated according to the Government guidelines through the pandemic. Students increased the attainment of the top grades from 22.5% to 32.2% graded at A*; 63% at A* or A; and 88% at A*, A or B. An increase was seen in all the highest grades by our hard-working pupils. Value-added results were as expected.

In Sport, Michaelmas Term kicked off in year group bubbles, with a programme focusing on the 'Return to Sport'. Emphasis was on re-conditioning, athletic development and re-introducing the fundamentals of each sport. Rugby followed the Ready4Rugby initiative – introduced by RFU in recognition of time away from competition in the sport. Saturday Sport began an internal programme of inter year competition and attracted over 500 pupils weekly across Cricket, Football, Rugby, Lacrosse, Netball and Eton Fives. All Sports utilised House Competitions in year groups through the first half term, again looking for creative ways to continue to offer competition.

Lent Term was delivered largely remotely with an emphasis on keeping students engaged in physical activity. The department led two whole school Challenges - 'Berko around the world' (covering the distance of the Earth's circumference as a school community in two weeks), and 'The Berk-tual Challenge' (a series of personal virtual challenges to walk, run or cycle some of the most famous routes in the world). Other department initiatives included daily live high intensity interval training workouts, keeping an exercise diary at Key Stage 3, Beat the Teacher Week, and a virtual Parents in Sport workshop.

Trinity Term enabled the PE department to return to sport again and focused on the following aims for the

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term; Return to normality, Socialise and be active, Compete again safely. The department ran a successful Athletics, Tennis and Cricket pre-season and then resumed external fixtures. 39 boys and girls teams made up of 503 students played 139 cricket fixtures across the term and in tennis the highlight was the U13 boys

team reaching the Aegon County Final. The department also ran 12 separate sports days, to incorporate both genders in each year group separately.

Team successes included winning 2 national netball titles in the Under 14 age group and 6 national Equestrian titles including 4 British Show Jumping victories and 2 titles at the NSEA National Championships held at Hickstead. The school also became National Eton Fives champions in the Under 11 age group.

There were also notable individual successes including selection for National representation in Lacrosse, Athletics and Cricket.

In Outdoor Education the Duke of Edinburgh Award enrolment remained high and throughout the summer the team were one of the few DoE centres to offer socially distanced camps to allow our pupils to finish their bronze and gold planned trips.

The school's high ropes course continued to be used for teambuilding for pupils, house events, public benefit days and staff CPD. The Outdoor Education team regularly support all the schools in the group and have links with Ashlyns School, Tring School, and the Wren Academy. The development of the use of this site with other independent schools began with a successful Year 8 trip from Edge Grove, but sadly the effects of the pandemic meant that this has not developed further.

Pupils from Years 7 to 13 (over 1,100 pupils) enjoyed over 86 clubs of a huge variety, an increase in clubs on the previous year. Many clubs were pupil led and supported by a teacher giving pupils the opportunity to mix with other age groups and genders.

Our value to 'Serve Others' often sees our students giving something back to the local community. This continued with the regular House charity support, the Year 13 volunteering and the Year 7 litter picking. During the pandemic many of our students also took it upon themselves to support their local community or to raise funds for a charity that they knew was suffering due to the lockdown and lack of fundraising events. Pupils also took on a number of virtual challenges from a virtual bike ride (cycling from John O'Groats to Land's End) to sponsored walks from our youngest pupils at the Prep through to making scrubs for Nurses at the local hospital or delivery of hand-baked cookies to neighbours. The school also came together for a reverse muft seeing pupils don rainbow colours with their school uniform to raise over £5,000 across the group for a range of charities including the NHS.

Due to Covid restrictions we ran a virtual Prize Giving service, with the focus of our prizes being the school values. This was a real change of focus, as students are usually awarded prizes for subject related achievement and effort.

PUBLIC BENEFIT

In considering the provision of Public Benefit, the Governors have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011.

Scholarships and Bursaries

The Governors are committed to broadening access to the School by offering means-tested bursaries to eligible parents/guardians. The gross value of scholarships and bursaries awarded totalled £1.178m (2020;

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£1.082m) of which £1.083m (2020: £0.937m) was met from unrestricted funds, where the policy is to assist in hardship cases where the pupil's education and future prospects would otherwise be at risk. Bursaries are available both to new pupils to the School where a scholarship place has been offered where parents/guardians cannot afford the tuition fees and existing pupils where a change in parents'/guardians' circumstances has resulted in difficulty in meeting tuition fees and may otherwise result in a pupil being withdrawn part way through a stage of education.

The school has continued with its plans to raise the level of bursary funding through an increased programme of activity to reach out to talented pupils in the local community who would benefit from financial assistance towards fees. Bursary funding was £0.782m (2020: £0.678m) which supported 56 pupils, 18 of these receiving fully funded school places.

Scholarships are awarded on merit to pupils who Governors wish to attract to the school because of the contribution that they can make to school life, be that academic, musical, sporting, creative or leadership. Individual scholarship awards are usually worth 10% of tuition fees and means-tested bursaries are available to increase the support where needed. Financial assistance may also be provided, where appropriate, for uniform and sports kit, travel to and from School and for extra-curricular activities and lessons.

Partnerships with other schools and the community

The school seeks to share its expertise and perspectives with colleagues from state schools. This has involved exchanging teaching experience for newly qualified teachers and trainees and providing INSET advice for state schoolteachers and moderators. Our sports staff have organised tournaments for local and other state schools and the regular annual Oxbridge Information Evening is open to local state schools.

Our pupils take part in many activities in the community including visiting the local Hospice, helping in charity shops, visiting the elderly, hosting an Easter tea party, as well as assisting in local primary schools. Year 13 students also join The Student Consultancy which is run in conjunction with the Careers Service at the University of Oxford, a programme which is now being rolled out to schools around the country after its introduction here through which free management consultancy is offered to charities and local government.

The school's Knox-Johnston Sports Centre is open to the public and priority is given to local children's groups and clubs.

The school is a co-sponsor with the London Diocese for Schools of Wren Academies Trust, based in Finchley and Enfield, providing two Directors for the Board, and two governors for the local governing bodies. The school continues to offer extensive help and advice to both the senior team and to Heads of Department at Wren Academy Finchley. Pupils from Wren Academy Finchley continue to enjoy visits to utilise the school's extensive facilities on site, as well as some of our education programmes. The relationship with Wren is of mutual benefit for both parties. For example, Wren's experience of being a Building Learning Power school pre-dates ours.

We have also developed a similar partnership with Denbigh High School in Luton, sharing access to facilities and expertise. Denbigh High School does not have its own Sixth Form, and in September 2018 we admitted an initial intake of six aspirational pupils from this school to benefit from a Berkhamsted Sixth Form education, funded completely from School bursary funds and targeted donations. A further Seven pupils from Denbigh High School have joined our Sixth Form in September 2021, making a total of 29 since 2018.

Our Chief People Officer and Assistant Vice Principal (External Relations) are both serving governors at local schools (Ashlyns School in Berkhamsted and Gayhurst School in Gerrards Cross respectively). The Headteacher of Berkhamsted Sixth Form is a governor at Chesham Preparatory School, the Headteacher of Berkhamsted Girls School is a director of the Bishop Ramsey CE Academies Trust and the Headteacher of Berkhamsted Prep School is a governor at York House School.

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Further afield the Preparatory and Senior Schools have sustained their links with the Ntsundwane Primary and Sandi Secondary Schools in Eastern Cape Province, South Africa. During 2021 the school also donated thousands of pounds worth of classroom furniture, books, dining room fixtures and sports equipment to schools in Gambia through "Gambia Building Project", a charity dedicated to improving the lives and education of children in The Gambia by supporting and building schools.

FINANCIAL REVIEW

Results for the Year

The Consolidated Statement of Financial Activities on Page 32 shows net incoming resources before transfers for the year of £2.832m (2020: £0.969m). This result included £900k of business interruption insurance income that related wholly to the surpluses lost in financial year ended 31 July 2020. In the financial statements this income is shown partly in Ancillary Income (£516k) where it related to lost surplus from School activities and partly in Non-Ancillary Income (£384k) where it was allocated to replace lost profitability from commercial activities and the provision of childcare.

