

COMPANY NUMBER: 04482913

CHARITY NUMBER: 1097781

ST AUGUSTINE'S PRIORY SCHOOL LIMITED
(Operating as St Augustine's Priory)

REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2017

ST AUGUSTINE'S PRIORY SCHOOL LIMITED
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ST AUGUSTINE'S PRIORY SCHOOL LIMITED
ANNUAL REPORT OF THE GOVERNORS
FOR THE YEAR ENDED 31 JULY 2017

Administrative details

Registered office

St Augustine's Priory
Hillcrest Road
Ealing
London
W5 2JL

Governors/Trustees

The trustees who served during the year to 31 July 2017 were:

Mrs S Kirby (Chair)
Mrs J Austin
Mrs F Baker
Mrs J Burbury
Mr B Cassidy
Deacon A Clark
Mrs C Copeland
Mr P D'Arcy
Mr H Parmar
Mrs C Phillips
Mr F Steadman

Company Secretary and Clerk to the Governors

Mrs S Daly (to 31 December 2016)
Mr J Powell (from 1 January 2017)

Auditor

Crowe Clark Whitehill LLP
Chartered Accountants
St Bride's House
10 Salisbury Square
London EC4Y 8EH

Solicitors

Veale Wasbrough Vizards
Orchard Court
Orchard Lane
Bristol
BS1 5WS

Bankers

HSBC Bank plc
46 The Broadway
Ealing
London
W5 5JT

Headteacher

Mrs S Raffray

ST AUGUSTINE'S PRIORY SCHOOL LIMITED
ANNUAL REPORT OF THE GOVERNORS
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Report of the Governors

The governors, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the year ended 31 July 2017. The trustees have adopted the provisions of the Charities Statement of Recommended Practice (SORP) (FRS102).

Objectives and activities

The Charity's object, as set out in Section 3 of the Memorandum of Association, is the advancement of education in the Roman Catholic tradition.

The principal activity of the Charity, in the period under review, continues to be that of providing a complete education for girls, of the highest standard, founded on the Catholic faith.

We are an all-through, inclusive Catholic girls' school, with boys in the Nursery. As a girls' school we are committed to preparing girls for life long effectiveness and success. As part of their journey, girls will learn of intellectual risk-taking and emotional strength, reflection and self-knowledge, persuasiveness and team building as well as a cultural curiosity for an enriched enjoyment of life. In our stunning 13 acres of grounds, girls have a physical freedom unique in central London. We aim to instil in them the emotional freedom to grow intellectually and spiritually and to understand the truth about themselves, others and our complex world. We will give them the courage to be ambitious and compassionate and we will provide a secure, happy and nurturing community in which to explore all of the above. To this end we seek, develop and retain the best teachers who value well-being and the individual progress of each girl as much as they are relentless in their pursuit of academic excellence. Their goal is life-long success for each girl and they set the pace of energy and dynamism within which the girls flourish.

Achievement and performance

This year we report on both 2016 and 2017 results at A-level and GCSE.

A-level

Grade	2016	2017
A* or A	37%	41%
A* to B	71%	72%
A* to C	90%	92%

GCSE

It should be noted that comparison at GCSE level is not exact due to changes in the grading structure for some subjects.

Grade	2016	2017
A* or A	66%	57%
A* to B	89%	85%
A* to C	96%	97%

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In other areas the following achievements are worthy of note

