

**THE SAINT JOHN'S SCHOOL FOUNDATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2016**

**Registered Charity No: 312064**

**THE SAINT JOHN'S SCHOOL FOUNDATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2016**

---

**CONTENTS**

Governors' Report	1
Independent Auditor's Report	14-15
Consolidated Statement of Financial Activities	16
Consolidated and Charity Balance Sheets	17
Consolidated Statement of Cash Flows	18
Notes to the Financial Statements	19-37

# THE SAINT JOHN'S SCHOOL FOUNDATION

## GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2016

### REFERENCE AND ADMINISTRATIVE DETAILS

#### Council and Trustees

The Council of The Saint John's School Foundation consists of Governors who are also the Trustees of the Charity. The Governors who have served since 1 August 2015 are:

J D Willis BA ( <i>Chair</i> )	Mrs J Harris BA
P H Thorne (OJ) BA ( <i>Vice Chair</i> )	Mrs L Hume FBCS ( <i>appointed 2 December 2015</i> )
A M Airey (OJ) LLB	H J Malins (OJ) CBE MA ( <i>retired 12 December 2015</i> )
Mrs M A Arnal BA MSc FRSA ( <i>retired 16 March 2016</i> )	Mrs R Marshall BA GDL PgDL
T Beckh MA	A J L Peake (OJ) FCA
The Rt Rev Bishop of Dorking, I Brackley ( <i>retired 23 September 2015</i> )	Mrs S Phillips BSc
P A Crossley (OJ) BA BArch RIBA ( <i>retired 31 August 2015</i> )	E Sanderson ( <i>appointed 22 June 2016</i> )
Mrs C Davies BSc	B Shaw BSc MRICS
Mrs S Dickinson MSc	L F Speller FCA ( <i>retired 31 August 2015</i> )
A A Duma (OJ) LLB FCA	N Teunon MA ACA
K Durham (OJ) MA (Oxon) ( <i>died 6 August 2016</i> )	S A Westley MA MI Mgt ( <i>retired 31 August 2015</i> )
J Gravett (OJ)	S H L Williams MA

#### Governor Membership of Committees:

##### Development

T Beckh  
A M Airey  
A Duma  
J D Willis  
Disbanded 2 December 2015

##### Education

K Durham (*Chair from 1 September 2015 until 6 August 2016*)\*  
S A Westley (*Chair until 31 August 2015*)\*  
Mrs M A Arnal \*  
The Rt Rev Bishop of Dorking, I Brackley \*  
Mrs L Hume (*appointed 16 March 2016*)  
H J Malins \*  
Mrs S Phillips (*appointed 4 February 2016*)  
S H L Williams

##### Estates

B Shaw (*Chair from 1 September 2015*)  
P A Crossley (*Chair until 31 August 2015*)\*  
A M Airey  
Mrs S Dickinson  
Mrs J Harris  
Mrs R Marshall (*appointed 9 February 2016*)  
P H Thorne

##### Finance

N Teunon (*Chair*)  
T Beckh  
A Duma  
J Gravett  
A J L Peake  
L Speller \*  
P H Thorne

##### Nominations and Remuneration

J D Willis (*Chair*)  
A M Airey  
T Beckh  
K Durham \*  
B Shaw (*from 1 September 2015*)  
N Teunon  
P H Thorne  
S A Westley \*

##### Risk Management and Compliance

A M Airey (*Chair*)  
Mrs C Davies  
Mrs J Harris  
Mrs L Hume (*appointed 16 March 2016*)  
A J L Peake  
Mrs S Phillips (*appointed 2 December 2015*)  
P H Thorne

\* Retired from Committee membership on the date of retirement from Council

The Headmaster and other members of the School's Senior Management Team are in attendance as required to inform and update Committee members on the day-to-day management of the School.

**THE SAINT JOHN'S SCHOOL FOUNDATION**

**GOVERNORS' REPORT**

**FOR THE YEAR ENDED 31 JULY 2016**

---

**REFERENCE AND ADMINISTRATIVE INFORMATION (continued)**

<b>Headmaster</b>	M A R Collier MA (Oxon)
<b>Finance Director &amp; Secretary to Council</b>	Mrs Y M Dunne MA (Oxon) FCA
<b>Operational Name</b>	The Saint John's School Foundation (also known as St John's School, Leatherhead)
<b>Solicitors</b>	TWM Solicitors LLP Sweech House Gravel Hill Leatherhead Surrey, KT22 7HF  Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol, BS1 4QA
<b>Independent Auditor</b>	Crowe Clark Whitehill LLP St Bride's House 10 Salisbury Square London, EC4Y 8EH
<b>Bankers</b>	HSBC Bank plc 10 North Street Leatherhead Surrey, KT22 7AR  Svenska Handelsbanken AB (publ) 123a High Street Epsom Surrey, KT19 8DT
<b>Fund Manager</b>	Investec Wealth & Investment Limited 2 Gresham Street London, EC2V 7QN
<b>Property Advisor</b>	Patrick Gardner & Company 1/3 Church Street Leatherhead Surrey, KT22 8DN
<b>Insurance Broker</b>	Aon Insurance Group Sentinel 103 Waterloo Street Glasgow, G2 7BW

The School is a charity registered with the Charity Commission for England and Wales, number 312064.

# **THE SAINT JOHN'S SCHOOL FOUNDATION**

## **GOVERNORS' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2016**

---

The Governors present their annual report and audited financial statements for the year ended 31 July 2016 which comply with the requirements of the Charities Act 2011, the School's Charter and By-Laws, the Statement of Recommended Practice 'Accounting and Reporting by Charities' 2015 and legal requirements of The Charities (Accounts and Reports) Regulations 2008.

The Saint John's School Foundation was established in London in 1851 for the education and maintenance of the sons of poor clergymen (Foundationers). It moved to Leatherhead in 1872 where it continues to operate and trades under the name of St John's School, Leatherhead. While retaining its identity as a charity boarding school, The Saint John's School Foundation gradually developed the characteristics of an independent school and began to attract fee-paying parents and an increasing number of day pupils. Girls were admitted into the Sixth Form in September 1989 and into the Fourth Form in September 2010. The School became fully co-educational in September 2012 and from September 2016 has accepted pupils from age 11 into the new Lower Third (Year 7).

Henceforth in this report, The Saint John's School Foundation is referred to as 'the School', 'the Charity', and 'St John's'.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

The Charity is incorporated by Royal charter and is governed by the Second Supplemental Charter and By-Laws which came into effect from 31 December 2014 and which consolidated, with amendments and additions, the Original Charter of 1921 and Supplemental Charter of 1982.

### **Council**

The governing body of the Charity is the Council which may consist of not more than twenty-four Governors. The Governors are required to meet at least three times in each calendar year. The Council has delegated to various Committees the work of planning, implementing and reviewing the School's policies and aims at a more detailed level prior to discussion and approval by the Council. A list of Governors who have served since 1 August 2015 and membership of Committees is provided on page 1.

### **Group Structure**

A separate company, St John's (Leatherhead) Enterprises Ltd, deals with trading business related to the non-core activities of the School. Profits generated by the company are donated to the School.

### **Management**

The day-to-day running of the School is delegated to the Senior Leadership Team, comprising the Headmaster, the Finance Director, the Deputy Headmaster, the Deputy Head (Academic), the Estates Director and the HR Director. The Senior Leadership Team is considered to represent the key management personnel of the School.

The remuneration of key management personnel is set by the Council. Pay for senior staff reflects the market for comparable jobs in comparable organisations, the level of knowledge, skills and experience required and the responsibilities and accountabilities associated with each role, the performance of the School, and the individual contribution of each staff member.

# THE SAINT JOHN'S SCHOOL FOUNDATION

## GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2016

---

### OBJECTIVES AND ACTIVITIES

#### Charitable Objects

The objects of the School are the advancement of the education of boys and girls by the provision of a day and boarding school or schools in or near Leatherhead in the County of Surrey or at such other place or places within the United Kingdom as the Council may direct and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

The School's statement of intent is:

*St John's School is a registered charity and a partnership of pupils (past and present), parents, staff and governors. Together, these groups form the St John's Community. The School aims to promote academic excellence, intellectual curiosity and a love of learning. In addition, it provides a caring pastoral environment in which each and every pupil is nurtured. Co-curricular opportunity and an all-round education for all are central to the School's philosophy. We hope to foster in our pupils an appreciation of culture, music, drama and art. We also wish to instil a sense of leadership, service and responsibility. A St John's education prepares the pupils for progression into higher education and the world of work beyond. The School is mindful of its history and is fully committed to widening access from across the community.*

#### Principal Activities

St John's is a senior, independent boarding and day school which provides education to boys and girls from the ages of 13 to 18, and from September 2016 from the ages of 11 to 18 (years 7 to 13). The School welcomes pupils from all backgrounds and selection is made on the basis of an assessment at St John's in the January of the child being in Year 6 for entry at Year 7 or Year 9, or an academic assessment and interview in the November of Year 11 for entry into the Sixth Form, as well as taking into account a child's co-curricular strengths and a report from their current school. An unconditional place is then offered for Year 7, whereas for Years 9 and 12 a conditional place is offered subject to the child achieving the required grades at Common Entrance or GCSE or equivalent. Special arrangements are made for pupils who attend schools that do not prepare for these examinations and they will be required to sit the School's own assessments in the year prior to entry.

An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the School's selection processes. During the year, the roll comprised 654 pupils (2015: 658), of whom 590 were day pupils (2015: 569) and 64 boarders (2015: 89). Analysis of the roll between boys and girls was 407 (2015: 419) and 247 (2015: 239) respectively. In relation to the School's historic foundation, 18 pupils (2015: 15) were from families of clergy.

#### Strategic Objectives

In the short term, we aim to develop a new curriculum which offers choice and specialisation but which also provides rigour. Our curriculum reflects best practice and is informed by the National Curriculum and changes in A level, AS level and GCSE qualifications. Ultimately, our choice of courses are made on the basis of what best suits the pupils. The Lower School and revised Sixth Form curricula were implemented for September 2016. Public examination results are of central importance. It is our aim to produce A level examination results at 85% A\* to B grade or better and at GCSE level results at 65% A\*/A or better with at least 30% of grades at A\*. The forecast is for these results to be achieved by 2017 at GCSE level and by 2018 at A level.

In the short to medium term we aim to remain competitive in the marketplace whilst maintaining a reputation for providing a first class all-round education. We aim to keep year-on-year fee rises below average for independent schools as part of a strategy of ensuring affordability in the longer term.