The underlying surplus result of £1.93m (after stripping out the one-off business interruption insurance) compares with pre-pandemic annual surplus results of £2.6m (2019), with the difference representing the surplus foregone by breaking even for the period of physical site closure (Lent term 2021).

COVID-19

The continuation of the COVID-19 pandemic during the 2020/21 school year led to the School's sites being closed for the majority of the Lent term during which time remote teaching continued for all year groups. As in the previous year Berkhamsted and Heatherton Schools offered families a fee concession for the period when the schools were physically closed in recognition that the wider aspects of School life were not able to be provided during this period. As a result of savings arising from the reduced activities, combined with the the Coronavirus Job Retention Scheme funds, the School was able to give fee concessions totalling £1.224m whilst managing to break even during the period of closure.

Income

School fee income was £33.697m in the year (2020: £30.563m), representing an increase of 10.3% largely driven by a shorter COVID-19 lockdown period with reduced fee concessions compared to the initial COVID-19 year. Ancillary income was also higher at £1.675m (2019: £1.414m) primarily due to the recognition of £0.52m of business interruption income by the School as mentioned above.

Expenditure

A large proportion of the School's expenditure item is on staff costs and these fell in the year ended 31 July 2021 to £21.850m (2020: £21.871m), a decrease of 0.1%. This was due primarily to a significant number of support staff receiving reduced pay whilst on furlough leave for periods during the year.

Cash

The School's net cash position increased in the year ended 31 July 2021. At the year-end cash balances were £6.067m (2020: £5.857m).

Subsidiary company performance

The School has two wholly owned trading subsidiaries that both made material financial surpluses for the benefit of the School and its objectives. Berkhamsted School Enterprises Limited operates the various

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commercial activities of Berkhamsted School and from these generated profit before tax and gift aid of £111k (2020: £10k). Berkhamsted Day Nursery Limited provides day-care to babies and children under 3 years old and out of school hours care for Prep and Pre-Prep pupils. The Nursery company generated profit before tax and gift aid of £86k (2020: £21k). The financial performance of both companies was significantly

affected by the disruption caused by the COVID-19 pandemic, however they both received an allocation of the business interruption insurance income during the year (as a result of losses experienced from the suspension of activities) which improved their reported results. The value of this insurance income was £112k for Berkhamsted Day Nursery Limited and £272k for Berkhamsted School Enterprises Limited.

Contribution to UK authorities

The School's direct contribution during the year to the UK Exchequer amounted to £7.5m of tax revenues, based on the school's payments of employer national insurance contributions (NICs), business rates and council tax, Vehicle Excise Duty, taxes on business supplies purchased (such as VAT), plus payments by our school's staff of income tax and NICs.

It is also worth noting that all parents in our school, as with all other private schools, contribute to State school funding via taxes whilst also saving the government from having to fund their children's education in the State system. Based on State funding fees, as per the government's published National Funding Formula, the estimated saving to the public purse is £9m-£10m per annum.

Going concern assumption

The Governors closely monitor the current and future expected financial performance of the school, taking into consideration budgets, forecasts and the longer-term strategic business plan. In 2020, due to the ongoing COVID-19 pandemic these budgets, cashflows and forecasts were remodelled to reflect plausible downside scenarios. Conservative cash flows were prepared based on the revised forecasts with sensitivity analysis on the key assumptions such as the impact of a drop in pupil numbers. This scenario planning confirmed the cash reserves of the School are adequate to meet the charity's obligations as they fall due and the same modelling continues to be valid to demonstrate the School is financially secure and able to operate effectively for the foreseeable future.

The School reported a strong cash position at the year-end together with healthy pupil numbers for 2021/22 offering the Governors a confident expectation that the charity has adequate resources to continue its activities for the foreseeable future, being at least 12 months from the date of approval of the financial statements with there being no material uncertainties over the school's financial viability. Accordingly, Governors continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities on page 27.

Fundraising Performance

The school continues to progress a number of initiatives to increase awareness amongst the school's constituent communities to provide additional resources. £223k (2020 £160k) was raised during the year, with monies allocated to Bursary and Scholarship Funds. The Governors would like to thank all of the donors for their generosity and support for the school in this regard. The Grants and Donations income of £611k within the Statement of Financial Activities includes this £223k also in addition to £388k claimed from the Coronavirus Job Retention Scheme.

The majority of the school's income is from school fees and other associated income. The school has not engaged with third parties to raise funds and any direct approach to members of the public for funding has been limited to parents of pupils and alumni. No complaints were received in relation to our fundraising activities.

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Investment policy, objectives and performance

The Governing Body aims to maximise the overall return on the portfolio consistent with a degree of risk acceptable to it. Funds are invested with Brewin Dolphin in a broad range of global equities, bonds and other forms of investment.

The overall investment objective for total return for funds invested with Brewin Dolphin can be quantified as inflation plus 3%. The Charity's investment performance of its managed investment funding is monitored as a standing item by the Finance Committee. During the year, the value of investments held in the School's main investment account with Brewin Dolphin increased from £1.613m in 2020 to £1.976m in 2021, a 22.5% increase. The school also has a second investment account for the management of the monies raised for its Anniversary Fund. The value of this investment account increased from £709k to £1.165m, an increase of £456k of which £290k was from additional funds being added. On an annual basis Governors assess performance in the light of prevailing market conditions.

Reserves level and policy

The school's reserves policy is to maintain sufficient unrestricted income reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall.

The school's total reserves of £43.675m at the year-end included £7.986m of endowment funds, £0.19m of unspent restricted funds and unrestricted funds of £35,498m. The school has no free reserves at the balance sheet date due to the investment of funds in tangible fixed assets, largely buildings for use within the school. However, the Governors regularly examine the school's cash flows alongside the development plans for the future and are satisfied that they are adequate for the purpose of meeting its working capital requirements and that they will also cover strategic capital expenditure. Accordingly, the school is operating on a going concern basis.

Notes 13 and 14 to the financial statements set out an analysis of the school's endowment, restricted and unrestricted funds and their attributable assets. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

It is the school's policy to build up funds to meet planned improvements and additions to the School's resources by means of annual operating surpluses and judicious management of investment assets.

Total investment return

During the year ended 31 July 2016 the Governors, in their role as Trustees, exercised the power granted under section 104A of the Charities Act 2011 to adopt a total return approach to investment of the School's permanent endowment. A permanent endowment of £1,144k was originally given to the school in 2003 and an initial valuation of the Unapplied Total Return (UTR) of £687k was approved by the Governors on 14 June 2016.

- In years when the permanent endowment generates sufficient UTR an amount equivalent to the brought forward value of the permanent endowment multiplied by the annual increase in the Consumer Price Index (CPI) should be allocated to capital to maintain the value of the fund for future beneficiaries.
- Where there is insufficient UTR generated each year to make the allocation to capital indicated above the school must retain £100,000 of UTR to act as a buffer against years when the UTR is flat or reduced.

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PRINCIPAL RISKS AND UNCERTAINTIES

The Governors consider the COVID-19 pandemic to remain a significant risk for the School, particularly with regard to maintaining the continuity of teaching and learning, maximising the attendance levels of staff and pupils in School and protecting our School community from risk of spread of the virus. That is in addition to the potential impact on affordability of fees by parents across the independent sector due to interruption in employment and wealth. Places at the School remain in high demand but the Governors are aware that there is no room for complacency. The School has experienced significant cost pressures, not least of all related to managing the COVID-19 pandemic and Brexit impacts on supply chains, whilst operating in an increasingly volatile political environment. Despite this, and with careful cost management, the Governors limited the September 2021 fee increase to an average well below that of the Independent School sector.