- More than 80 girls took part in The Duke of Edinburgh's Award scheme
- At least 120 girls learn one or more musical instruments, and we enjoy a 100 per cent pass-rate in ABRSM exams. Over the last year 65 per cent of candidates achieved either a Merit or Distinction. There are numerous ensembles, including Junior and Senior orchestras, Junior Percussion Ensemble and String Orchestras. There are three choirs including an auditioned Chamber Choir. There is a formal concert each term as well as occasional lunchtime recitals and large-scale events such as the Carol Service and Feast Day Mass at Ealing Abbey. There are also a number of musicals and shows every year, performed by various year groups in the school.
- More than 80 percent of girls regularly attended at least one sports club. Six girls represented Ealing at the London Youth games in hockey, netball and water polo.
- A refreshed careers programme for Years 11, 12 and 13 was launched in September 2016 to provide a programme of speakers for lunchtime talks and work experience opportunities.
- Girls took part in cipher challenges including GCHQ teenage girl competition in March 2017.
- A production of Little Shop of Horrors at Questors Theatre provided girls with the opportunity to work in a professional 300-seater space, both on stage and backstage.
- In the Intermediate Maths Challenge 2017, a national competition organised by the United Kingdom Mathematics Trust girls achieved three gold, eight silver and seventeen bronze certificates with four students through to the European round.
- Four girls competed in the Team Maths Challenge in March 2017.
- Drama Gifted Pathway launched in June 2017 allowing Able Gifted and Talented students to take part in biennial Shakespeare Schools Festival and skills-based workshops.
- Sixth Form has its own media company (Priory 6 Media) for which they have produced a website as well as shooting, editing and presenting short films.
- Sixth Form-run theatre company, Priory Players, fundraise, direct and produce their own productions serving the school and local community (Playlet in the Park, June 2016).
- Sixth Form runs their own charity fundraising initiative (Priory Purpose), organising events such as Fright Night in November.

Structure, governance and management

History and charity status

The School, known as St Augustine's Priory, was established in France in 1634, and moved to Ealing in 1911, establishing itself on the present site in 1914-15.

The School was first registered by the Charity Commission on 27 September 1965, and was given its own charity number (307377).

Incorporation

The School's reconstitution as a charitable company was authorised by the Charity Commission by way of a Charity Commission Scheme dated 1 August 2002, case number 238258, sealing 112(s) 02, by which the assets of the School in its unincorporated state were transferred to the newly-formed charitable company, St. Augustine's Priory School Limited.

The affairs of the charitable company are regulated by its Memorandum and Articles of Association. The day-to-day running of the School is carried on in accordance with its Instrument of Government, dated 14 May 2015.

St Augustine's Priory Trust ('the 1941 Trust')

The 1941 Trust (charity number 245367) is a separate entity which owns the land and buildings of St Augustine's Priory.

The school occupies the property rent free as it has since 1915.

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During the year the 1941 Trust donated £1.09 million and loaned £600,000 interest free to the school in support of the development of the buildings.

Trustees, governors and directors

The trustees are also the governors of the school and the directors of the company.

The company's Articles of Association provide for there being no fewer than six governors and no more than fourteen. They are appointed and retire in accordance with the Articles of Association.

The Articles permit the charitable company to take out indemnity insurance for the governors.

New governors are inducted into the workings of the charity and the school, including board policies and procedures. Training is also given on strategic planning and governors are directed to attend AGBIS and other relevant training courses.

Organisational structure

The Board of Governors is legally responsible for the overall direction and control of the school. Day to day management is delegated to the Headteacher who is supported by a senior leadership team comprising the Deputy Heads of the Senior and Junior School, the Head of the Sixth Form, the Head of Preps and Pre-Preps, the Director of Studies and the Bursar.

Remuneration

The Finance & Capital Projects Committee reviews the senior leadership team's remuneration, taking into account factors such as performance and salaries paid in comparable organisations.

Risk management

The trustees recognise their duty to identify and review the risks to which the charity is exposed and to ensure appropriate controls are in place to provide reasonable assurance against fraud and error.

The trustees continue to review the principal areas of the School's operations in order to identify risks that could affect the day-to-day operations of the School. In the opinion of the trustees the Charity has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level, in its day-to-day operations.

The trustees consider the following to be the principal risks which the charity needs to focus on:

Risk	Mitigation
Welfare, health or safety of a child is compromised	Safeguarding, Child protection and anti-bullying policies are in place. Staff are appointed only in accordance with Safer Recruitment policy with full range of pre-employment checks. Strong leadership of pastoral care in partnership with school health and welfare officer. Designated Safeguarding Leads trained and monitored by Safeguarding Committee. Site secured and access controlled. CCTV monitoring. Twice-daily registration. Well-rehearsed missing child plan.
Failure or loss of data or IT systems	IT audit conducted and recommendations implemented. Requirements of General Data Protection Regulations implemented. Business Continuity Plan under review. System security

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	includes frequent back-ups, firewalls and penetration tests.
Affordability	Fees remain competitive with local market. School performance underlines added value and pipeline is strong. Contingency plan for VAT on fees in preparation.