Our aim is to provide every pupil with a first class all-round education. Cultural appreciation, adventure training, an understanding of heritage, community service, performance arts and sport are all important elements of our education provision. In the short to medium term we aim to be a centre of excellence in team and individual sport.

## THE SAINT JOHN'S SCHOOL FOUNDATION

### GOVERNORS' REPORT

#### FOR THE YEAR ENDED 31 JULY 2016

---

#### OBJECTIVES AND ACTIVITIES (continued)

The two main aims of St John's Development Department are to expand the School's life-long supporter network and to maximise fundraising income in support of the delivery of St John's vision and mission.

We aim to support and develop all of our staff; we also aim to help all staff fulfil their work potential.

We aim to extend the availability of our facilities through additional community use and commercial lettings.

We aim to build and nurture meaningful partnerships with local schools and community groups.

We aim to develop our 'learning pastoral environment' by expanding the use of pastoral consultants who can help us and our pupils' parents to understand how to tackle the issues which young people will face.

In the short to medium term the School will provide financial support for Foundationers and Albany Award pupils equivalent of up to 14 full places for each group in the School at any one time.

The strategic objectives lead to a set of short term goals for specific School departments. Progress towards these goals is monitored by the Committees and the Council. Key achievements of goals during the year include:

- the successful Lower School launch and preparation for opening in September 2016, including recruitment of high calibre pupils;
- the successful opening of the new Science Centre;
- meeting the target for the number of Foundationers on the School roll;
- just after the year end, meeting the objective for exam results in 2016.

#### PUBLIC BENEFIT

##### Bursaries and Widening Access

Funding for the provision of education for those who would not otherwise be able to afford the opportunity has been at the heart of the School's purpose since its foundation in 1851. Though this assistance was initially provided only for the sons of poor clergy, over time this purpose has broadened to include children of both genders. These children, referred to as 'Foundationers', still attend the School and benefit from financial assistance in order that their families may afford the education that the School provides. During the year £365,936 (2015: £265,110) was provided to 18 pupils (2015: 15).

In addition to the provision of assistance for children of the clergy, the School sets aside a proportion of its income and raises money from donors to fund other means-tested bursaries. Scholarships, based on academic potential or potential in specific fields such as sport, music, and art, are also available and awarded through competitive assessment. The Governors have an approved strategy to extend the provision of bursaries in order to widen access for a broader range of pupils within the context of the School's general entry requirements. This is being achieved by the decision during 2015 to increase the proportion of gross fees available for bursaries, by assessing beneficiaries annually and by reducing the level and value of scholarships awarded and other non-means-tested reductions in fees.

During the academic year 2015/16 the number of non-clergy pupils benefiting from bursarial support was 63 (2015: 64), with the value of funds provided being £884,785 (2015: £812,392). This includes fully funded Albany Awards to 6 pupils (2015: 8) of £138,214 (2015: £176,195). The total value of bursarial assistance towards fees, examination fees, educational trip costs and similar expenses was £1,250,721 (2015: £1,076,954) representing 8.2% (2015: 7.2%) of gross fees. Total fee remissions funded by the School were £1,938,250 (2015: £1,681,527), representing 12.7% (2015: 11.3%) of gross fees.

## **THE SAINT JOHN'S SCHOOL FOUNDATION**

### **GOVERNORS' REPORT**

**FOR THE YEAR ENDED 31 JULY 2016**

---

#### **PUBLIC BENEFIT (continued)**

##### **Educational Activities in Other Schools and the Community**

Helping others is part of life at St John's and the School has continued to arrange senior pupil volunteer placements this year including acting as classroom assistants at local primary and special needs schools, helping at youth clubs and helping and befriending the elderly in homes and hospitals. Activities range from helping to improve IT skills and guiding educational games to refereeing football games and gardening for local residents.

Every day pupils visit Leatherhead Start, a local hostel for the homeless, delivering meals. At Christmas and again in the summer the School welcomed the community into St John's by hosting meals for local elderly and disabled groups while pupils provided musical entertainment, engaged in conversation and accompanied tours of the School.

Music ensembles performed at local events including the QEF charity carol concert in the School Chapel.

The Combined Cadet Force (CCF) has formed a partnership with Southborough Boys High School enabling members of their staff and boys to join in with the School's CCF activities each week.

The School's facilities continue to be made available to local schools and community groups at reduced hire rates or free of charge including the local Mencap group, numerous art and sports clubs and swims schools.

The second Community Holiday in August 2015 was a great success with a number of children from local special needs schools taking part in a residential education and activities week during the summer using the School's facilities and run by staff, pupils and other volunteers. Many of these children attended the first Community Holiday in August 2014 and both they and their parents were keen to repeat the experience. Since the year end, in August 2016, the School has successfully run a further such event.

Several School staff currently serve as governors at other local schools providing opportunities to share knowledge and experience.

From the positive feedback of the schools and community groups involved, the Governors consider these activities to have been a success in achieving the advancement of education in the broader community.

##### **School Volunteers and Support for Other Charities**

Throughout the year, a number of fundraising events took place in aid of the Community Holiday. This included a sponsored "Sleep-out on the Quad" in March, where pupils sleep in the School's Quad without tents, a comedy night and a quiz night. Each House carries out fundraising events for the House-nominated charity, with support provided this year for Alex's Medical & Educational Clinic in Africa (AMECA), The Shine Trust, the CPS Orphanage in Nepal, Cherry Trees, Ehlers-Danlos Support UK, Sight for Surrey, G.A.M.B.I.A., The Sunnybank Trust, and Guy's & St Thomas' Charity.

The SJPA is a parent body of volunteers who arrange social and fundraising events throughout the year. The activities provide opportunities for good fellowship and for funds to be raised for the School. During the year £11,748 (2015: £14,200) was donated to the School for equipment and activities for the benefit of the pupils.

The Old Johnian Charity Limited provides support to families who experience unforeseen financial hardship during their children's education at the School by assisting with fees and helping to meet the cost of educational trips.



# THE SAINT JOHN'S SCHOOL FOUNDATION

## GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2016

---

### PUBLIC BENEFIT (continued)

#### Development (Fundraising and Alumni Relations)

The Development Department has focused on continuing to build the culture of giving at St John's. Widening access is central to the School's ethos and the Albany Award and Foundationer schemes continued to attract donations, enabling more children from all backgrounds to come to the School.

A recent major capital project undertaken from donations was the purchase and installation of the new Chapel organ. The organ was completed in August 2015 and dedicated in September 2015. Other projects included fundraising towards the cost of the new Science Centre, which opened to pupils during the Autumn Term in 2015. The Development Department continues to work closely with the St John's Parents' Association (SJPA) when considering future fundraising needs. Stewardship activities were organised to recognise and thank those who have donated to the School as well as those who have generously pledged a legacy. Alumni relations activity has continued with a full programme of events and initiatives for targeted year groups, professions and specific areas of interest.

During the year, a total of £202,600 (2015: £342,500, including a single legacy of £110,000) was received as a result of development activities. The School is most grateful for the support and generosity shown by the donor community.

In making decisions about carrying out the School's purposes for the public benefit, the Governors have had due regard to the Charity Commission's guidance on public benefit. The Governors have not identified any potential detriment or harm arising from the education activities of the School which is committed to safeguarding and promoting the welfare of pupils and expects all staff and volunteers to share this commitment. The Governors actively review pupil safeguarding and welfare and monitor adherence to the robust policies and procedures in place at the School.

### ACHIEVEMENTS AND PERFORMANCE

#### Academic Achievement

Every pupil has the opportunity to study a broad range of GCSE and A level subjects. Small class sizes and staff support through the pastoral system ensure that each pupil has the opportunity to learn and develop to their fullest potential. The care and attention provided by the staff is supplemented by well-resourced departments and modern facilities, which enable pupils to achieve high standards across all areas of academic studies and co-curricular activities.

The results of the Summer 2016 examinations saw a 100% pass rate at A level with 81% of grades at A\* to B (2015: 75%); and 50% A\*/A grades (2015: 40%). A total of 30 pupils achieved straight A grades or above. One pupil secured a place at Cambridge and the vast majority of pupils secured a place at a university of their choice.

At GCSE level, 66% (2015: 61%) of the grades achieved by St John's pupils were either at A\* or A; 31% of all grades achieved were at A\* (2015: 24%) and 26 (2015: 17) pupils achieved 7A\* grades or better with 7 achieving 10A\* grades.

Each year, the Education Committee on behalf of the Governing Council undertakes a detailed review of all results and action plans are agreed with every academic department. Particular attention and support are given to those which are considered to be performing below expectation.

#### Co-curricular Activities, School Trips and Expeditions

The School offers a broad range of co-curricular opportunities, from school-based clubs and activities to trips within the United Kingdom and abroad. These activities provide opportunities for pupils to develop subject knowledge, gain additional qualifications and personal experiences across a broad range of choices beyond the basic curriculum and games programmes.

## **THE SAINT JOHN'S SCHOOL FOUNDATION**

### **GOVERNORS' REPORT**

**FOR THE YEAR ENDED 31 JULY 2016**

---

#### **ACHIEVEMENTS AND PERFORMANCE (continued)**

Throughout the school week, pupils are engaged in a variety of activities, designed to offer breadth and to encourage them to try new areas and to develop new skills. In addition to activities such as animal management, football skills and debating, there is also a range of house competitions. In addition, the Sixth Form pupils enjoy a lecture programme designed to prepare them for life beyond school, be that for UCAS or areas such as careers and financial planning. The boarding community has also enjoyed a range of activities, such as trips to AirHop, the cinema and crazy golf.

Trips away from school have complemented the above; there is a range of day and residential trips, ranging from visits to museums and theatres, a visit to the Shamwari Game Reserve and an exchange trip to France. Other trips have included a geography trip to Morocco, a history trip to Poland and a choir trip to Prague. Additionally the School competed against other school cricket teams in Dubai and carried out a successful rugby tour to South Africa. A hockey tour to Canada also took place in August 2016 before the start of the new academic year.

#### **Combined Cadet Force (CCF)**

The CCF is larger than ever with up to 410 St John's cadets and pupils from our partnership school parading every Thursday across the Royal Navy, Army and Royal Air Force Sections. The cadets have had the opportunity to attend Summer Camp on the Isle of Wight for all Sections where they undertook adventure training such as mountain biking, sailing and kayaking as well as low level tactics, survival and an inter-section competition. Several took up the opportunity to attend courses held at various military establishments including leadership, diving, powerboat driving and first aid. The CCF welcomed Brigadier R Sergeant, Coldstream Guards as guest speaker at the annual CCF dinner. There were several promotions during the year for cadet NCOs in recognition of their abilities and commitment. In each of the three sections awards were presented to those Lower Sixth cadets who had made the most contribution, showing commitment, leadership potential and excellent attitudes.