Linked to the effects of the COVID-19 pandemic, Governors are also very conscious of the potential risk to the morale and general wellbeing of staff and pupils and this is an area reviewed with Management on a regular basis.

Cyber risk and general data security is more in focus than ever before, with schools increasingly being targets for cyber attacks. As such our Governors have supported the implementation of enhanced tools to protect against attack.

The rising costs of the Teachers' Pension Scheme arrangements are a significant risk within the sector and any risk mitigation needs to balance the exposure to further cost rises with the need to retain and recruit outstanding staff.

Health and Safety is considered to play a significant part in risk management. The risks range from fire and infrastructure to personal risks (most notably when away from the campus on trips and expeditions). Risk is mitigated via risk assessment and the enforcement of Health and Safety Policy which is monitored and reviewed by the School's Health and Safety Committee. This body reports to the Risk and Regulatory Committee. The School also employs a Safety and Environmental Manager to ensure that the Health and Safety Policy is consistently enforced.

Governors are responsible for the management of the risks faced by the School. Detailed consideration of risk has been formally delegated by Governors to the Risk and Regulatory Committee, assisted by the Principal, Chief Operating Officer, and members of the School's Senior Management Team.

Through the above risk management processes, the Governors are satisfied that major risks are identified and, as far as practicable, adequately mitigated. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed. Other key risks are considered to be those which would materially impact the brand and reputation of the Group. These are listed below, and should these occur it is likely they would generate significant media interest:

- A major business interruption causing partial or total closure of the School for some time.
- A major accident involving death or serious injury, possibly as a result of contributory negligence.
- A major scandal involving child protection issues.

Key controls used by the Governors to identify, assess and mitigate risks during the year include:

- Formal programme of risk assessments and steps taken to mitigate those risks reported to Governors' meetings.
- Comprehensive strategic planning, budgeting and management accounting.

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- Established organisational structure and lines of reporting.
- Formal written policies, including clear authorisation and approval levels.
- Vetting procedures as required by law for the protection of the vulnerable.

The Governors regularly review the effectiveness of current plans and strategies for managing all identified major risks across the Group.

SECTION 172 STATEMENT

Berkhamsted School's Group is governed by its charitable objects as set out on page 8 which outline the purpose of the charity. All decisions and activities of the charity take into account how we best deliver that long-term purpose and are driven by our strategic aims (see page 11). All decisions we make as a charity, from our operational teams through to the Board of Governors, are made in the best interests of our beneficiaries, (pupils), and in the knowledge we are accountable to them, their parents, regulators and our staff.

The Board of Governors consider that they have adhered to the requirements of Section 172 of the Companies Act 2006 (the "Act") and have, in good faith, acted in a way that they consider would be most likely to promote the success of the school for the benefit of its key stakeholders and, in doing so, have had regard to and recognised the importance of considering all stakeholders and other matters (as set out in s.172(1)(a-f) of the Act) in its decision-making. Our Board of Governors consists of a broad mix of backgrounds including former and existing parents of the school, educational experts plus well-established commercial successes in areas such as law, property, finance and risk management. Many of our Governors are also local community members.

The Board has approved a number of policies that help to ensure the safety of our pupils and staff, such as Child Protection and Safeguarding, Counselling and Coaching, Health & Safety, Missing Persons, Peer-on-Peer Abuse, Critical Incident Plan, as well as those that ensure the integrity of our business conduct, such as Anti-bribery and Corruption, Bursary, Complaints, Whistleblowing, Anti-modern slavery. The school's Anti-modern slavery statement can be seen on the school's website (<https://www.berkhamsted.com/wp-content/uploads/2021/10/Anti-Modern-Slavery-Statement-2021.pdf>)

As part of the Governor induction process, governors are briefed on their duties and responsibilities under the Companies Act. The governors are entitled to request from the school all such information they may reasonably require in order to be able to perform their duties. On-going training is provided to the governors, as required, to ensure that their knowledge remains up to date and they continue to be able to discharge their duties as company directors.

For all decision making at Board level, discussion takes place around employee impact and impact on other stakeholders, such as pupils, parents and the local community. The relevance of each stakeholder group may vary by reference to the issue in question, so the Board seeks to understand the needs of each stakeholder group and any potential conflicts as part of its decision-making. The school's Executive team and Senior Management team ensure the Board are fully focused on the impacts to each stakeholder group.

Our Governors attend "Governor Engagement Days" during the school year which affords them the opportunity to engage directly with pupils and staff so they can gain a greater insight into the School's operations and also challenge staff and be challenged by them.

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Key decisions

For the year ending 31 July 2021, the Governors consider that the following are examples of key decisions that they made in the year. This is not intended to be an exhaustive list of board decisions but instead highlights areas of significant impact:

- Extended roll out of digital devices to younger pupils
- Payment concessions for Lent term following the further COVID-19 pandemic lockdown
- Phase 2 refurbishment and expansion of the Berkhamsted Day Nursery at Haresfoot
- Implementation of a robust process for allocating Centre Assessed Grades in the absence of public examinations
- Proceeding with the detailed design following planning permission for the new Sixth Form Centre
- Resetting of financial targets and implementation of measures, to achieve break even in Lent term
- Acquisition of the Principal's Accommodation off campus
- Heatherston adjacent land purchase
- Amendments to the governance structure for the School's subsidiaries
- Budget approval for the Estates Development Masterplan, phase 1

Stakeholder engagement

The table below sets out our approach to stakeholder engagement during 2021:

Stakeholders	Why are they important to Berkhamsted School?	Our approach to stakeholder engagement and consideration in the Board's decision making
Parents	Parents are the school's customers and also joint stakeholders in the development of the pupils. Their involvement in the school in both these capacities is fundamental to the success of the school and we aim to form a key alliance with Parents through strong and varied communication.	We aim to involve parents as much as possible in the running of the school through open days, parents' evenings and other events that showcase the School's strength in music, drama and sport. In addition the Governing body is always cognisant of the importance of fee levels in attracting and retaining the pupil base and places great importance in the efficient running of the school and the tight control of fee increases.
Pupils	Our values of "Aim high with integrity, Be adventurous and Serve others" are shared	The senior school takes a strong pastoral approach to the development of pupils by maintaining a "house" structure which exists alongside the academic timetable.

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	<p>across the Berkhamsted family of schools. Children from Nursery through to Sixth and staff too are encouraged to embrace these ideals in everyday life. Our pupils are the very reason the school exists and their development is at the heart of all we do.</p>	<p>The purpose of assigning all pupils to a house with dedicated house tutors is to ensure that each individual pupil has a sense of belonging and ready access to approachable members of staff who will look to ensure that there is a strong focus on their wellbeing.</p>
Employees	<p>Our employees' commitment to developing outstanding and rounded individuals is essential for us to earn the trust of both existing and prospective parents so that they have the confidence that Berkhamsted School is the best place for the education of their children.</p>	<p>We have a Staff Consultation Committee that meets regularly and raises matters to the Executive for discussion and decision and have a voluntary arrangement in place with the NASUWT (the NASUWT works to enhance the status of the teaching profession to deliver real improvements to teachers' working lives, seeking to ensure they are recognised and rewarded as highly skilled professionals with working conditions that enable them to focus on their core role of teaching).</p> <p>We have regular all staff meetings as well as a weekly briefing to cascade important information to all levels of the workforce.</p> <p>Berkhamsted School is committed to promoting the health and wellbeing of our workforce.</p>
Suppliers	<p>We rely on a range of suppliers to deliver services to ensure the school can operate efficiently and effectively for the benefit of our pupils and workforce. It is vital that we build strong working relationships with our intermediaries, including around risk management and customer service.</p>	<p>The school works closely with a wide range of key suppliers with the aim of ensuring that the school's requirements in terms of service levels and price are clearly understood and delivered upon.</p> <p>At the same time the school works ethically with suppliers settling invoices within payment terms and raising queries promptly.</p> <p>The school has well-developed internal processes to ensure that suppliers' invoices receive appropriate levels of authorisation for payment.</p> <p>During 2021 the school has approved an Anti-modern slavery policy and implemented a new supplier due diligence procedure.</p>
Community/wider society	<p>We recognise the importance of contributing to our communities through volunteering, community investment, and long-term partnerships. In</p>	<p>We make our facilities available free of charge to a number of local community groups whether that be schools, sports clubs or disadvantaged individuals.</p> <p>In addition, we provide employment opportunities for a local learning disability employment charity.</p>