Going concern

The governors, who are also trustees of the charity, consider that the school is a going concern. The balance sheet is positive and improving due to annual surpluses. Potential risks to the school's viability are mitigated through a strong relationship with the landlord, a reputation for providing an outstanding education at a price which compares well with nearby independent schools and a healthy pipeline of future pupils whose parents are attracted by the special ethos of a single sex, all-through Catholic school. Investments in strong teaching staff and physical infrastructure position the school well in a competitive market. The school has a realistic 5-year plan for growth. Annual budgets are set to be able to service a substantial bank loan to fund the next phase of development; and performance is closely scrutinised and monitored by the governing body and its sub-committees.

Public benefit

The trustees have complied with the duty prescribed in Section 17 of the Charities Act 2006 to have due regard to guidance published by The Charity Commission, including public benefit guidance.

Our sports facilities including the astro turf are used almost every day by local clubs. The Chapel is the focus of retreats by local groups. Indoor and outdoor stages are much enjoyed by drama groups. A French School uses our classrooms and other facilities at weekends and holiday activity clubs use the school at half terms and in school holidays. Three members of the Senior Leadership team either are or are under consideration to become governors of local state schools.

During the year the school awarded a total of £480,515 (2016: £493,497) in respect of bursaries, scholarships, remissions, discounts etc. This represents some 8 percent of fee income (2016: 7.7 per cent). It is the trustees' intention to maintain the value of awards given from the scheme at around 7.5 to 8.0 percent of the total fee income.

The school's charitable collections during the year totalled £8,161 (2016: £12,788). This amount was dispersed to charitable institutions including Catholic Children's Society, Meadow House Hospice, HCPT - The Pilgrimage Trust, Philippines DEC and CAFOD. We made special donations to a nearby school where a child died as a result of an allergic reaction to nuts; and to the victims of the Grenfell House fire.

The Margaret Dormer Scheme, initiated by the School for public benefit, is a restricted fund augmented by a designated fund purely for the provision of bursaries for children from families whose parents would not otherwise be able to afford an independent education. At 31 July 2017 the combined funds stood at market value of £501,698 (2016: £463,793).

Financial review

Financial Position

Total incoming resources, excluding the donation for the building works of £1,090,000, increased by approximately 5.5 per cent from £5,987,654 to £6,314,659 and total resources expended, increased by approximately 6 per cent from £5,629,787 to £5,986,097.

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The net surplus for the year excluding the £1.09million donation was £328,562 (2016: £357,867) before the unrealised gain on investments of £23,323 (2016: £6,468). Net surplus for the year including the donation was £1,418,562.

Net current assets at the year end were £1,545,790 (2016: £1,194,018).

Financial Key Performance Indicators (KPIs)

Incoming resources per pupil amounted to:- £13,757 (2016: £12,988), excluding the donation.
Wages cost per pupil amounted to:- £8,390 (2016: £8,199).

Principal funding sources

The principal funding source of the School's charitable activities continues to be tuition fees and extras.

Reserves policy

The trustees' target for the remaining free reserves for normal educational activities is in line with the generally accepted view in the independent schools sector, that the ideal level of free reserves should be equivalent to at least three months' normal expenditure. At the year-end total funds stood at £3,318,316. Of this £310,044 was held in restricted funds and £1,090,000 was held in Leasehold Fixed Assets leaving free reserves of £1,918,273 against a target of £1.5 million. The School's accumulated reserves are earmarked to fund the next phase of building development for the education of the pupils.

Investment policy and objectives

Section 4(5) of the Memorandum of Association authorises the trustees to invest the money of the Company in, or on, the security of such stock, funds, shares, securities or other investments of any kind as may be thought fit, but subject to such conditions (if any) and consents (if any) as may be imposed or required by law.

The objective of the school's investment policy is to ensure the creation of sufficient income and capital growth to enable the school to carry out its purposes consistently year by year with due and proper consideration for future needs and the maintenance of and, if possible, enhancement of the value of the invested funds whilst they are retained.

The investment policy is reviewed annually by the Finance & Capital Projects Committee to ensure that it remains compatible with the school's objects and requirements. The performance of the investment is reviewed regularly and assessed against appropriate industry benchmarks.

Future developments

The school's governors have formulated an ambitious development plan which incorporates their desire to maximise the potential of our 13 acres of land as well as to ensure the buildings are fit for current and future purpose.