#### **Duke of Edinburgh Award Scheme**

The Award Scheme remains popular; 38 pupils attained their Gold Award this year and 102 attained their Silver Award. The groups went to the Lake District and the New Forest for their expeditions.

#### **Sport**

The School has enjoyed a vintage year of team sport. The 1<sup>st</sup> XI girls' hockey team lost only one match all season, the 2<sup>nd</sup> XI and 3<sup>rd</sup> XI were unbeaten. The U16 XI girls' hockey team was crowned county champions. The U15A cricket team was placed as the highest ranked English school in the prestigious Arch Cup in Dubai. The U14 cricket team was crowned the best team in Surrey. The U15B and U14B rugby teams ended the season undefeated, as did an U14 tennis pair and the boys Junior A hockey team. The U16 boys swim squad were crowned county champions and are ranked seventh in the country. The U16 rugby VII squad won the county championship, the U16 netball squad were runners up in their county competition and ended their season undefeated in their regular fixtures. The 1<sup>st</sup> VII netballers were crowned Champions at the KCS Invitational Tournament.

Many individual pupils have seen exceptional sporting success including England / Team GB selection and representation in U18 hockey, athletics, U16 rugby and in the U18 alpine skiing squad. International honours were also collected in athletics, cycling and shooting. Pupils also competed nationally in skiing, athletics, rowing, trampolining, swimming and indoor hockey, with one pupil being crowned national champion in the U16 girls' Giant Slalom and two pupils crowned county athletics champions.

#### **Music**

The daily round and common task of the music department at St John's has, as ever, found vivid expression in regular concerts and activities of some distinction. The PAC remains a hub of creative music-making for pupils and the local community, but the addition of the Old Chapel continues to prove its worth as a venue for a now-established series of lunchtime recitals and evening chamber recitals enjoyed by the School and local community.

## ACHIEVEMENTS AND PERFORMANCE (continued)

Instrumental ensembles are flourishing: St John's Sinfonia impressed in the Spring term with a programme that included an electrifying performance of Saint-Saens's *Danse Macabre*. The musical theatre evening, now in its second year, proved that the combination of solo songs, duets and chorus numbers from various musicals – enjoyed between courses of sumptuous food – has become an established part of the annual calendar. Entertainment provided at numerous events by the Jazz Band and Big Band displayed groups of some skill, with imaginative and enjoyable programmes, and the Rock Concerts were of a particularly high standard. The school holds an enviable position with the quality of its popular music-making.

Choral music maintained its dominance this year, defined perhaps by a hugely successful tour to Prague in December. Concerts at the Clementinum Mirror Chapel and Lichtenstein Palace in the city centre connected a week of immense productivity. The city shone in the glorious winter light and the choir left with evocative memories of city and song. The Schola Cantorum performed the complete Requiem by Gabriel Fauré during a concert in the Autumn term, accompanied by a professional orchestra, and the Chapel Choir accompanied the daily round of worship at St John's. Marking feast and fast, regular observances from Remembrance Sunday to the ubiquitous Christmas Carol Services were furnished with music of the highest quality.

### Art

The art department had a successful year with some impressive results at A level and at GCSE. The department hosted six successful workshop days in the Spring Term, where local junior school pupils were welcomed to take part in workshops based on photograms inspired by the work of Man Ray and paper marbling using water and inks with the younger year groups. As part of the continuous rotation of pupils' work on display, the Department has displayed artwork across the School and especially in the art corridor and art rooms. There is now more art work in the office spaces and in certain areas of the science block and the Hamilton building. The department had two exhibitions for the end of year display of pupils' work in GCSE and A level art work. The opening of these events were well attended and enjoyed by all. The displays in the Henry Dawes centre foyer have been widely appreciated by the pupils who pass by daily on their way to and from lessons. During the year, the Department ran five educational trips to different art museums in the London area. Being so close to London provides opportunities to enhance the pupils learning in a different environment away from the classroom.

### Drama

The Senior School Play in December was a production of Steven Berkoff's *'The Trial'*. The PAC was transformed into the dystopian world, with live actors being filmed and projected around the space to create the sense of prurient and voyeuristic government. The acting was truly of the highest quality, with outstanding performances from all of the pupils who had worked hard to create a mechanised, synchronised chorus, reflective of how Kafka viewed the world.

In May the School entered the Leatherhead Drama Festival with The Lower Sixth A level drama & theatre studies pupils presenting a performance of Olwyn Wymark's 'Find Me'. The adjudicator was highly complementary of the piece and St John's was crowned the winner of the Junior competition, beating off some very respectable competition. Several of the pupils were also nominated in the Best Actor and Best Actress categories.

In June, the Junior School presented an adaptation of J K Rowling's 'The Tales of Beedle the Bard'. The Quad was transformed into a magical countryside fete where three of the jolliest short stories were enacted, before mysterious cloaked figures led the audience to the PAC for the dark and foreboding final two stories. The ambitious staging of the piece meant that the action happened in and amongst the audience, involving them directly in the action.

## THE SAINT JOHN'S SCHOOL FOUNDATION

### GOVERNORS' REPORT

#### FOR THE YEAR ENDED 31 JULY 2016

---

#### PLANS FOR FUTURE PERIODS

Future plans include:

- creating an innovative and tailor-made Sixth Form curriculum for 2017;
- embedding the Lower Third curriculum and creating the Upper Third for 2017;
- developing plans for integrating the Fourth Form year in 2018 when St John's Lower School pupils are joined by new pupils;
- finalising the design for the new indoor sports facilities and obtaining planning permission, prior to commencement of fundraising and construction.

#### FINANCIAL REVIEW

##### Results for the Year

The consolidated Statement of Financial Activities shows another year of positive outcome with net incoming funds from operations being £579,837 (2015: £1,003,354). All the School's income is applied for educational purposes, with the primary source being through the receipt of fees. Other income is received mainly through donations, the trading activities of St John's (Leatherhead) Enterprises Ltd, and through letting of School premises and registration fees.

The balance sheet shows net current liabilities of £812,286 as at 31 July 2016 compared with net current liabilities of £223,821 at 31 July 2015.

##### Reserves and Financial Planning

The School maintains reserves for the following reasons:

- The School is exposed to a number of risks, including sensitivity to pupil roll and mix, which may impact income streams. Reserves are held for contingency purposes.
- The majority of the School's income accrues at three points each year (August, December and March, payable in September, January and April). Reserves are required to ensure that the School is able to meet its liabilities all year round.
- Major capital investments are planned in the coming years to ensure the School continues to provide sufficient and high quality facilities for its pupils. The up-front cost of capital projects is expected to be in excess of annual surpluses, and the projects will be funded through a combination of long-term borrowings and reserves.
- The valuation of investment assets is subject to market volatility.
- The requirement to meet monthly commitments for the Defined Benefit pension scheme. Potential pension liabilities are largely dependent on long-term gilt yields, investment returns and mortality assumptions.

Governing Council, via the Finance Committee, reviews the ongoing adequacy of free unallocated reserve levels and availability of cash funds, taking into account the cyclical nature of the School's activities. Free Reserves include unrestricted funds excluding the FRS 102 pension asset, reduced by the net book value of fixed assets (less associated secured borrowings) on the basis that such assets are needed to support the School's activities and cannot readily be converted into cash.

The Reserves Policy is to ensure immediate access to funding at the financial year-end for the equivalent of one month's operating expenditure, being approximately £1m. Up to £500k of this funding requirement is currently available in the form of an authorised overdraft; therefore, the level of available cash at the year-end should be at least £600k, to cover the remainder of the School's August operating expenditure of £500k plus a proportion of expenditure on restricted funds, should the need arise. This amount will vary according to the size of the summer

# THE SAINT JOHN'S SCHOOL FOUNDATION

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 JULY 2016

#### FINANCIAL REVIEW (continued)

capital programme. Fees for the Autumn Term are invoiced during August, and the majority of parents pay at the start of term in September although about one third pay by direct debit over three months. It is therefore considered prudent for the School to be able to cover forecast expenditure for August in full at the year-end, recognising that cash balances and Free Reserves will be significantly higher once the Autumn Term's fees (around £4.9m in 2016) are invoiced.

As at 31 July 2016 the School's total funds amounted to £24.1m (2015: £23.2m), including cash balances of £1.5m (2015: £1.7m) whereas Free Reserves stood at a negative £1.3m (2015: £0.4m). Free Reserves are calculated as follows:

	2016 £000	2015 £000
General Fund	20,617	19,568
Foundation Fund (unrestricted)	<u>1,712</u>	<u>2,253</u>
	22,329	21,821
Fixed Assets	29,385	27,872
Less related borrowings	<u>(5,684)</u>	<u>(6,445)</u>
	(23,701)	(21,427)
Free Reserves	<u>(1,372)</u>	<u>394</u>

The apparent worsening in Free Reserves has arisen because the School has continued to improve and add to its fixed asset base without the use of any new borrowing during the year, and has repaid £0.8m of long term borrowing during the year. The investment in fixed assets will allow the School to continue to attract new pupils.

Although Free Reserves were negative at the year-end the School's immediately available cash balance of £1.5m exceeded the policy target. The authorised overdraft of £500k was not utilised at the year-end. In addition, £1.01m of the creditor balance (£376k due within one year and £637k due after more than one year) relates to payment of fees in advance, which will be taken to income on a termly basis and which is not expected to result in an outflow of cash. Negative Free Reserves as at 31 July are not considered to be of significant concern because the School has a full roll of pupils for September 2016 and forecasts including cash flow projections indicate that the School will continue to meet its liabilities as they fall due. Cost management measures introduced during 2015/16 remain in place and ongoing annual surpluses are predicted, indicating that the School will remain a going concern for the foreseeable future.

#### Investment management

The Governors' powers of investment are widely defined and, in accordance with the Trustee Act 2000, investment may be in stocks, shares and other investments, as they consider appropriate. The investment assets of the School are managed by Investec Wealth & Investment Limited. The primary objective of the management of investments is to preserve the capital value of the fund in real terms and to provide income and capital growth if possible. In line with the investment strategy set by the Governors, the Fund Manager has discretion to invest in the approved asset classes accordingly. The performance of the Fund Manager and the investment strategy are reviewed annually and were last reviewed by the Finance Committee on 9 September 2015 when it was agreed that the current investment objectives and strategy remained appropriate.