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	<p>addition, as a significant employer in the area and a large landowner we are fully aware of our responsibilities with regard to the importance of sustainability and the impact our decisions may have on climate change.</p>	<p>For significant development activities, such as the planning application for a new Sixth Form building, we hold public consultations to discuss details of our plans with all interested parties and to seek their feedback and concerns.</p>
Regulators	<p>We understand that regulators are key in maintaining the credibility of both the school and the sector that we operate in. The school strives to be fully compliant in all areas in which we face external regulatory review and ensures that any regulatory changes are understood and acted upon quickly.</p>	<p>The Senior Management of the School are fully involved in all areas where the School is subject to regulatory control. School Governor Committees will be kept informed of all regulatory review outcomes and recommendations and governors will then ensure that Senior Management acts upon recommendations to resolve any areas of structural or process weakness.</p>
Donors	<p>Donations to the school's charitable entity provide opportunities to increase the public benefit from the delivery of the school's main charitable aim of promoting the education of its pupils.</p>	<p>All donations are gratefully received and acknowledged by the school. Donors are made aware by the school website and other forms of communication of how their donations are being used to provide educational opportunities.</p>
Alumni	<p>The School recognises the importance of its alumni in that they are the representation of the delivery of the School's talent and expertise in teaching and pastoral care. The School also regards its alumni as a strong link to the outside world which can provide further benefit to current pupils.</p>	<p>The School maintains contact with its alumni through its links with the Old Berkhamstedians organisation and also through the Berkhamsted Society which has been set up by the School to encourage stronger relationships between the town of Berkhamsted, the School and its alumni.</p>

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STATEMENT ON STREAMLINED ENERGY AND CARBON REPORTING (SECR)

GHG emissions and energy used between 1 August 2020 and 31 July 2021

Measure	Units	UK and Offshore	
		2020/21	2019/20
Energy consumption used to calculate emissions	Total Energy (kWh)	7,745,960	7,118,570
Emissions from the combustion of gas	Scope 1 (tonnes CO ₂ e)	1,012	915
Emissions from the combustion of fuel for transport	Scope 1 (tonnes CO ₂ e)	19	19
Emissions from purchased electricity (location based)	Scope 2 (tonnes CO ₂ e)	504	527
Emissions from the combustion of fuel for transport	Scope 3 (tonnes CO ₂ e)	0	0
Total gross tonnesCO ₂ e	Scope 1, 2 and 3	1,535	1,461
Intensity ratio : Gross tonnesCO ₂ e / number of students	Intensity ratio	0.7668	0.7282

Methodology

The above data has been prepared in accordance with the provisions of the GHG Reporting Protocol – Corporate standard and HM Government's Environmental Reporting Guidelines including streamlined energy and carbon reporting guidance, issued March 2019.

DEFRA conversion factors 2019 have been used to convert electricity and gas consumption in kWh to tonnesCO₂e and to convert transport fuel consumption in mileage/litres to tonnesCO₂e and then to kWh.

Action on energy efficiency undertaken during the reporting period

The programme to upgrade lighting to LED bulbs has been continued across the school and roof structures have been repaired and replaced across several sites.

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AUDITOR

Crowe U.K. LLP has indicated its willingness to be re-appointed as statutory auditor.

Insofar as each of the Governors of the school at the date of approval of this report is aware there is no relevant audit information (information needed by the school's auditor in connection with preparing the audit report) of which the school's auditor is unaware. Each Governor has taken all of the steps that he/she should have taken as a governor in order to make himself/herself aware of any relevant audit information and to establish that the school's auditor is aware of that information.

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GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The Governors are responsible for preparing the Governors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net incoming resources for that period. In preparing these financial statements, the Governors are required to:

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

The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

APPROVAL

This Annual Report, including the Statement of Governors' Responsibilities, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Governors on 4 December 2021, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



G.C. LAWS
Chair of Governors

Berkhamsted Schools Group

INDEPENDENT AUDITOR'S REPORT

Independent Auditor's Report to the Members of Berkhamsted Schools Group

Opinion

We have audited the financial statements of Berkhamsted Schools Group for the year ended 31 July 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flow and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice)'.

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2021 and of the group's/ 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.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the trustee's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's or the group's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

Other information

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

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 this gives rise to a material misstatement in the financial

Berkhamsted Schools Group

INDEPENDENT AUDITOR'S REPORT

statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

As explained more fully in the governors' responsibilities statement set out on page 27, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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.

Details of the extent to which the audit was considered capable of detecting irregularities, including fraud and non-compliance with laws and regulations are set out below.

A further description of our responsibilities for the audit of the financial statements is located on the Financial

Jerkhamsted Schools Group

INDEPENDENT AUDITOR'S REPORT

Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We identified and assessed the risks of material misstatement of the financial statements from irregularities, whether due to fraud or error, and discussed these between our audit team members. We then designed and performed audit procedures responsive to those risks, including obtaining audit evidence sufficient and appropriate to provide a basis for our opinion.

We obtained an understanding of the legal and regulatory frameworks within which the charitable company and group operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, the Charities Act 2011, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's and the group's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company and the group for fraud. The laws and regulations we considered in this context were The Education (Independent School Standards) Regulations 2014, Data Protection Regulation (GDPR), health and safety regulations, and employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within non-fee income and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management and those charged with governance about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, substantive testing on non-fee income, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

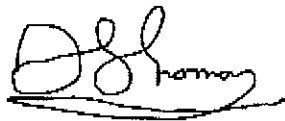
Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

Berkhamsted Schools Group

INDEPENDENT AUDITOR'S REPORT

Use of our report

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



Andrew Thomas
Senior Statutory Auditor
For and on behalf of
Crowe U.K. LLP
Statutory Auditor
London

Date 18 January 2022

Berkhamsted Schools Group
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)

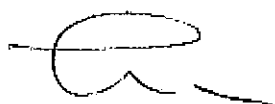
	Notes	Unrestricted Funds		Restricted Funds	Endowment and Building Funds	Year Ended July 2021	Year Ended July 2020
		School £'000	Designated £'000	£'000	£'000	Total £'000	Total £'000
Income and endowments from Charitable activities							
School fees receivable	1	33,697	-	-	-	33,697	30,563
Ancillary trading income	2	1,675	-	-	-	1,675	1,414
Other trading activities							
Non-ancillary trading income	3	1,074	-	-	-	1,074	930
Investments							
Investment income		55	-	-	-	55	57
Bank and other interest		1	-	-	-	1	54
Voluntary sources							
Grants and donations		388	43	96	84	611	1,303
Total Incoming Resources		36,890	43	96	84	37,113	34,321
Expenditure on:							
Raising funds							
Non-ancillary trading	4	911	-	-	-	911	976
Fundraising and Development	4	20	-	-	-	20	26
Total deductible costs		931	-	-	-	931	1,002
Charitable activities							
Education and grant making	4	31,756	1,430	95	69	33,350	32,350
Total expenditure	4	32,687	1,430	95	69	34,281	33,352
Net income/(expenditure) before transfers and investment gains/(losses)		4,203	(1,387)	1	15	2,832	969
Gains/(losses) on investments	8	-	152	-	376	528	(208)
Net income/(expenditure) after gains/(losses) on investments		4,203	(1,235)	1	391	3,360	761
Transfer between funds	14	(4,203)	4,203	-	-	-	-
Net movement in funds		-	2,968	1	391	3,360	761
Fund balances at 1 August 2020		-	32,530	190	7,595	40,315	39,554
Fund balances at 31 July 2021	14	-	35,498	191	7,986	43,675	40,315