Under continuous review is the optimum number of pupils; while we want to make an excellent Catholic education available to more girls we do not want to compromise on class sizes or the special family atmosphere of a reasonably small school.

With the first phase of a major development project complete, opening up the northern approaches to the school and providing a refurbished reception and a much-improved and more flexible school hall, the next phase, subject to further consultation, funding and planning consent, will be to provide a

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sports hall, new classrooms and in time a performing arts centre to enable the school to continue to deliver a first class all-round education to generations of girls to come.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

The trustees (who are also the directors of St Augustine's Priory School Limited (operating as St Augustine's Priory) for the purposes of company law) are responsible for preparing the Report of the trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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


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

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

In so far as the trustees are aware:

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

Approved by order of the board of governors on 7 November 2017 and signed on its behalf by:



Governor

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ST AUGUSTINE'S PRIORY SCHOOL LIMITED
FOR THE YEAR ENDED 31 JULY 2017**

Opinion

We have audited the financial statements of St Augustine's Priory School Limited for the year ended 31 July 2017 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 July 2017 and of the income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

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

Basis for opinion

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

Conclusions relating to going concern

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ST AUGUSTINE'S PRIORY SCHOOL LIMITED
FOR THE YEAR ENDED 31 JULY 2017**

Other information

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

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

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
ST AUGUSTINE'S PRIORY SCHOOL LIMITED
FOR THE YEAR ENDED 31 JULY 2017**

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement set out on page 8, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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



Nicola May

Senior Statutory Auditor
For and on behalf of
Crowe Clark Whitehill LLP
Statutory Auditor

London

14 December 2017

ST AUGUSTINE'S PRIORY SCHOOL LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(Incorporating an Income and Expenditure Account)
FOR THE YEAR ENDED 31 JULY 2017

	<u>Notes</u>	Unrestricted Funds 2017 £	Restricted Funds 2017 £	Total Funds 2017 £	Total Funds 2016 £
Income from:					
Donations		-	1,187,916	1,187,916	83,401
Charitable Activities	3	5,554,238	-	5,554,238	5,249,131
Investment income		18,264	-	18,264	18,232
Other income	4	644,241	-	644,241	636,890
Total		6,216,743	1,187,916	7,404,659	5,987,654
Expenditure on:					
Raising funds	5	2,745	-	2,745	1,770
Charitable Activities	5	5,983,352	-	5,983,352	5,628,017
Total Expenditure		5,986,097	-	5,986,097	5,629,787
Net income before transfers and gains		230,646	1,187,916	1,418,562	357,867
Gains on investments		23,323	-	23,323	6,468
Transfers between funds		1,187,916	(1,187,916)	-	-
Net income		1,441,885	-	1,441,885	364,335
Reconciliation of funds:					
Total funds brought forward		1,566,388	310,044	1,876,432	1,512,097
Total funds carried forward		3,008,273	310,044	3,318,317	1,876,432

The Statement of Financial Activities contains all the gains and losses recognised in the current and preceding year.

The results shown above are derived from continuing activities.



The notes on pages 15 to 25 form part of these financial statements.

ST AUGUSTINE'S PRIORY SCHOOL LIMITED
(Company No: 04482913)
BALANCE SHEET
FOR THE YEAR ENDED 31 JULY 2017

	Notes	2017 £	2016 <i>Restated</i> £
FIXED ASSETS			
Tangible assets	7	1,750,829	218,621
Investments	8	501,698	463,794
		2,252,527	682,415
CURRENT ASSETS			
Debtors	9	1,065,725	368,445
Cash and short term deposits		1,607,646	1,517,721
		2,673,371	1,886,166
LIABILITIES			
Creditors: amounts falling due within one year	10	(1,127,581)	(692,148)
Net current assets		1,545,790	1,194,018
Creditors: amounts falling due in more than one year	11	(480,000)	-
Total net assets		3,318,317	1,876,433
Funds			
Restricted funds	13	310,044	310,044
Unrestricted funds		3,008,273	1,566,388
		3,318,317	1,876,432

These accounts have been prepared in accordance with the provisions of the small companies regime within Part 15 of the Companies Act 2006.

The accounts of St Augustine's Priory School Limited were approved and authorised for issue by the Governors on 7th November 2017 and signed on their behalf by

 } Governor
 } Governor

The notes on pages 15 to 25 form part of these financial statements.