# **SAINT JOHN'S SCHOOL FOUNDATION**

## **GOVERNORS' REPORT**

**FOR THE YEAR ENDED 31 JULY 2016**

---

### **FINANCIAL REVIEW (continued)**

#### **Risk Management**

The Governors are responsible for the management of risks faced by the School. Detailed consideration of risk is delegated to the School Management Team and their reports on the Risk Register and the Risk Policy have been reviewed by the Risk Management and Compliance Committee. The Headmaster reports to Council via this Committee on the risks and steps being taken by the School to mitigate and manage those risks. The Governors are satisfied that adequate systems are in place to mitigate and manage the School's exposure to the major risks which were identified as:

- Pupil health and welfare. The provision of a safe and secure School environment and accessible and efficient medical services for pupils is of key importance. The risk of failing in this provision is mitigated through thorough staff training on the safeguarding and health and safety policies along with proactive recording and monitoring, by senior staff and Governors, of any issues as they arise.
- Finances. The School's ability to operate and make long-term plans relies on running a robust budget management process for income and costs and managing cash flow to meet the School's commitments including long-term borrowing repayments. The risk of inadequate control of finances is mitigated by proactive monitoring of the external factors affecting the future pupil roll in a competitive education market and prudent scrutiny of budgets and cash flows by Governors and the School Management Team.
- IT system security and stability. The School's success in providing education services is dependent on the provision of secure and technically robust IT services. The potential risks arising are being mitigated by the work of a new IT Strategic Management Group and by using expert external advice as required.
- Major incident (including fire) resulting in closure of the School. The School Management Team have implemented policies and plans to minimise the risk of a major incident and ensure the impact of any such event is kept to a minimum.

It is recognised that systems are only able to provide reasonable and not absolute assurance that major risks are being adequately managed.

#### **STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The Governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and the group and of the incoming resources and application of resources of the group for that period. In preparing these financial statements, the Governors are required to:

- Select the most suitable accounting policies and apply them consistently;
- Observe the methods and principles set out in the Charities SORP;
- Make judgments 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 in business.

**SAINT JOHN'S SCHOOL FOUNDATION**

**GOVERNORS' REPORT**

**FOR THE YEAR ENDED 31 JULY 2016**

---

**STATEMENT OF GOVERNORS' RESPONSIBILITIES (continued)**

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, 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 2011, the Charities (Accounts and Reports) Regulations 2015 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Council on

and signed on its behalf by:

J D Willis  
Chair of the Council

## **INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE SAINT JOHN'S SCHOOL FOUNDATION**

---

We have audited the financial statements of The Saint John's School Foundation for the year ended 31 July 2016 set out on pages 16 to 37.

The financial reporting framework that has been applied in their preparation is applicable law and FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland.

This report is made solely to the Governors, as a body, in accordance with section 154 of the Charities Act 2011. Our audit work has been undertaken so that we might state to the Governors 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 charity and its Governors as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Governors and auditor**

As explained more fully in the Statement of Responsibilities of the Governing Council, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

We have been appointed as auditor under section 151 of the Charities Act 2011 and report in accordance with regulations made under section 154 of that Act. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charity's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Governors; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Annual Report of the Governing Council to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report,

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the charity's and the group's affairs as at 31 July 2016 and of the group's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with FRS 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Charities Act 2011.



**INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE SAINT JOHN'S SCHOOL  
FOUNDATION (continued)**

---

**Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities Act 2011 requires us to report to you if, in our opinion:

- the information given in the Annual Report of the Governing Council is inconsistent in any material respect with the financial statements; or
- returns adequate for our audit have not been received from branches not visited by us; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

**Crowe Clark Whitehill LLP**

Statutory Auditor  
London  
Date:

Crowe Clark Whitehill LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

**THE SAINT JOHN'S SCHOOL FOUNDATION**

**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**

**FOR THE YEAR ENDED 31 JULY 2016**

		Unrestricted funds	Restricted and endowment funds	Total funds 2016	Total funds 2015
		£	£	£	£
	<b>Notes</b>				
<b>Income from:</b>					
Donations and legacies	3	32,133	205,630	237,763	375,059
Charitable activities: School fees	4	13,291,128	-	13,291,128	13,178,780
Other income from charitable activities	5	620,614	-	620,614	590,173
Other trading activities	6	103,902	-	103,902	86,960
Investments	7	30,067	20,004	50,071	71,382
<b>Total income</b>		<b>14,077,844</b>	<b>225,634</b>	<b>14,303,478</b>	<b>14,302,354</b>
<b>Expenditure on:</b>					
Raising funds	11	257,138	16,232	273,370	275,684
Charitable activities	11	13,225,356	224,915	13,450,271	13,023,316
<b>Total expenditure</b>		<b>13,482,494</b>	<b>241,147</b>	<b>13,723,641</b>	<b>13,299,000</b>
<b>Net incoming funds from operations before investment (losses) / gains</b>		<b>595,350</b>	<b>(15,513)</b>	<b>579,837</b>	<b>1,003,354</b>
Net (losses) / gains on investments	14	(8,099)	11,984	3,885	26,059
<b>Net income / (expenditure)</b>		<b>587,251</b>	<b>(3,529)</b>	<b>583,722</b>	<b>1,029,413</b>
<b>Transfers between funds</b>		<b>(4,056)</b>	<b>4,056</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains:</b>					
Actuarial gains on defined benefit pension schemes		282,000	-	282,000	20,000
<b>Net movement in funds</b>		<b>865,195</b>	<b>527</b>	<b>865,722</b>	<b>1,049,413</b>
<b>Reconciliation of funds</b>					
Total funds brought forward	23	22,550,673	658,690	23,209,363	22,159,950
<b>Total funds carried forward</b>		<b>23,415,868</b>	<b>659,217</b>	<b>24,075,085</b>	<b>23,209,363</b>

All amounts derive from continuing activities.

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

Movements in endowment funds have not been shown separately in the Statement of Financial Activities on the grounds of immateriality. No endowment income was received during the year. An analysis of movements in endowment funds can be found in note 23 to the financial statements.

The notes on pages 19-37 form part of these financial statements.

**THE SAINT JOHN'S SCHOOL FOUNDATION**

**CONSOLIDATED AND CHARITY BALANCE SHEETS**

**AS AT 31 JULY 2016**

		<b>Group 2016 £</b>	<b>Group 2015 £</b>	<b>School 2016 £</b>	<b>School 2015 £</b>
	<b>Notes</b>				
<b>Fixed assets</b>					
Tangible assets	<b>13</b>	<b>29,385,484</b>	27,872,490	<b>29,385,484</b>	27,872,490
Investments	<b>14</b>	<b>1,117,226</b>	1,773,801	<b>1,157,226</b>	1,813,801
<i>Total fixed assets</i>		<b>30,502,710</b>	29,646,291	<b>30,542,710</b>	29,686,291
<b>Current assets</b>					
Debtors	<b>16</b>	<b>362,713</b>	353,599	<b>399,131</b>	398,814
Cash at bank and in hand		<b>1,530,625</b>	1,739,865	<b>1,428,288</b>	1,628,246
<i>Total current assets</i>		<b>1,893,338</b>	2,093,464	<b>1,827,419</b>	2,027,060
<b>Liabilities</b>					
Creditors: amounts falling due within one year	<b>17</b>	<b>(2,705,624)</b>	(2,317,285)	<b>(2,679,705)</b>	(2,290,881)
<i>Net current liabilities</i>		<b>(812,286)</b>	(223,821)	<b>(852,286)</b>	(263,821)
<i>Total assets less current liabilities</i>		<b>29,690,424</b>	29,422,470	<b>29,690,424</b>	29,422,470
Creditors: amounts falling due after more than one year	<b>18</b>	<b>(6,701,339)</b>	(6,943,107)	<b>(6,701,339)</b>	(6,943,107)
<i>Net assets excluding pension asset</i>		<b>22,989,085</b>	22,479,363	<b>22,989,085</b>	22,479,363
Defined benefit pension scheme asset		<b>1,086,000</b>	730,000	<b>1,086,000</b>	730,000
<b>Total net assets</b>		<b>24,075,085</b>	23,209,363	<b>24,075,085</b>	23,209,363
<b>The funds of the School:</b>					
Endowment funds		<b>218,109</b>	215,355	<b>218,109</b>	215,355
Restricted income funds		<b>441,108</b>	443,335	<b>441,108</b>	443,335
<i>Total restricted funds</i>		<b>659,217</b>	658,690	<b>659,217</b>	658,690
Unrestricted funds		<b>22,329,868</b>	21,820,673	<b>22,329,868</b>	21,820,673
Pension reserve		<b>1,086,000</b>	730,000	<b>1,086,000</b>	730,000
<i>Total unrestricted funds</i>		<b>23,415,868</b>	22,550,673	<b>23,415,868</b>	22,550,673
<b>Total School funds</b>	<b>23</b>	<b>24,075,085</b>	23,209,363	<b>24,075,085</b>	23,209,363

The financial statements were approved and authorised for issue by the Council on  
signed below on its behalf by:

and were

Chair of the Council  
J D Willis

The notes on pages 19-37 form part of these financial statements.