Berkhamsted Schools Group
CONSOLIDATED AND SCHOOL BALANCE SHEETS
for the year ended 31 July 2021

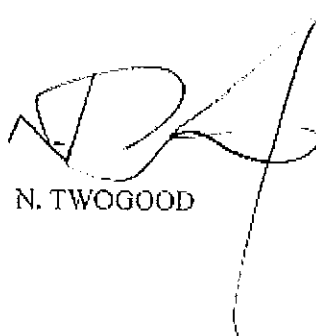
		Group		School	
	Notes	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fixed assets					
Land and buildings	6	39,256	36,694	39,256	36,694
Other tangible assets	6	656	784	656	784
Intangible fixed assets	7	6	100	6	57
Investments	8	3,141	2,322	3,141	2,322
		<u>43,059</u>	<u>39,900</u>	<u>43,059</u>	<u>39,857</u>
Current assets					
Stock	9	7	54	7	54
Debtors	10	923	981	904	1,006
Cash at bank and in hand		<u>6,067</u>	<u>5,857</u>	<u>6,003</u>	<u>5,792</u>
		6,997	6,892	6,914	6,852
Creditors: Amounts falling due within one year	11	(5,812)	(5,681)	(5,729)	(5,598)
Net current assets / (liabilities)		<u>1,185</u>	<u>1,211</u>	<u>1,185</u>	<u>1,254</u>
Total assets less current liabilities		44,244	41,111	44,244	41,111
Creditors: Amounts falling due after one year	12	(569)	(796)	(569)	(796)
Net assets		<u>43,675</u>	<u>40,315</u>	<u>43,675</u>	<u>40,315</u>
Endowment and building funds	14a	7,986	7,595	7,986	7,595
Restricted funds	14b	191	190	191	190
Unrestricted funds					
Designated funds	14c	35,498	32,530	35,498	32,530
Total funds		<u>43,675</u>	<u>40,315</u>	<u>43,675</u>	<u>40,315</u>

The net incoming resources for the financial year dealt with in the financial statements of the parent Charity were £2.832m (2020 : £969k).

The financial statements were approved and authorised for issue by the Board of Governors on 4 December 2021 and are signed on their behalf by;



G.C. LAWS (Chair)



N. TWOGOOD

Berkhamsted Schools Group
CONSOLIDATED CASH FLOW STATEMENT
for the year ended 31 July 2021

	Note	2021 £'000	2020 £'000
Net cash inflow from operations			
Net cash provided by operating activities	(i)	4,717	1,566
Cash flows from investing activities			
Payments for tangible fixed assets		(4,270)	(1,918)
Payments for intangible fixed assets		-	-
Decrease in cash held within Investment portfolio		(292)	(750)
Investment income and bank interest received		55	111
Net cash used in investing activities		<u>(4,507)</u>	<u>(2,557)</u>
Cash flows from financing activities			
Bank loan repayments		-	-
Change in cash and cash equivalents in the reporting period		210	(991)
Cash and cash equivalents at the beginning of the period		5,857	6,848
Cash and cash equivalents at the end of the period	(ii)	<u>6,067</u>	<u>5,857</u>

(i) Reconciliation of net income to net cash flow from operating activities

	2021 £'000	2020 £'000
Net incoming resources	2,832	969
Elimination of non-operating cash flows:		
- Investment income	(55)	(111)
- Finance costs	18	14
Depreciation charge	1,155	1,336
Amortisation charge	58	58
Loss/(Profit) on disposal of a fixed asset	700	-
Decrease / (Increase) in stock	47	(9)
Decrease / (Increase) in debtors	58	(117)
(Decrease) / Increase in creditors (excluding fees in advance scheme and deposits)	359	(546)
Decrease in fees in advance scheme creditors	(554)	(73)
Increase in parents' deposits	99	45
	<u>1,885</u>	<u>597</u>
Net cash inflow from operations	<u>4,717</u>	<u>1,566</u>

(ii) Analysis of cash and cash equivalents

	2021 £'000	2020 £'000
Cash at bank	<u>6,067</u>	<u>5,857</u>

Berkhamsted Schools Group

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 July 2021

BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102).

The accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investment properties and other investments.

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

The individual entities of Berkhamsted Schools Group have taken advantage of the disclosure exemption under FRS 102 to separately disclose categories of financial instruments and items of income, expenses, gains or losses relating to instruments as these have been presented on a group basis in the notes to the accounts.

The accounts present the Consolidated Statement of Financial Activities (SOFA), the consolidated balance sheet and the consolidated cash flow statement, comprising the results of the School and its wholly owned subsidiaries Berkhamsted Day Nursery Limited, Berkhamsted School Enterprises Limited and Berkhamsted Schools International Limited made up to 31 July 2021 and consolidated on a line by line basis. Intra-group transactions and profits are eliminated fully on consolidation. Uniform accounting policies have been adopted across the Group.

No separate SOFA has been presented for the Charity alone, as permitted by Section 408 of the Companies Act 2006.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee. It was incorporated on 5 March 1959 (company number: 622349) and registered as a charity on 15 November 1962 (charity number: 310630). Its registered office is 6 Chesham Road, Berkhamsted, Hertfordshire, HP4 3AA.

GOING CONCERN

The Governors closely monitor the current and future expected financial performance of the school, taking into consideration budgets, forecasts and the longer-term strategic business plan. In 2020, due to the ongoing COVID-19 pandemic, these budgets, cashflows and forecasts were remodelled to reflect, plausible worst case, downside scenarios. Conservative cash flows were prepared based on the revised forecasts with sensitivity analysis on the key assumptions such as the impact of a drop in pupil numbers. This scenario planning confirmed the cash reserves of the School are adequate to meet the charity's obligations as they fall due and the same modelling continues to be valid to demonstrate the School is financially secure and able to operate effectively for the foreseeable future.

The School reported a strong cash position at the year-end together with healthy pupil numbers for 2021/22, offering the Governors a confident expectation that the charity has adequate resources to continue its activities for the foreseeable future, being at least 12 months from the date of approval of the financial statements, with there being no material uncertainties over the school's financial viability. Accordingly, Governors continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities on page 27.

Berkhamsted Schools Group

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 July 2021

CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The items in the accounts where these judgements and estimates have been made include:

- the useful life of tangible and intangible fixed assets;
- the level of provision required for unpaid school fees;
- the amount of expenditure that should be accrued for; and
- the allocation of overheads and governance costs between charitable expenditure categories.

FEES AND SIMILAR EARNED INCOME

Fees receivable and charges for services and use of premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

EXPENDITURE

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates.

Governance costs comprise the costs of complying with constitutional and statutory requirements. Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure.

DONATIONS, LEGACIES, GRANTS AND OTHER VOLUNTARY INCOME

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

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not.

Government grants are recognised on the performance model, when the School has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs relate to. Included in grants and donations is an amount of £388k in respect of the Coronavirus Job Retention Scheme.

TANGIBLE FIXED ASSETS

Land and Buildings are carried in the balance sheet at their cost as the Governors consider it is not appropriate to apply a current value to such property. The cost of new buildings is added to fixed assets as it is incurred.

Berkhamsted Schools Group

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 July 2021

The School seeks to maintain its properties in a good condition. The costs incurred in doing so, which can include major building modernisation and improvement, are written off as incurred. The cost of land and buildings represents expenditure since 1866. Foundation land and buildings bequeathed on trust for retention in perpetuity have not been valued.

The School capitalises strategic development projects (which are typically greater than £100,000), motor vehicles and significant equipment purchases; minor items of School equipment and furniture are written off in the year of purchase.

DEPRECIATION

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

Land & Buildings	1% - 10%
Furniture & Equipment	20% - 25%
Motor Vehicles	20% - 25%

The Governors have considered the value of buildings and deem the depreciation policy appropriate.

INTANGIBLE FIXED ASSETS

The intangible fixed asset shown in the balance sheet relates to software costs incurred on the School's Finance and Human Resources management systems.