ST AUGUSTINE'S PRIORY SCHOOL LIMITED
CASH FLOW STATEMENT
AT 31 JULY 2017

	Notes	2017 £	2016 £
Net cash flows from operating activities	15	1,803,648	410,540
Cash flows from investing activities			
Purchase of tangible fixed assets		(1,717,406)	(150,485)
Reinvested income		(14,581)	(16,462)
Investment income and interest received		18,264	18,232
Net cash used in investing activities		<u>(1,713,723)</u>	<u>(148,715)</u>
Change in cash and cash equivalents in the reporting period	16	<u>89,925</u>	<u>261,825</u>

The notes on pages 15 to 25 form part of these financial statements.

ST AUGUSTINE'S PRIORY SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2017

1. LEGAL STATUS

St Augustine Priory School Limited is constituted as a company limited by guarantee registered in England, No. 04482913, and is registered with the Charity Commission under Charity No. 1097781.

The School's registered address is Hillcrest Road, Ealing, London, W5 2JL.

2. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) - effective 1 January 2015.

The date of transition to FRS102 was 1 August 2015 and in preparing the financial statements, the Trustees have considered whether the accounting policies required by the standard require the restatement of comparative information. There have been no numerical changes as a result of the transition to FRS 102, the reserves position is unadjusted from the previously reported position.

Assets and liabilities are initially recognised at historic cost or transaction value unless otherwise stated in the relevant accounting policy notes.

Public Benefit

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee.

Going Concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Trustees' Report on page 5.

Critical accounting judgements and key sources of estimation uncertainty

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

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

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

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

b) Fees receivable and similar income

Fees receivable comprise tuition fees charged to pupils less scholarships and bursaries.

Registration fees are non-refundable and are credited to income when received.

Deposits are included as a liability until refunded or, on ceasing to be refundable, are credited to income.

Advance fees are credited to income as and when they fall due.

c) Investment income

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

d) Donations, legacies, grants and other voluntary incoming resources

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

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

e) Expenditure

Expenditure is allocated to expense headings on a direct cost basis. The irrecoverable element of VAT is included within the item of expense to which it relates. Governance costs comprise the costs of complying with constitutional and statutory requirements.

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

f) Depreciation of tangible fixed assets

Depreciation is provided on all tangible fixed assets in use, other than freehold land, at rates and bases calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Furniture, Fixtures and Fittings	- over 3 years
Furniture	- over 10 years
Motor vehicles	- over 5 years
Computers and equipment	- over 3 years
Leasehold improvements	- over 20 years

Assets are capitalised only when their cost of acquisition amounts to £1,000 or more. A full year of depreciation is charged in the first year an asset is acquired.

g) Investments

Listed investments are stated at market value. The SoFA includes unrealised gains and losses arising from the revaluation of the investment portfolio in the year.

ST AUGUSTINE'S PRIORY SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

h) Fund accounting

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

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

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

i) Financial instruments

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

j) Pension costs

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

The Teachers' Pension Scheme - This scheme 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 FRS102, accounts for the scheme 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 School also contributes to personal pension schemes of some members of staff. Employer's pensions costs are charged in the period in which the salaries to which they relate are payable.

3. CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2017 £	2016 £
School fees	5,955,407	5,666,626
Less: bursaries, scholarships and allowances	<u>(480,515)</u>	<u>(493,497)</u>
Add back bursaries paid for by restricted funds	<u>79,346</u>	<u>76,002</u>
Net fee income	<u>5,554,238</u>	<u>5,249,131</u>

ST AUGUSTINE'S PRIORY SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

4. OTHER INCOME

	2017 £	2016 £
Additional tuition and activity fees	553,691	524,654
Entrance and registration fees	14,270	15,791
Commissions and other income	76,280	96,445
	<u>644,241</u>	<u>636,890</u>

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Other £	Depreciation £	Total £
2017				
Costs of raising funds				
Financing costs	-	2,745	-	2,745
Charitable activities				
Education	3,202,245	627,194	58,324	3,887,763
Welfare	25,259	7,857	-	33,116
Premises	98,897	492,924	124,749	716,570
Support costs	524,871	821,032	-	1,345,903
Total	<u>3,851,272</u>	<u>1,951,752</u>	<u>183,073</u>	<u>5,986,097</u>

Support costs includes £29k in respect of amounts due to the auditors (2016: £26k).