**THE SAINT JOHN'S SCHOOL FOUNDATION**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED 31 JULY 2016**

	<b>Total funds 2016 £</b>	<b>Total funds 2015 £</b>
<b>Cash flows from operating activities</b>		
<b><i>Net cash provided by (used in) operating activities</i></b>	<b>1,530,068</b>	<b>1,347,858</b>
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	50,104	67,025
Purchase of fixed assets	(2,966,110)	(3,188,464)
Proceeds from the sale of investments	1,229,591	507,930
Purchase of investments	(579,591)	(507,930)
<b><i>Net cash provided by (used in) investing activities</i></b>	<b>(2,266,006)</b>	<b>(3,121,439)</b>
<b>Cash flows from financing activities</b>		
Repayments of borrowing	(761,371)	(698,243)
Cash inflows from new borrowing	-	2,112,746
Fees in advance – receipts less refunds	886,170	259,071
Increase in advance deposits	401,900	50
<b><i>Net cash provided by (used in) financing activities</i></b>	<b>526,699</b>	<b>1,673,624</b>
<i>Change in cash and cash equivalents in the year</i>	<b>(209,240)</b>	<b>(99,957)</b>
<b>Cash and cash equivalents at 1 August 2015</b>	<b>1,739,865</b>	<b>1,839,822</b>
<b>Cash and cash equivalents at 31 July 2016</b>	<b>1,530,625</b>	<b>1,739,865</b>

**NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS**

**Reconciliation of net income / (expenditure) to net cash flows from operating activities**

	<b>Total 2016 £</b>	<b>Total 2015 £</b>
<b><i>Net income for the year</i></b>	<b>583,722</b>	<b>1,029,413</b>
<b>Adjustments for:</b>		
Depreciation charges	1,296,426	1,127,072
Gains on investments	(3,885)	(26,059)
Dividends, interest and rents from investments	(50,071)	(71,382)
Loss on sale of fixed assets	-	31,380
Release of fees in advance	(448,666)	(343,507)
Increase in debtors	(9,487)	(27,352)
Increase / (decrease) in creditors	225,228	(288,707)
Other non-cash movements – pension and investment management costs	(63,199)	(83,000)
<b><i>Net cash provided by operating activities</i></b>	<b>1,530,068</b>	<b>1,347,858</b>
<b>Analysis of cash and cash equivalents</b>		
	<b>Total 2016 £</b>	<b>Total 2015 £</b>
Cash in hand	1,530,625	1,739,865
<b><i>Total cash and cash equivalents</i></b>	<b>1,530,625</b>	<b>1,739,865</b>

# THE SAINT JOHN'S SCHOOL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

---

### 1. ACCOUNTING POLICIES

#### a) Basis of Preparation of the Financial Statements

The financial statements have been prepared in accordance with the Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland ("FRS 102") issued on 16 July 2014 and FRS 102 and the Charities Act 2011. They are drawn up under the historical cost convention except that investments are carried at market value, and properties outside the School grounds at their valuation in 1996. No cash flow statement is presented for the School alone as the exemption to do so is taken under section 1 of FRS 102.

The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) Regulations 2008 only to the extent required to provide a 'true and fair' view. This departure has involved following the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with FRS 102 issued on 16 July 2014 rather than the previous Statement of Recommended Practice: Accounting and Reporting by Charities which was effective from 1 April 2005 but which has since been withdrawn.

The School constitutes a public benefit entity as defined by FRS 102.

#### Group Accounting Policies

These financial statements consolidate the results of the School and its wholly-owned trading subsidiary, St John's (Leatherhead) Enterprises Ltd, on a line by line basis. No separate Statement of Financial Activities has been presented for the School alone. The School's incoming resources, excluding the subsidiary company, amounted to £13,936,969 (2015: £13,936,382), resources expended amounted to £13,356,132 (2015: £12,904,811) and net incoming resources amounted to £580,837 (2015: £1,031,571).

#### b) Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Accordingly, they can continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities on page 13.

#### c) Fixed assets

Expenditure since 1948 on freehold properties within School grounds has been capitalised at cost. Expenditure outside School grounds was capitalised at market value at 31 August 1996. From 1 September 1996 items of capital expenditure have been charged as expenses in the Statement of Financial Activities where the cost of that item is less than the capitalisation threshold set by the Governors or where the expected useful life is less than three years. The capitalisation threshold is £10,000 and is reviewed periodically by the Governors.

Tangible fixed assets are depreciated by equal annual instalments over their estimated useful lives at the following rates:

Buildings	50 years
Land	Not depreciated
Assets under the course of construction	Not depreciated until brought into use
Chapel Organ	50 years
Improvements and extensions	20 years
Synthetic pitches	10 years
Furniture and equipment	4 years
Motor vehicles	4 years
Leasehold assets	Over the term of the lease
Plant and machinery	10 - 20 years

# THE SAINT JOHN'S SCHOOL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

---

### 1. ACCOUNTING POLICIES (continued)

#### d) Fees and similar earned income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting bursaries, scholarships, Foundation subsidies and other remissions allowed by the School, but include contributions received for bursaries from restricted funds.

In addition to termly fees, which are payable at the commencement of each term, the School accepts fees for longer periods. These longer-term fees paid in advance are held within creditors and credited to income when the fees fall due.

#### e) Activities for generating funds

This income comprises the trading activities of the School and its subsidiary entity and is credited to the Statement of Financial Activities on a receivable basis.

#### f) Investment income

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

#### g) Donations, legacies and other voluntary income

Donations received for the general purposes of the School are credited to unrestricted funds on receipt and are spent within the year or carried forward for School-specific purposes. Donations and appeal income received for specific purposes are credited to restricted funds on receipt and applied in accordance with the wishes of the donors.

Legacy income is credited to incoming resources after granting of probate, when the School becomes entitled to the income, receipt is considered probable, and the amount is quantifiable.

#### h) Resources expended

Expenditure has been charged in the Statement of Financial Activities on an accruals basis inclusive of value added tax where applicable. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Governance costs, which relate to the constitutional and statutory requirements and include any costs associated with the strategic management of the School's activities, have been included within support costs and apportioned across the School's activities. Expenditure is allocated on the bases indicated below:

##### Cost of raising funds

Cost of raising funds comprises the costs of fundraising activities and related staff costs, commercial trading activities and investment management fees.

##### Charitable activities

Charitable activities are those directly related to the objects of the charity and are reflected in these accounts under three main headings:

- Teaching
- Welfare and catering
- Premises maintenance

##### Support costs

Overhead costs include finance, insurance, IT, legal and professional, and other administrative and governance costs associated with supporting the running of the School. They have been allocated to the cost raising funds and to charitable activities according to the proportion of direct costs attributed to each area.

#### i) Irrecoverable VAT

Any irrecoverable VAT is charged to the Statement of Financial Activities under the particular heading to which the expenses relates, or capitalised as part of the cost of the related asset, where appropriate.

# THE SAINT JOHN'S SCHOOL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

---

### 1. ACCOUNTING POLICIES (continued)

#### j) Measurement of debtors

Debtors due within one year are measured at cost less any amounts considered to be irrecoverable.

#### k) Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits as a result of past transactions or events. Liabilities are measured at the amount the School expects to transfer in settlement of the liability.

#### l) Advanced deposits

Advanced deposits are deposits placed when a pupil accepts a place at the School and are refunded at the end of the final term after deducting any outstanding debts or charges.

#### m) Pension Schemes

Retirement benefits to employees of the School are provided through three pension schemes – two defined benefit schemes and one defined contribution scheme. The pension costs charged in the Statement of Financial Activities are determined as follows:

##### The Teachers' Pension Scheme

This is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS 102, it is accounted for as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

##### The St John's Foundation School Pension and Assurance Scheme

This is a defined benefit scheme for non-teaching staff which was closed to new entrants on 1 May 2001 and to further accrual on 1 March 2016.

The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the balance sheet date. Scheme liabilities are measured on an actuarial basis at the balance sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the Balance Sheet.

##### Defined contribution scheme

The Group Personal Pension Plan (introduced on 1 July 2001) for support staff is a defined contribution scheme and contributions are accounted for as a charge to the Statement of Financial Activities in the period in which the salaries to which they relate are payable.

#### n) Investments

Listed investments are valued at the market value at the balance sheet date. Unrealised gains and losses arising on the revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

#### o) Operating leases

Rentals paid under operating leases are charged to the Statement of Financial Activities on a straight line basis over the term of the lease.

#### p) Finance leases

Assets held under finance leases are capitalised as fixed assets and depreciated over the term of the lease. A corresponding creditor is recognised at transaction upon acquisition and subsequently measured at amortised cost using the effective interest method. Depreciation and interest costs are charged to the Statement of Financial Activities as they are incurred.

# THE SAINT JOHN'S SCHOOL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

---

### 1. ACCOUNTING POLICIES (continued)

#### q) Fund accounting

The funds of the School and its subsidiary 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 funds

These are available for use at the discretion of the Council in furtherance of the general objectives of the School. 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 funds

These funds are treated in accordance with restrictions imposed by the donors. Funds raised for specific capital projects are released to unrestricted funds as expenditure on the project is incurred.

##### Endowment funds

These are funds for which the capital is maintained in accordance with specific restrictions imposed by the donors. All endowment funds held by the School are permanent, where the gift is to be retained permanently to generate income for the School. The income from the endowment funds is restricted as set out in note 23.

#### r) Judgements and estimates

In the application of the accounting policies, the Governors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis.

The annual depreciation charge for tangible fixed assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. These are reassessed annually.

The valuation of the defined benefit pension scheme is subject to actuarial assumptions. These are set out in note 26 to the financial statements.

#### s) Financial instruments

The School only has financial assets and liabilities of a kind that qualify as basic financial instruments. These include debtors, cash and bank balances, creditors and bank loans. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of investments in equity and fixed income funds which are measured at fair value. Changes in fair value are recognised in the Statement of Financial Activities in accordance with FRS 102, section 11.

At the balance sheet date the School held financial assets at amortised cost of £31,278,822 (2015: £29,965,954), financial assets at fair value through income or expenditure of £1,117,226 (2015: £1,773,801) and financial liabilities at amortised cost of £9,406,963 (2015: £9,260,392).



# THE SAINT JOHN'S SCHOOL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 JULY 2016

#### 2. PRIOR YEAR ADJUSTMENTS

In preparing the accounts, the Governors have considered whether in applying the accounting policies required by FRS 102 and the Charities SORP 2015 the restatement of comparative items was required.

As a result of applying the requirement to recognise liabilities arising from employee benefits, a liability was recognised for short-term compensated absence arising from employee entitlement to paid annual leave. The initial liability recognised at the date of transition was for the holiday entitlement arising in the year which was due but not taken.

As a result of applying the revised accounting requirement with respect to leases, several leases relating to printing and photocopying equipment have been reclassified as finance leases (previously operating leases). The equipment has been recognised within fixed assets at depreciated cost of £124,870 and a liability of £125,580 for the remaining term of the leases has been recognised within creditors, split between balances due within and after one year.

An additional debtor, relating to a donation spread over several years, has been recognised as a result of the change in recognition criteria from 'virtually certain' under the Charities SORP 2005 to 'probable' under FRS 102 and the Charities SORP 2015.

As at 31 July 2014, following legal advice, the Foundation Fund was reclassified as an unrestricted fund, not subject to any legal restrictions. Following the introduction of the Charities SORP 2015 the Governors have reviewed the classification of the three residential properties held by the Fund. These were previously deemed to be investment properties held for the purposes of generating income for a restricted fund, and until 31 July 2014 the School credited the Foundation Fund with the market value of the annual rental potential of the properties. It has been concluded that from 31 July 2014, when the Governors became aware that the Fund's assets did not have to be held to earn income or generate capital appreciation, these properties ceased to be held as investments and became part of the fixed asset property holding of the School. A prior year adjustment has been made to transfer the properties with a book value of £999,950 as at 1 August 2014 and to recognise depreciation of £19,999 for the year ended 31 July 2015.