AMORTISATION

Amortisation is provided to write off the cost of all relevant intangible fixed assets less estimated residual value based on current market prices in equal instalments over their expected useful lives as follows:

Business software	20% - 33%
-------------------	-----------

INVESTMENTS

Investments held as fixed assets are stated in the balance sheet at their open market value as at the balance sheet date. Any resulting gain or loss is taken to the fund to which it relates.

STOCK

Stock represents goods for resale and is valued at the lower of cost and net realisable value.

ENDOWMENT AND BUILDING FUNDS

The Endowment and Building Funds represents the Charity's endowed assets comprising land and buildings and certain investments (as referred to in the Charity's Scheme dated 29th August 1996) together with all subsequent additions to buildings. All strategic building projects from 2004 were funded from general reserves and in recognition of this, these costs have been separately identified within a designated unrestricted fund.

TOTAL RETURN INVESTMENT ACCOUNTING

A Charity Commission Order dated 21 October 2012 authorises the School to adopt a 'total return' basis for the investment of its permanent endowment. Under the Total Return Order, the School can invest its

Berkhamsted Schools Group

STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 July 2021

permanent endowments without regard to the capital/income distinctions of trust law and with discretion to apply any part of the accumulated total return on the investment as income for spending each year. Until this power is exercised, the total return is accumulated, under the Order, as a capital supplement to the preserved ('frozen') value of the permanent endowment.

FUND ACCOUNTING

The charitable trust funds of the School and its subsidiaries are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

Unrestricted income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

Restricted income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

Permanent endowment arises where a donor intends the gift to be retained permanently for use by the School (freehold land) or for financial benefit (by investment). The Total Return Order stipulates that any investment returns will accrue to a capital element (Unapplied Total Return) to the permanent endowment.

PENSION ARRANGEMENTS

For teachers the School contributes to the Teachers' Pension Scheme at rates set by the scheme actuary and advised to the School by the scheme administrator. The School is unable to identify its share of the Scheme Funds and therefore the Scheme has been accounted for as a defined contribution scheme. For non-teaching staff the School contributes to defined contribution pension schemes.

For the Teachers' Pension Scheme and for defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post-retirement benefits are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. The School also sets aside funds to meet unfunded pension obligations for certain former members of staff.

OPERATING LEASES

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

FINANCIAL INSTRUMENTS

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised value with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

1	SCHOOL FEES	2021	2020
		£'000	£'000
	Fees receivable consist of;		
	Gross fees	36,972	35,553
	Less; Bursaries, Grants and Allowances	(2,146)	(2,097)
	Less: Trinity term COVID-19 fee concession	(1,224)	(3,038)
	Add back; Scholarships paid for by Restricted funds	95	145
		<hr/>	<hr/>
		33,697	30,563
		<hr/>	<hr/>
2	ANCILLARY TRADING INCOME	2021	2020
		£'000	£'000
	Registration fees	101	84
	Extra-curricular lessons	635	602
	Hire and lettings income	78	87
	Income arising from school trips	-	301
	Other income	861	340
		<hr/>	<hr/>
		1,675	1,414
		<hr/>	<hr/>
3	NON-ANCILLARY TRADING INCOME	2021	2020
		£'000	£'000
	Membership fees	39	90
	Hire of facilities	30	125
	Classes and admissions	34	16
	Other income	388	28
	Nursery care	535	514
	Holiday camp	48	157
		<hr/>	<hr/>
		1,074	930
		<hr/>	<hr/>

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

4 ANALYSIS OF EXPENDITURE

(a) Total expenditure

	Staff Costs £'000	Depreciation £'000	Other Costs £'000	Total 2021 £'000	Total 2020 £'000
Raising funds					
Trading costs	684	-	227	911	976
Fundraising for voluntary resources	-	-	20	20	26
Total costs of raising funds	684	-	247	931	1,002
Charitable activities					
Teaching	17,473	245	3,248	20,966	21,952
Welfare	34	-	1,756	1,790	1,419
Premises repair and maintenance	1,808	1,565	4,244	7,617	6,319
Support costs and governance	1,925	51	906	2,882	2,512
Funding of scholarships	-	-	95	95	148
Total charitable expenditure	21,240	1,861	10,249	33,350	32,350
	<u>21,924</u>	<u>1,861</u>	<u>10,496</u>	<u>34,281</u>	<u>33,352</u>
2020	<u>21,956</u>	<u>1,387</u>	<u>10,009</u>	<u>33,352</u>	

(b) Governance included in support costs

	2021 £'000	2020 £'000
Management time	49	48
Auditor's fees		
- Audit	39	39
- Tax compliance	13	17
- Other Services	3	-
Governors Indemnity Insurance	12	10
Legal and professional fees	78	56
	<u>194</u>	<u>170</u>

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

5 STAFF COSTS AND RELATED PARTY TRANSACTIONS

	2021 £'000	2020 £'000
Total staff costs comprise:		
Wages and salaries	16,791	16,963
Social security costs	1,650	1,628
Pension contributions	3,409	3,280
	<u>21,850</u>	<u>21,871</u>
Aggregate employee benefits of key management personnel	<u>1,419</u>	<u>1,356</u>

Key management personnel comprise the Executive team as described in the Trustee's Report.

The number of employees whose emoluments (excluding employer pension contributions) exceeded £60,000 were:

	2021	2020
£200,001 - £210,000	1	0
£160,001 - £170,000	0	1
£110,000 - £120,000	1	1
£90,001 - £100,000	1	-
£80,001 - £90,000	4	4
£70,001 - £80,000	6	7
£60,001 - £70,000	<u>25</u>	<u>17</u>
	<u>38</u>	<u>30</u>

Total payments to the School's defined contribution pension scheme in the year-end 31 July 2021 were £884k (2020: £851k).

Redundancy or termination payments of £46k (2020: £124k) arose during the year. There was £46k outstanding to be paid at the year end.

Grants and donations in the Consolidated Statement of Financial Activities includes £388k of income received from the Government's Coronavirus Job Retention Scheme between January and April 2021.

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

5 STAFF COSTS AND RELATED PARTY TRANSACTIONS (CONTINUED)

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

	2021		2020	
	Full time	Part time	Full time	Part Time
Teaching staff	188	79	194	79
School based support staff	91	92	92	92
Maintenance and domestic staff	33	31	33	33
Administrative and Sport Centre	19	19	18	19
	<u>331</u>	<u>221</u>	<u>337</u>	<u>223</u>

In the year ended 31 July 2021 no Governors or persons connected with them received any remuneration or other benefits from the school (year ended 31 July 2020: £nil) nor any reimbursement of expenses (2020: £175) incurred wholly in respect of their duties as Governors.

Gift aid transactions and year end balances between the Charity and its subsidiaries are shown in Note 15.

There are no further related party transactions requiring disclosure.

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

6 TANGIBLE FIXED ASSETS – GROUP AND SCHOOL

	Land and Buildings £'000	Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
1 August 2020	44,956	4,279	672	49,907
Additions	4,072	92	76	4,240
Disposals	(777)	-	-	(777)
31 July 2021	48,251	4,371	748	53,370
Depreciation				
1 August 2020	8,262	3,728	439	12,429
Charged in the year	829	203	93	1,125
Disposals	(96)	-	-	(96)
31 July 2021	8,995	3,931	532	13,458
Net book value 31 July 2021	39,256	440	216	39,912
31 July 2020	36,694	551	233	37,478

Buildings, including contents, are insured for £165 million (2020: £163 million).

The flats known as Dean Fry Court and the Haresfoot site are subject to a charge by the National Westminster Bank. Although the term loan for which these properties were used as security has been repaid the charges have been left in place as security against any future borrowing.