	Staff costs £	Other £	Depreciation £	Total £
2016				
Costs of raising funds				
Financing costs	-	1,770	-	1,770
Charitable activities				
Education	2,718,686	889,746	59,352	3,667,784
Welfare	26,664	2,306	-	28,970
Premises	79,259	397,043	39,143	515,445
Support costs	606,984	808,834	-	1,415,818
Total	<u>3,431,593</u>	<u>2,099,699</u>	<u>98,495</u>	<u>5,629,787</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

6. STAFF COSTS	2017	2016
	£	£
Wages and salaries	3,130,056	3,055,622
Social security costs	327,609	286,794
Other pension costs	424,770	437,047
Less staff costs allocated to projects	(31,163)	-
	<u>3,851,272</u>	<u>3,779,463</u>

The governors received no remuneration during the current or prior year. No travel expenses were reimbursed to governors (2016: £1,148).

The key management personnel are the members of the senior leadership team as described on page 5. Employee benefits paid to this group amounted to £613,779 (2016 where a smaller number comprised the senior leadership team: £452,247)

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

	2017	2016
Teaching	59	58
Educational support	12	10
Premises	3	2
Welfare	1	2
Management and administration	17	15
	<u>92</u>	<u>87</u>

The number of employees whose emoluments exceeded £60,000 were:

£60,001 - £70,000	1	2
£100,001 - £110,000	1	1

Of those shown in the bandings above, two were members of the Teachers' Pension Scheme (2016: 2, plus one member of Scottish Widows Pension Scheme). Employer's contributions to Pension schemes in respect of these employees during the year were £26,620 (2016: £33,441)

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

7. TANGIBLE FIXED ASSETS

	Furniture, Fixtures and Fittings £	Motor Vehicles £	Computers and Equipment £	Leasehold Improvements £	<i>Total</i> £
Cost					
At 1 August 2016	424,251	15,234	475,464	105,746	1,020,695
Additions	36,390	-	99,947	1,581,069	1,717,406
Disposals	(193,760)	-	(199,186)	-	(392,946)
At 31 July 2017	266,881	15,234	376,225	1,686,815	2,345,155
Depreciation					
At 1 August 2016	361,810	6,094	434,170	-	802,074
Charge for year	37,362	3,047	58,324	84,341	183,074
On disposal	(191,715)	-	(199,107)	-	(390,822)
At 31 July 2017	207,457	9,141	293,387	84,341	594,326
Net book values					
At 31 July 2017	59,424	6,093	82,839	1,602,474	1,750,829
<i>At 31 July 2016</i>	<i>62,441</i>	<i>9,140</i>	<i>41,294</i>	<i>105,746</i>	<i>218,621</i>

8. INVESTMENTS

	2017 £	2016 £
Market Value		
At 1 August 2016	463,793	<i>440,864</i>
Income reinvested	17,327	<i>18,234</i>
Investment manager fees	(2,745)	<i>(1,771)</i>
Increase/(decrease) in value of investments	23,323	<i>6,467</i>
At 31 July 2017	501,698	<i>463,794</i>
Historical cost	448,504	<i>403,205</i>

The investments (at market value at the year end) are held in the UK and outside of the UK as follows:

United Kingdom	378,126	<i>308,538</i>
United States of America	60,438	<i>58,373</i>
Others	63,134	<i>96,883</i>
	501,698	<i>463,794</i>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

9. DEBTORS: amounts falling due within one year	2017	2016 <i>Restated</i>
	£	£
Fee debtors	137,604	171,860
Other debtors and accrued income	24,826	12,500
St Augustine's Priory Trust of 1941	769,421	76,002
Prepayments	133,874	108,083
	<u>1,065,725</u>	<u>368,445</u>

An amount of £105,746 previously shown as a prepayment in 2016 has been reclassified as a fixed asset addition.

10. CREDITORS: amounts falling due within one year	2017	2016 <i>Restated</i>
	£	£
Loans and overdraft	120,000	20,625
Trade creditors	111,293	83,453
Accruals and deferred income	256,366	130,226
Taxation and Social Security	136,250	26
Other creditors	37,304	48,253
Pupil deposits	466,368	409,565
	<u>1,127,581</u>	<u>692,148</u>

Pupil deposits are now shown as due entirely in 1 year with the comparatives updated accordingly.