Seven small balances, previously included within long-term creditors, have been reclassified as restricted funds. These relate to amounts donated to the School to provide prizes and awards on an ongoing basis.

Other income from charitable activities and expenditure on charitable activities for the year ended 31 July 2015 have both been increased by £333,125 to reflect the income and expenditure on School trips and extracurricular activities. The effect on the funds brought forward and carried forward is £nil.

In accordance with the requirements of FRS 102 a reconciliation of opening and closing balances is provided.

	As at 1 August 2014 £	As at 31 July 2015 £
Funds as previously stated	22,205,554	23,377,027
Accrual for employee entitlement to paid annual leave	(60,000)	(60,000)
Change in status of leases from operating to finance leases	(472)	(710)
Recognition of debtor under FRS 102 criteria	3,000	2,000
Reclassification of investment properties – depreciation charge	-	(120,049)
Reclassification of long-term creditor balances as restricted funds	11,868	11,095
	<u>22,159,950</u>	<u>23,209,363</u>

**THE SAINT JOHN'S SCHOOL FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2016**

<b>Reconciliation of 2015 surplus for the year</b>	<b>2015 £</b>
Surplus for the year ended 31 July 2015 as previously stated	1,171,473
Expenditure set against long-term creditor balances reclassified as restricted funds	(773)
Removal of income recognised earlier under FRS 102	(1,000)
Reclassification of investment properties:	
Removal of investment property revaluation	(100,050)
2015 depreciation on properties	(19,999)
Reclassification of leases:	
Removal of operating lease charges	21,457
Depreciation on related assets	(15,988)
Finance charges	(5,707)
Movement in accrual for paid annual leave	-
	<b>1,049,413</b>

**3. DONATIONS AND LEGACIES**

	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2016 £</b>	<b>2015 £</b>
Donations	32,133	205,630	237,763	265,059
Legacies	-	-	-	110,000
	<b>32,133</b>	<b>205,630</b>	<b>237,763</b>	<b>375,059</b>

**4. SCHOOL FEES**

	<b>2016 £</b>	<b>2015 £</b>
<b>The School's fee income consisted of:</b>		
Gross fees	15,229,378	14,860,307
<b>Less:</b>		
Bursaries, scholarships and remissions	(2,109,614)	(1,907,059)
	<b>13,119,764</b>	<b>12,953,248</b>
<b>Add back:</b>		
Bursaries paid by restricted funds	171,364	225,532
	<b>13,291,128</b>	<b>13,178,780</b>

**5. OTHER INCOME FROM CHARITABLE ACTIVITIES**

	<b>2016 £</b>	<b>2015 £</b>
Registration fees	70,801	81,675
Other income	110,200	84,194
Income from school trips and extracurricular activities	346,539	333,125
Charitable rent and hire of facilities	93,074	91,179
	<b>620,614</b>	<b>590,173</b>

**6. OTHER TRADING INCOME**

	<b>2016 £</b>	<b>2015 £</b>
Rent and hire of facilities	103,902	86,960
Cost of sales	(17,940)	(19,510)
<b>Gross profit</b>	<b>85,962</b>	<b>67,450</b>
Administrative expenditure	(3,030)	(4,337)
<b>Net profit</b>	<b>82,932</b>	<b>63,113</b>

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

7. INVESTMENT INCOME

	Unrestricted £	Restricted £	2016 £	2015 £
Bank interest	4,437	-	4,437	5,747
Investment income	25,630	20,004	45,634	65,635
	<u>30,067</u>	<u>20,004</u>	<u>50,071</u>	<u>71,382</u>

8. EXPENDITURE

	2016 £	2015 £
<b>Expenditure includes:</b>		
Depreciation	1,296,426	1,091,085
Auditors' remuneration		
For audit services	28,420	23,563
For other services	1,250	1,313

9. STAFF COSTS

	2016 £	2015 £
Wages and salaries	6,350,064	6,211,181
Social security costs	604,186	561,473
Termination payments	41,892	34,532
Employer's contribution to defined contribution pension schemes	729,449	607,826
Cost of operating defined benefit pension scheme	4,000	(12,000)
	<u>7,729,591</u>	<u>7,403,012</u>

The average number of employees in the year, including part-time employees, was 188 (2015: 183) of which 89 (2015: 86) were teaching staff. All termination payments were paid during the year.

The number of higher paid employees was:	2016	2015
£60,000 - £69,999	5	5
£70,000 - £79,999	2	-
£80,000 - £89,999	-	1
£100,000 - £109,999	1	1
£140,000 - £149,999	1	-
£170,000 - £179,999	-	1

Amounts paid to key management personnel	<u>585,210</u>	<u>581,408</u>
--	----------------	----------------

10. TRUSTEES

Neither the Governors nor persons connected with them received any remuneration or other benefits from the School or any connected entity. One Governor (2015: one) received reimbursement of travel expenses of £269 (2015: £238). One Governor is a partner at Patrick Gardner & Company who provide property investment and valuation advice to the School. No charges were made for this advice. A premium of £5,000 (2015: £5,000) was paid for trustee indemnity insurance cover of £10m.

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

11. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Direct costs £	Support costs £	Total 2016 £	Total 2015 £
<b>Raising funds</b>					
Fundraising costs	119,021	59,250	56,699	234,970	232,543
Investment management fees	-	10,760	-	10,760	12,000
Trading costs	-	20,970	6,670	27,640	31,141
	<b>119,021</b>	<b>90,980</b>	<b>63,369</b>	<b>273,370</b>	<b>275,684</b>
<b>Charitable activities</b>					
<b>School operating costs</b>					
Teaching	5,537,478	1,140,046	-	6,677,524	6,440,706
Welfare and catering	918,950	1,015,277	-	1,934,227	1,947,307
Premises	319,202	1,143,699	-	1,462,901	1,490,322
Support costs of schooling	-	-	3,204,255	3,204,255	2,919,449
	<b>6,775,630</b>	<b>3,299,022</b>	<b>3,204,255</b>	<b>13,278,907</b>	<b>12,797,784</b>
Bursaries paid from restricted funds	-	171,364	-	171,364	225,532
<b>Total charitable activities</b>	<b>6,775,630</b>	<b>3,470,386</b>	<b>3,204,255</b>	<b>13,450,271</b>	<b>13,023,316</b>
<b>Total costs</b>	<b>6,894,651</b>	<b>3,561,366</b>	<b>3,267,624</b>	<b>13,723,641</b>	<b>13,299,000</b>

12. SUPPORT COSTS 2016

	Fundraising £	Trading £	Schooling £	Total 2016 £
Governance	469	55	26,500	27,024
Finance	3,116	366	176,067	179,549
Legal, professional, training and recruitment	2,657	313	150,157	153,127
Insurance	1,934	227	109,277	111,438
IT support	6,418	755	362,684	369,857
Office supplies and equipment	2,956	348	167,047	170,351
Marketing and communications	1,387	163	78,391	79,941
Support wages and salaries	14,488	1,704	818,748	834,940
Depreciation	22,494	2,647	1,271,285	1,296,426
Travel and transport	741	87	41,890	42,718
Miscellaneous expenditure	39	5	2,209	2,253
	<b>56,699</b>	<b>6,670</b>	<b>3,204,255</b>	<b>3,267,624</b>

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

12. SUPPORT COSTS 2015 (continued)

	Fundraising	Trading	Schooling	Total 2015
	£	£	£	£
Governance	318	43	17,061	17,422
Finance	2,831	379	151,756	154,966
Legal, professional, training and recruitment	2,194	294	117,587	120,075
Insurance	1,943	260	104,164	106,367
IT support	4,850	649	259,963	265,462
Office supplies and equipment	3,335	447	178,736	182,518
Marketing and communications	2,648	355	141,932	144,935
Support wages and salaries	14,334	1,919	768,309	784,562
Depreciation	21,165	2,834	1,134,453	1,158,452
Travel and transport	632	85	33,857	34,574
Miscellaneous expenditure	217	29	11,631	11,877
	<u>54,467</u>	<u>7,294</u>	<u>2,919,449</u>	<u>2,981,210</u>

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

13. FIXED ASSETS

	Buildings within School grounds £	Freehold land and buildings outside School grounds £	Plant and machinery £	Assets under construction £	Total £
<b>Cost / valuation</b>					
At 1 August 2015	28,043,305	2,549,834	1,474,198	3,827,973	35,895,310
Transfers	3,603,078	-	1,798,246	(5,401,324)	-
Additions	-	-	-	2,809,420	2,809,420
Disposals	-	-	(8,380)	-	(8,380)
<b>At 31 July 2016</b>	<b>31,646,383</b>	<b>2,549,834</b>	<b>3,264,064</b>	<b>1,236,069</b>	<b>38,696,350</b>
<b>Depreciation</b>					
At 1 August 2015	6,489,556	693,244	840,020	-	8,022,820
Charge for the year	979,114	65,694	251,618	-	1,296,426
Eliminated on disposal	-	-	(8,380)	-	(8,380)
<b>At 31 July 2016</b>	<b>7,468,670</b>	<b>758,938</b>	<b>1,083,258</b>	<b>-</b>	<b>9,310,866</b>
<b>Net book value</b>					
<b>At 31 July 2016</b>	<b>24,177,713</b>	<b>1,790,896</b>	<b>2,180,806</b>	<b>1,236,069</b>	<b>29,385,484</b>
At 31 July 2015	21,553,748	1,856,591	634,178	3,827,973	27,872,490

The School had capital commitments contracted for completion after the year end of £12,126 for the formation of the Lower School, £87,683 for landscaping at the front of the School, £232,356 for the refurbishment of the Hamilton Building, £56,510 for the Kitchen boiler and heating works and £106,533 for the building of the new Science Centre (2015: capital commitments of £1,449,223).