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

7 INTANGIBLE FIXED ASSETS

GROUP	Software costs £'000
Cost	
1 August 2020	312
Additions	-
Disposals	(36)
31 July 2021	276
Depreciation	
1 August 2020	212
Charged in the year	58
31 July 2021	270
Net book value	
31 July 2021	6
31 July 2020	100

SCHOOL	Software costs £'000
Cost	
1 August 2020	255
Additions	-
31 July 2021	255
Depreciation	
1 August 2020	198
Charged in the year	51
31 July 2021	249
Net book value	
31 July 2021	6
31 July 2020	57

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

8 INVESTMENTS – GROUP AND SCHOOL

	Total 2021 £'000	Total 2020 £'000
Market value at 1 August 2020	2,322	1,787
Capital invested	292	750
Management charges	(19)	(15)
Revaluation	528	(208)
Net dividend income retained in Investment Fund	18	8
	<hr/>	<hr/>
Market value at 31 July 2021	3,141	2,322
	<hr/>	<hr/>

	Designated £'000	Restricted £'000	Endowment and Building £'000	Total 2021 £'000	Total 2020 £'000
Managed portfolio	1,165	-	1,976	3,141	2,322
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Market value at 31 July	1,165	-	1,976	3,141	2,322
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Historical cost of investments	1,079	-	1,367	2,446	2,047
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Investments are represented by (at market value):

	2021 £'000	2020 £'000
UK equity shares	815	626
UK bonds	178	253
Overseas bonds	129	48
Overseas equity shares	1,402	880
Other investments	458	282
Cash	159	233
	<hr/>	<hr/>
Total	3,141	2,322
	<hr/>	<hr/>

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

9 STOCK

	Group		School	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Stock of goods for resale	7	54	7	54

Stock held by the School comprises peripheral items for pupil laptops.

10(a) DEBTORS: Amounts due within one year

	Group		School	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Fees receivable	21	48	21	48
Recoverable disbursements	37	82	37	82
Trade debtors	136	35	111	33
Other debtors and prepayments	531	612	530	608
Due from subsidiary undertaking	-	-	7	31
	<u>725</u>	<u>777</u>	<u>706</u>	<u>802</u>

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

10(b) DEBTORS: Amounts due in more than one year

	Group		School	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Other debtors and prepayments	198	204	198	204
	<u>198</u>	<u>204</u>	<u>198</u>	<u>204</u>

Other debtors and prepayments due in more than one year comprises the benefit accruing to the school from an arrangement that allows the School the use of a court at a local squash club until the year 2059 following a contribution made to construction costs at the club in 2009.

11 CREDITORS: Amounts falling due within one year

	Group		School	
	2021 £'000	2020 £'000	2021 £'000	2020 £'000
Fees received in advance	546	746	546	746
Payments received on account	249	220	249	220
Fee deposits held at year end	2,243	2,144	2,232	2,135
Trade creditors	1,010	816	1,001	796
Other taxes and national insurance contributions	419	452	419	452
Other creditors	529	638	526	638
Accruals	552	554	540	514
Deferred income	264	111	211	81
Due to subsidiary undertakings	-	-	4	16
	<u>5,812</u>	<u>5,681</u>	<u>5,728</u>	<u>5,598</u>

All deferred income shown in the table above relates to fees for the 2021/22 school year. All deferred income held at 31 July 2020 was released in the current year.

Arkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
 for the year ended 31 July 2021

12 CREDITORS: Amounts falling due in more than one year

	Group		School	
	2021	2020	2021	2020
	£'000	£'000	£'000	£'000
Fees received in advance	442	796	442	796
Deferred income	127	-	127	-
	<u>569</u>	<u>796</u>	<u>569</u>	<u>796</u>

Fees received in advance total £988k of which £546k falls due within one year, and £442k falls due between two and five years. The balance represents the accrued liability under the contracts. The movements during the year were:

	2021	2020
	£'000	£'000
Balance at 1 August 2020	1,542	1,615
New contracts	304	929
Repayments	-	(60)
Amounts used in payment of fees to the school	(858)	(942)
	<u>988</u>	<u>1,542</u>
Balance at 31 July 2021		

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

13 ALLOCATION OF SCHOOL NET ASSETS

	Tangible fixed assets £'000	Investments £'000	Other assets/ (liabilities) £'000	Total £'000
Endowment and building funds	5,723	3,141	(878)	7,986
Restricted funds	-	-	191	191
Unrestricted funds: Designated funds	34,184	-	1,314	35,498
Retained income	5	-	(5)	-
	<hr/>	<hr/>	<hr/>	<hr/>
	39,912	3,141	622	43,675
	<hr/>	<hr/>	<hr/>	<hr/>

	2021 £'000	2020 £'000
Unrealised gains / (losses) included above in investments:		
Endowment and building funds	376	(163)
Designated funds	152	(45)
	<hr/>	<hr/>
	528	(208)
	<hr/>	<hr/>

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

14a ENDOWMENT AND BUILDING FUNDS

	Balance 1 August 2020 £'000	Incoming resources £'000	Resources Expended £'000	Investment gains/(losses) £'000	Transfers £'000	Balance 31 July 2021 £'000
Represented by:						
Land and buildings	5,792	-	(69)	-	-	5,723
Anniversary Fund	104	84	-	-	-	188
Scholarship and prize fund	1,699	-	-	376	-	2,075
	<u>7,595</u>	<u>84</u>	<u>(69)</u>	<u>376</u>	<u>-</u>	<u>7,986</u>

14b RESTRICTED FUNDS

The Berkhamstedian Foundation	190	1	-	-	-	191
500 th Anniversary Fund	-	95	(95)	-	-	-
	<u>190</u>	<u>96</u>	<u>(95)</u>	<u>-</u>	<u>-</u>	<u>191</u>

14c DESIGNATED FUNDS

The Berkhamstedian Foundation	115	3	-	-	-	118
500 th Anniversary Fund	800	40	-	152	204	1,196
Land and buildings	31,370	-	(1,430)	-	3,999	33,939
Heatherton Development Fund	245	-	-	-	-	245
	<u>32,530</u>	<u>43</u>	<u>(1,430)</u>	<u>152</u>	<u>4,203</u>	<u>35,498</u>

14d UNRESTRICTED FUNDS

School funds	-	36,890	(32,687)	-	(4,203)	-
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14e TOTAL FUNDS HELD

TOTAL FUNDS	<u>40,315</u>	<u>37,113</u>	<u>(34,281)</u>	<u>528</u>	<u>-</u>	<u>43,675</u>
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Berkhamsted Schools Group

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

Endowment and Building Funds

Land and Buildings

Tangible fixed assets are all held for use by the School. Land and Buildings represent assets donated on foundation and subsequent major additions at cost. As a consequence these assets are a mixture of those endowed to the School and those subsequently acquired. Tangible fixed assets are shown at cost in the balance sheet.

Buildings are depreciated at 1-10% of cost, with the charge being written off to the Endowment and Buildings Funds. All costs of maintaining the buildings are written off as expenses of the school in the year of expenditure.

Scholarships and Prize Fund

This fund represents bequests and donations received by the Charity, where the donor has specified that the funds should be used to provide opportunities for and acknowledgement of educational achievements for future generations. The investment income recognised on these funds is added to the balance each year.

During the year ended 31 July 2016 the Governors exercised the power granted under section 104A of the Charities Act 2011 to adopt a total return approach to the school's Scholarships and Prize fund. This allows the School to recognise an Unapplied Total Return ("UTR") element in the fund which is accessible for spending on current beneficiaries.

Under the Total Return approach, the school must ensure that the value of the fund does not fall below the core endowment value. The core endowment value is fixed at £1,144k representing the value of the endowment in 2003.

The overall movement in unapplied total return in the year ended 31 July 2021 was as follows:

	£'000
Unapplied total return at 1 August 2020	554
Add: Investment gains	376
Less: Resources expended	-
Unapplied total return before transfer to income	930
Less: transfer to income	-
Unapplied total return at 31 July 2021	930
Add: core value	1,145
Scholarship and prize fund assets at 31 July 2021	2,075

500th Anniversary Fund

This fund holds donations given to the school specifically to be invested under the name 500th Anniversary Fund to generate income from which school places will be made available to children who could not otherwise afford to attend the school. The name of the fund is in recognition of the forthcoming important anniversary of the school's foundation.