14. INVESTMENTS

	Group		School	
	2016	2015	2016	2015
	£	£	£	£
<b>a) Movements</b>				
At 1 August 2015	1,773,801	1,759,007	1,813,801	1,799,007
Purchases	570,045	494,150	570,045	494,150
Disposals	(1,229,591)	(507,930)	(1,229,591)	(507,930)
Investment management fees	(10,760)	(12,000)	(10,760)	(12,000)
Cash retained within portfolio	9,846	14,515	9,846	14,515
Net gains for the year	3,885	26,059	3,885	26,059
<b>At 31 July 2016</b>	<b>1,117,226</b>	<b>1,773,801</b>	<b>1,157,226</b>	<b>1,813,801</b>
<b>b) Balances</b>				
Investec Wealth & Investment portfolio	1,117,226	1,773,801	1,117,226	1,773,801
Investment in subsidiary	-	-	40,000	40,000
<b>Total</b>	<b>1,117,226</b>	<b>1,773,801</b>	<b>1,157,226</b>	<b>1,813,801</b>
<b>c) Historical cost</b>				
Investec Wealth & Investment portfolio	1,014,375	1,584,483	1,014,375	1,584,483
Investment in subsidiary	-	-	40,000	40,000
<b>Total</b>	<b>1,014,375</b>	<b>1,584,483</b>	<b>1,054,375</b>	<b>1,624,483</b>

**THE SAINT JOHN'S SCHOOL FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2016**

**15. TRADING SUBSIDIARY**

The School owns 100% of the issued share capital of St John's (Leatherhead) Enterprises Ltd, registered company number 6646348 (England and Wales). The company was incorporated on 15 July 2008.

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Turnover	<b>103,902</b>	86,960
Cost of sales	<b>(17,940)</b>	(19,510)
Gross profit	<b>85,962</b>	67,450
Administration expenses	<b>(3,030)</b>	(4,337)
Net profit	<b>82,932</b>	63,113
Gift aid payment to St John's School	<b>(82,932)</b>	(63,113)
Retained profit for the year	<b>-</b>	-
The assets and liabilities of the subsidiary were:		
Current assets	<b>113,991</b>	126,393
Current liabilities	<b>(73,991)</b>	(86,393)
Total net assets	<b>40,000</b>	40,000
Aggregate share capital and reserves	<b>40,000</b>	40,000

**16. DEBTORS**

	<b>Group</b>		<b>School</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
School fees	<b>160,968</b>	154,486	<b>160,968</b>	154,486
Due from subsidiary company	-	-	<b>48,071</b>	59,989
Sundry debtors	<b>59,858</b>	79,785	<b>48,205</b>	68,798
Prepayments	<b>141,887</b>	119,328	<b>141,887</b>	115,541
	<b>362,713</b>	353,599	<b>399,131</b>	398,814

**17. CREDITORS: amounts falling due within one year**

	<b>Group</b>		<b>School</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loan (note 20)	<b>734,237</b>	734,237	<b>734,237</b>	734,237
Fees in advance (note 19)	<b>376,195</b>	209,892	<b>376,195</b>	209,892
Advanced deposit fund	<b>293,300</b>	101,800	<b>293,300</b>	101,800
Taxation and social security	<b>172,407</b>	167,477	<b>172,407</b>	167,477
Other creditors	<b>808,444</b>	380,412	<b>806,844</b>	377,812
Accruals and deferred income	<b>291,684</b>	696,013	<b>267,365</b>	672,209
Finance leases	<b>29,357</b>	27,454	<b>29,357</b>	27,454
	<b>2,705,624</b>	2,317,285	<b>2,679,705</b>	2,290,881

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

**18. CREDITORS: amounts falling due after more than one year**

	<b>Group</b>		<b>School</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loan (note 20)	<b>4,851,494</b>	5,585,411	<b>4,851,494</b>	5,585,411
Fees in advance (note 19)	<b>636,509</b>	365,307	<b>636,509</b>	365,307
Advanced deposit fund	<b>1,032,844</b>	822,444	<b>1,032,844</b>	822,444
Accruals	<b>111,723</b>	71,819	<b>111,723</b>	71,819
Finance leases	<b>68,769</b>	98,126	<b>68,769</b>	98,126
	<b>6,701,339</b>	6,943,107	<b>6,701,339</b>	6,943,107

**19. FEES IN ADVANCE**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Balance brought forward	<b>575,199</b>	659,635
New fees in advance received	<b>933,022</b>	259,071
Fees in advance refunded	<b>(46,851)</b>	-
	<b>1,461,370</b>	918,706
Amounts utilised in payment of fees	<b>(469,097)</b>	(353,847)
	<b>992,273</b>	564,859
Amounts accrued in the year	<b>20,431</b>	10,340
<b>Balance carried forward</b>	<b>1,012,704</b>	575,199
<b>Represented by creditors falling due:</b>		
- within one year	<b>376,195</b>	209,892
- after more than one year	<b>636,509</b>	365,307
	<b>1,012,704</b>	575,199

Parents may enter into a contract with the School to pay for fees in advance. The money may be returned subject to conditions. If the pupils should remain at the School the liability for fees paid in advance is set out as above.

**20. BANK LOAN**

	<b>2016</b>	<b>2015</b>
	<b>£</b>	<b>£</b>
Falling due for repayment:		
- between two and five years	<b>4,621,041</b>	4,936,946
- after more than five years	<b>230,453</b>	648,465
	<b>4,851,494</b>	5,585,411
- within one year	<b>734,237</b>	734,237
	<b>5,585,731</b>	6,319,648

The School has two fully drawn loan facilities totalling £7m and a revolving credit facility of £2m. These facilities are secured on some of the School's property assets. The loans are being repaid over ten year periods ending December 2020 and July 2022 respectively, and the revolving credit facility falls due in July 2020.



THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

21. DEFERRED INCOME

	2016 £	2015 £
Balance brought forward	27,110	-
Released to Statement of Financial Activities	(27,110)	-
Deferred during the year	20,719	27,110
Balance carried forward	20,719	27,110

22. ALLOCATION OF THE GROUP'S NET ASSETS

	Fixed assets £	Invest- ments £	Net current liabilities £	Long term liabilities £	Pension scheme asset £	Total £
Unrestricted funds	29,385,484	548,794	(903,071)	(6,701,339)	-	22,329,868
Pension fund	-	-	-	-	1,086,000	1,086,000
Restricted income funds	-	350,323	90,785	-	-	441,108
Endowment funds	-	218,109	-	-	-	218,109
<b>Balance at 31 July 2016</b>	<b>29,385,484</b>	<b>1,117,226</b>	<b>(812,286)</b>	<b>(6,701,339)</b>	<b>1,086,000</b>	<b>24,075,085</b>

23. STATEMENT OF FUNDS

	Balance at 1 August 2015 £	Incoming resources £	Resources expended £	Gains and losses £	Transfers £	Balance at 31 July 2016 £
<b>a) Unrestricted funds</b>						
General fund	19,567,908	14,077,844	(13,169,706)	-	141,351	20,617,397
Foundation fund	2,252,765	-	(308,788)	(8,099)	(223,407)	1,712,471
Pension reserve	730,000	-	(4,000)	282,000	78,000	1,086,000
	<b>22,550,673</b>	<b>14,077,844</b>	<b>(13,482,494)</b>	<b>273,901</b>	<b>(4,056)</b>	<b>23,415,868</b>
<b>b) Restricted income funds</b>						
Old Johnian fund	370,627	12,331	(16,885)	7,385	-	373,458
Albany Award fund	44,189	26,221	(76,966)	-	6,556	-
Foundation Appeal fund	-	86,105	(63,035)	-	(70)	23,000
Russell Baker fund	-	6,412	(6,412)	-	-	-
Champney's Fund	-	78	(78)	-	-	-
Hinton Scholarship fund	-	1,183	(1,183)	-	-	-
Chapel Organ appeal	-	7,830	(5,579)	-	(2,251)	-
Other funds	28,519	85,474	(69,164)	-	(179)	44,650
	<b>443,335</b>	<b>225,634</b>	<b>(239,302)</b>	<b>7,385</b>	<b>4,056</b>	<b>441,108</b>
<b>c) Endowment funds</b>						
Russell Baker fund	179,960	-	(1,542)	3,843	-	182,261
Champney's Fund	2,166	-	(19)	47	-	2,194
Hinton Scholarship fund	33,229	-	(284)	709	-	33,654
	<b>215,355</b>	<b>-</b>	<b>(1,845)</b>	<b>4,599</b>	<b>-</b>	<b>218,109</b>
<b>Total restricted funds</b>	<b>658,690</b>	<b>225,634</b>	<b>(241,147)</b>	<b>11,984</b>	<b>4,056</b>	<b>659,217</b>
<b>Total funds</b>	<b>23,209,363</b>	<b>14,303,478</b>	<b>(13,723,641)</b>	<b>285,885</b>	<b>-</b>	<b>24,075,085</b>

# THE SAINT JOHN'S SCHOOL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

### STATEMENT OF FUNDS (continued)

#### Foundation fund

The Foundation fund has been designated to provide bursarial support for children of clergy. The Fund is not restricted or subject to any trust or endowment.

#### Restricted funds

The Old Johnian fund, being the transfer of assets from the former Old Johnian Society, is used to support the work of the Development Department with alumni.

The Albany Award fund provides up to 100% fee remission for children whose parents would otherwise be unable to afford the fees.

The Foundation Appeal fund supports the provision of bursaries to children of clergy.

The Russell Baker, Champney's, and Hinton Scholarship funds were all established as endowment funds to provide financial support to parents who, through illness or bereavement, need financial assistance to pay the School's fees. Support is provided from the income generated by these funds, while the capital is maintained to provide support for future generations of pupils.

The Chapel Organ appeal was to raise funds towards the cost of the School's new chapel organ.

#### Transfers between funds

£78,000 was transferred from the General fund to the Pension reserve, representing the contributions paid into the defined benefit scheme during the year. £223,407 was transferred from the Foundation fund to the General fund to replenish funds used to provide Foundationer bursaries during the year ended 31 July 2015. £6,556 was transferred from the General fund to the Albany Award fund, being match-funding of donations up to September 2015 as agreed with donors. The remaining balance of £2,251 on the Chapel Organ Appeal fund was transferred to the General fund following completion of the organ installation. £249 was transferred from Restricted funds to be allocated and into the General fund following confirmation that these donations were for the general purposes of the School. £70 was transferred from the Foundation Appeal fund to the Science Centre fund upon clarification of the donor's wishes.

### 24. OPERATING LEASE COMMITMENTS

At 31 July 2016 the School had the following annual commitments under non-cancellable operating leases:

	2016 £	2015 £
Expiring within one year	35,893	46,117
Expiring between two and five years	-	17,666
	<u>35,893</u>	<u>63,783</u>

### 25. RELATED PARTY TRANSACTIONS

During the year the School provided services and catering goods to St John's (Leatherhead) Enterprises Ltd in support of the hire of facilities, and also paid invoices on behalf of St John's (Leatherhead) Enterprises Ltd where these invoices were issued in the name of the School. These were recharged at cost. Total recharges during the year amounted to £20,677 (2015: £22,376).