Berkhamsted Schools Group

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

Restricted Funds

The Berkhamstedian Foundation

This represents a restricted fund established for the purpose of providing resources for specific projects and to widen the opportunity for scholarships and bursaries.

500th Anniversary Fund

This part of the Anniversary Fund has been set up to receive donations to the Anniversary Fund that will be used to directly fund school places. The balance on this fund represents monies which have not yet been applied.

Designated Funds

Land and Buildings Fund

This represents fixed asset additions for major strategic projects mostly since 2004 funded from annual net incoming resources.

The Berkhamstedian Foundation

This represents a designated fund established by Governors. The fund represents unrestricted fundraising donations received which are set aside for the purpose of providing resources for specific projects and to widen the opportunity for scholarships and bursaries.

Heatherton Development Fund

The designated Development Fund represents unrestricted funds set aside by the Governors of Heatherton House School for the future functioning of the School.

500th Anniversary Fund

This fund is for unrestricted donations that the Governors have designated to be added to the 500th Anniversary Fund, a fund that provides access to the school for aspiring pupils who could not otherwise afford to attend.

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

15 SUBSIDIARY UNDERTAKINGS

Berkhamsted Schools Group has three wholly owned subsidiaries all of which are registered in the United Kingdom and share the same registered office as the School (see note 1).

- Berkhamsted Day Nursery Limited (trading) - company number 07610890
- Berkhamsted School Enterprises Limited (trading) - company number 02048201
- Berkhamsted Schools International Limited (dormant) - company number 10054110

The trading subsidiaries pay all their distributable profits to the school through gift aid declarations and their results for the year and retained capital and reserves are shown below:

Berkhamsted Day Nursery Limited

	2021 £'000	2020 £'000
<i>Profit and loss account</i>		
Turnover	657	557
Total expenditure	(571)	(536)
Profit before tax and gift aid	86	21
Taxation	-	-
Gift Aid	(86)	(21)
Profit /(loss) after tax and gift aid	-	-
<i>Balance sheet</i>		
Total assets	53	58
Total liabilities	(53)	(58)
Net assets	-	-
Costs recharged from Berkhamsted Schools Group	38	36
Amount owed from / (to) Berkhamsted Schools Group	4	(31)

Berkhamsted School Enterprises Limited

	2021 £'000	2020 £'000
<i>Profit and loss account</i>		
Turnover	466	465
Total expenditure	(355)	(455)
Profit before tax and gift aid	111	10
Taxation	-	-
Gift Aid	(111)	(10)
Profit /(loss) after tax and gift aid	-	-
<i>Balance sheet</i>		
Total assets	41	73
Total liabilities	(41)	(73)
Net assets	-	-
Costs recharged from Berkhamsted Schools Group	14	13
Amount owed from Berkhamsted Schools Group	(7)	16

Berkhamsted Schools Group

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2021

16 PENSION SCHEME

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £2.534m (2020: £2.448m) and at the year-end £213k (2020 - £210k) was accrued in respect of contributions to this scheme.

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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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 a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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 cost cap mechanism review is 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.

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

17 COMMITMENTS UNDER OPERATING LEASES

At 31 July 2021 the School had minimum lease payments under non-cancellable operating leases as follows:

	2021 £'000	2020 £'000
Plant and machinery:		
Due within one year	816	842
Due between one and five years	541	760
	<hr/>	<hr/>
	1,357	1,602
	<hr/>	<hr/>

18 CAPITAL COMMITMENTS

There are £63k (2020: £1.299m) of capital commitments as at 31 July 2021.

19 FINANCIAL INSTRUMENTS

Group financial assets measured at fair value are the School's investments which totalled £3,141m (2020: £2.322m). Income from assets measured at fair value in the year totalled £54,000 (2020: £57,000) and unrealised gains totalled £528,000 (2020: Unrealised loss £208,000).

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

20 CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE
FIGURES BY FUND TYPE

Year Ended 31 July 2020

	Unrestricted Funds		Restricted Funds	Endowment and Building Funds	Total
	School £'000	Designated £'000	£'000	£'000	£'000
Income and endowments from					
Charitable activities					
School fees receivable	30,563	-	-	-	30,563
Ancillary trading income	1,414	-	-	-	1,414
Other trading activities					
Non-ancillary trading income	930	-	-	-	930
Other activities					
Investments					
Investment income	57	-	-	-	57
Bank and other interest	54	-	-	-	54
Voluntary sources					
Grants and donations	1,143	51	66	43	1,303
Total Incoming Resources	34,161	51	66	43	34,321
Expenditure on:					
Raising funds					
Non-ancillary trading	976	-	-	-	976
Fundraising and Development	26	-	-	-	26
Total deductible costs	1,002	-	-	-	1,002
Charitable activities					
Education and grant making	31,421	712	148	69	32,350
Total expenditure	32,423	712	148	69	33,352
Net incoming funds from operations before transfers and investment gains	1,738	(661)	(82)	(26)	969
Gains/(losses) on investments	-	(45)	-	(163)	(208)
Transfer between funds	(1,738)	1,738	-	-	-
Net movement in funds	-	1,032	(82)	(189)	761
Fund balances at 1 August 2019	-	31,498	272	7,784	39,554
Fund balances at 31 July 2020	-	32,530	190	7,595	40,315

Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

21 SUMMARY OF MOVEMENTS ON SCHOOL FUNDS AND ANALYSIS OF NET ASSETS BETWEEN FUNDS

Year Ended 31 July 2020

21a ENDOWMENT AND BUILDING FUNDS

	Balance 1 August 2019 £'000	Incoming resources £'000	Resources Expended £'000	Investment gains/(losses) £'000	Transfers £'000	Balance 31 July 2020 £'000
Represented by:						
Land and buildings	5,861	-	(69)	-	-	5,792
500 th Anniversary Fund	61	43	-	-	-	104
Scholarship and prize fund	1,862	-	-	(163)	-	1,699
	<u>7,784</u>	<u>43</u>	<u>(69)</u>	<u>(163)</u>	<u>-</u>	<u>7,595</u>

21b RESTRICTED FUNDS

The Berkhamstedian Foundation	190	3	(3)	-	-	190
500 th Anniversary Fund	82	63	(145)	-	-	-
	<u>272</u>	<u>66</u>	<u>(148)</u>	<u>-</u>	<u>-</u>	<u>190</u>

21c DESIGNATED FUNDS

The Berkhamstedian Foundation	112	3	-	-	-	115
500 th Anniversary Fund	598	48	-	(45)	199	800
Land and buildings	30,543	-	(712)	-	1,539	31,370
Heatherton Development Fund	245	-	-	-	-	245
	<u>31,498</u>	<u>51</u>	<u>(712)</u>	<u>(45)</u>	<u>1,738</u>	<u>32,530</u>

21d UNRESTRICTED FUNDS

School funds	<u>-</u>	<u>34,161</u>	<u>(32,423)</u>	<u>-</u>	<u>(1,738)</u>	<u>-</u>
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21e TOTAL FUNDS HELD

TOTAL FUNDS	<u>39,554</u>	<u>34,321</u>	<u>(33,352)</u>	<u>(208)</u>	<u>-</u>	<u>40,315</u>
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Berkhamsted Schools Group
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 July 2021

21f ALLOCATION OF SCHOOL NET ASSETS

Year Ended 31 July 2020

	Tangible fixed assets £'000	Investments £'000	Other assets/ (liabilities) £'000	Total £'000
Endowment and building funds	5,792	2,322	(519)	7,595
Restricted funds	-	-	190	190
Unrestricted funds; Designated funds	31,615	-	915	32,530
Retained income	71	-	(71)	-
	<u>37,478</u>	<u>2,322</u>	<u>515</u>	<u>40,315</u>