At the year-end St John's (Leatherhead) Enterprises Ltd decided a donation of £82,932 (2015: £63,113) would be paid to the School.

At the year-end St John's (Leatherhead) Enterprises Ltd owed £48,071 (2015: £59,989) to the School.

## 26. PENSION SCHEMES

### Teaching staff

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £620,166 (2015: £514,363) and at the year end £85,250 (2015: £nil) was accrued in respect of contributions to this scheme.

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

### The Teachers' Pension Budgeting and Valuation Account

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

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

### Valuation of the Teachers' Pension Scheme

The latest actuarial review of the TPS was carried out as at 31 March 2012 and in accordance with *The Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014*.

The valuation report was published by the Department on 9 June 2014. The key results of the valuation are:

- Employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- Total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- An employer cost cap of 10.9% of pensionable pay.
- 

The new employer contribution rate for the TPS was implemented in September 2015.

A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website at the following location:

<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>

### Scheme changes

Lord Hutton, who chaired the Independent Public Service Pensions Commission, published his final report in March 2011 and made recommendations about how pensions can be made sustainable and affordable, whilst remaining fair to the workforce and the taxpayer. The Government accepted Lord Hutton's recommendations as the basis for consultation and Ministers engaged in extensive discussions with trade unions and other representative bodies on reform of the TSP. Those discussions concluded on 9 March 2012, and the Department published a Proposed Final Agreement, setting out the design for a reformed TPS to be implemented from 1 April 2015.

**26. PENSION SCHEMES (continued)**

The key provisions of the reformed scheme include: a pension based on career average earnings; an accrual rate of  $\frac{1}{57}^{\text{th}}$ ; and a Normal Pension Age equal to State Pension Age, but with options to enable members to retire earlier or later than their Normal Pension Age. Importantly, pension benefits built up before 1 April 2015 will be fully protected.

In addition, the Proposed Final Agreement includes a Government commitment that those within 10 years of Normal Pension Age on 1 April 2012 will see no change to the age at which they can retire, and no decrease in the amount of pension they receive when they retire. There will also be further transitional protection, tapered over a three and a half year period, for people who would fall up to three and a half years outside of the 10 year protection.

In his interim report of October 2010, Lord Hutton recommended that short-term savings were also required, and that the only realistic way of achieving these was to increase member contributions. At the Spending Review 2010 the Government announced an average increase of 3.2 percentage points on the contribution rates by 2014-15. The increases have been phased in since April 2012.

The arrangements for a reformed Teachers' Pension Scheme, in line with the remainder of the recommendations made by Lord Hutton, have now been implemented. The Career Average Revalued Earnings (CARE) scheme was implemented from 1 April 2015, whereby benefits will accrue on a career average basis and there is a normal pension age aligned to the state pension age.

**Non-teaching staff**

The School also maintains a defined benefits scheme, The St John's Foundation School Pension and Assurance Scheme, for some of its non-teaching staff. This was closed to new entrants on 1 May 2001 and to future accrual on 1 March 2016. The charge for the year, against which employer contributions paid over to the Scheme Trustees in the year amounted to £75,303 (2015: £83,176), together with the actuarial gains and losses on the Scheme for the year, is recognised in the Consolidated Statement of Financial Activities in accordance with FRS 102.

For staff not in this defined benefits scheme, the School operates a Stakeholder pension scheme. This is a unit-linked defined contributions scheme managed by Legal & General, under which the School contributes 5% and the employee 3% of pensionable pay. Employer contributions totalling £109,283 (2015: £93,636) were paid in respect of this stakeholder pension scheme during the year.

**The St John's Foundation School Pension and Assurance Scheme**

The information set out in this note below relates only to the St John's Foundation School Pension and Assurance Scheme ("the Scheme"), the assets of which are held separately from those of the School.

**Actuarial valuation**

The Scheme is funded by contributions from those members who joined on or after 1 January 1995 and the employer in accordance with the recommendations of an independent qualified actuary on the basis of triennial valuations. The most recent of these valuations was made on 1 January 2014 and was conducted using the revised actuarial assumptions of the Pensions Act 1995. This legislation requires trustees to achieve a defined Minimum Funding Requirement ("MFR") and to maintain contribution and investment returns at a level that ensures the schemes liabilities are matched by its assets. The MFR valuation in January 2014 indicated that the assets (excluding annuities purchased in respect of secured pension rights), the market value of which was then £2,695,000, represented just over 119% of its liabilities. This actuarial valuation on an ongoing basis indicated a surplus of assets compared to liabilities of £431,000. This surplus is calculated using different assumptions to those required under FRS 102, details of which are set out below.

The formal triennial valuation as at 1 January 2014 indicated that the Scheme was in surplus as a result of which, following consultation between the Trustees and the employer, a new Standard Contribution Rate of £6,600 per month was agreed. This sum comprises of a rate of £4,100 (including employee contributions) for future pension accruals and an additional amount of £2,500 per month to cover all expenses charged by the External Administration Services Provider, including actuarial costs, and the cost of death in service benefits. The new combined rate of £6,600 was effective from 1 November 2014.

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

26. PENSION SCHEMES (continued)

Information required by Financial Reporting Standard 102

The pension expense charged to the Statement of Financial Activities makes no allowance for actuarial gains and losses during the year. Actuarial gains and losses are recognised separately in the Statement of Financial Activities in the year in which they occur. Disclosures below are in accordance with accounting standard FRS 102 for the first time, replacing the previous accounting standard FRS 17. 2015 comparatives have been restated.

Components of pension cost	2016 £	2015 £
Net interest cost	25,000	55,000
Administration cost	(29,000)	(43,000)
Total pension (charge) / income recognised in the Statement of Financial Activities	(4,000)	12,000
Actuarial gains immediately recognised	282,000	20,000
<b>Amounts recognised in the balance sheet</b>		
Present value of funded obligation	(3,366,000)	(3,183,000)
Fair value of plan assets	4,452,000	3,913,000
Pension scheme asset	1,086,000	730,000
<b>Change in benefit obligation</b>		
Benefit obligation at 1 August 2015	3,183,000	2,890,000
Current accrual cost	4,000	15,000
Interest cost	110,000	117,000
Actuarial (gains) / losses	156,000	245,000
Actuarial (gain) / loss due to experience	(17,000)	(8,000)
Change in secured pensioners value due to scheme experience	(3,000)	(13,000)
Benefits paid	(67,000)	(63,000)
Benefit obligation at 31 July 2015	3,366,000	3,183,000
<b>Change in plan assets</b>		
Fair value of plan assets at 1 August 2015	3,913,000	3,505,000
Interest on assets	135,000	172,000
Actuarial gains / (losses)	421,000	257,000
Employer contributions	78,000	83,000
Expenses paid by scheme	(26,000)	(30,000)
Employee contributions	1,000	2,000
Change in secured pensioners value due to scheme experience	(3,000)	(13,000)
Benefits paid	(67,000)	(63,000)
Fair value of plan assets at 31 July 2016	4,452,000	3,913,000
<b>Actual return on plan assets</b>	553,000	416,000
<b>Funded status and net amount recognised</b>	1,086,000	730,000

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

26. PENSION SCHEMES (continued)

Fund assets		Plan assets 2016	2015
The weighted average asset allocation at the year-end was as follows:	<b>Asset category</b>		
	Equities	29.54%	27.93%
	Govt bonds	54.02%	53.90%
	Annuities	15.72%	17.38%
	Cash	0.72%	0.79%
		<u>100%</u>	<u>100%</u>

Principal Actuarial Assumptions	2016	2015
Discount rate	2.7%	3.5%
Inflation (RPI)	2.7%	3.4%
Salary increases*	0%	3.4%
Pension increases – RPI capped at 5%	2.7%	3.4%
Pension increases – RPI capped at 2.5%	2.5%	2.5%
Mortality table	S1NA series	S1NA series
Mortality improvements	1.5% / 1.0%	1.5% / 1.0%
Commutation	75% of pension	75% of pension
Life expectancy at age 65 of male aged 65	22.6 years	22.8 years
Life expectancy at age 65 of male aged 45	24.7 years	24.9 years

\*Scheme closed to future accrual on 1 March 2016.

Five year history	2016 £	2015 £	2014 £	2013 £	2012 £
Benefit obligation at 31 July	(3,366,000)	(3,183,000)	(2,890,000)	(2,847,000)	(2,836,000)
Fair value of plan assets at 31 July	4,452,000	3,913,000	3,505,000	3,345,000	3,177,000
<b>Asset</b>	<u>1,086,000</u>	<u>730,000</u>	<u>615,000</u>	<u>498,000</u>	<u>341,000</u>

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2016

27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2015 £
<b>Income from:</b>			
Donations and legacies	148,168	226,891	375,059
Charitable activities: School fees	13,178,780	-	13,178,780
Other income from charitable activities	590,173	-	590,173
Other trading activities	86,960	-	86,960
Investments	51,480	19,902	71,382
<b>Total income</b>	<b>14,055,561</b>	<b>246,793</b>	<b>14,302,354</b>
<b>Expenditure on:</b>			
Raising funds	271,886	3,798	275,684
Charitable activities	12,719,752	303,564	13,023,316
<b>Total expenditure</b>	<b>12,991,638</b>	<b>307,362</b>	<b>13,299,000</b>
<b>Net incoming funds from operations before investment gains</b>	<b>1,063,923</b>	<b>(60,569)</b>	<b>1,003,354</b>
Net gains / (losses) on investments	17,813	8,246	26,059
<b>Net income / (expenditure)</b>	<b>1,081,736</b>	<b>(52,323)</b>	<b>1,029,413</b>
<b>Transfers between funds</b>	<b>237,708</b>	<b>(237,708)</b>	<b>-</b>
<b>Other recognised gains / (losses):</b>			
Actuarial gains / (losses) on defined benefit pension schemes	20,000	-	20,000
<b>Net movement in funds</b>	<b>1,339,444</b>	<b>(290,031)</b>	<b>1,049,413</b>
<b>Reconciliation of funds</b>			
Total funds brought forward	21,211,229	948,721	22,159,950
<b>Total funds carried forward</b>	<b>22,550,673</b>	<b>658,690</b>	<b>23,209,363</b>