11. CREDITORS: amounts falling due in more than one year	2017	2016
	£	£
Loans and overdraft	<u>480,000</u>	<u>-</u>

12. OPERATING LEASE COMMITMENTS

Operating lease payments due:

	2017	2016
	£	£
Due within one year	24,094	24,094
Due between one and five years	37,584	61,678
	<u>61,678</u>	<u>85,772</u>

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

13. MOVEMENT ON FUNDS

	<i>Balance at 1 August 2016 £</i>	<i>Incoming Resources £</i>	<i>Resources Expended £</i>	<i>Transfers and gains £</i>	Balance at 31 July 2017 £
Restricted Funds					
Capital & Other Projects	-	1,187,916	-	(1,187,916)	-
Margaret Dormer Scheme	<u>310,044</u>	-	-	-	310,044
	310,044	1,187,916	-	(1,187,916)	310,044
Unrestricted Funds					
General Fund	1,424,667	6,216,743	(5,986,097)	1,121,239	2,866,552
Margaret Dormer Scheme	<u>141,721</u>	-	-	-	141,721
	1,566,388	6,216,743	(5,986,097)	1,121,239	3,008,273
Total Funds	<u>1,876,432</u>	<u>7,404,659</u>	<u>(5,986,097)</u>	<u>23,323</u>	<u>3,318,317</u>

The year end restricted funds are held as investments within fixed assets.

During the year a restricted donation of £1.09 million was received from the 1941 Trust towards the funding of the building project. A restricted donation of £79,346 was given by the 1941 Trust towards the funding of Scholarships. Restricted donations of £18,569 were given by the St Augustine's Parents Committee for the funding of various items of equipment. Restrictions expire on the expenditure of the funds for the intended purposes. All restricted income has therefore been transferred to unrestricted funds.

14. CAPITAL COMMITMENTS

At 31 July 2017 the School had capital commitments contracted of £nil (2016: £1,800,000).

15. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2017 £	2016 £
Net incoming resources	1,418,562	357,868
Depreciation charge	183,074	98,496
Investment income and interest received	(18,264)	(18,232)
Loss on disposal of fixed assets	2,123	-
Increase in debtors	(697,280)	(81,211)
Increase in creditors	<u>915,433</u>	<u>53,619</u>
Net cash inflow from operating activities	<u>1,803,648</u>	<u>410,540</u>

ST AUGUSTINE'S PRIORY SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

16. ANALYSIS OF CHANGES IN CASH

	<i>At 1 August 2016 £</i>	Cash flow £	<i>At 31 July 2017 £</i>
Cash	<u>1,517,721</u>	<u>89,925</u>	<u>1,607,646</u>

17. PENSION COSTS

Teachers' Pension Defined Benefits Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £359,041 (2016: £367,005) and at the year end £30,829 (2016: £nil) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary's Department. The latest actuarial valuation of the TPS was prepared as at 31 March 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2016 and completed in 2018, with any resulting changes to the employer rate expected to take effect from 1 April 2019. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

Other Pension Payments

The School also contributes to Personal Pension Plans (defined contribution schemes) for 36 (2016: 23) non-teachers. The regular cost is charged to the income and expenditure account. Contributions paid in the current year were £65,084 (2016: £57,163).

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NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

18. FINANCIAL INSTRUMENTS

	2017	2016
	£000	£000
Financial assets measured at amortised cost (a)	2,539,498	1,778,083
Financial liabilities measured at amortised cost (b)	1,501,005	640,392
Financial assets measured at fair value through the profit and loss account (c)	501,698	463,794

- (a) Financial assets include cash, trade and fee debtors, other debtors accrued income.
(b) Financial liabilities include deposits, fees in advance, trade creditors, and other creditors
(c) Financial assets at fair value through the profit and loss comprise investments.

19. RELATED PARTY TRANSACTIONS

St Augustine's Priory Trust ('the 1941 Trust') owns the land and buildings at St Augustine's Priory.

The School has no formal lease but continues to occupy the 1941 Trust's freehold property rent free, as it has since the school was opened on the site in 1915.

Transactions with the 1941 Trust during the year consisted of the following:

	2017	2016
	£000	£000
School fees – scholarships awarded	79,346	76,002
Donations received	1,090,000	-

At the year end the balance due from the 1941 Trust was £769,421 (2016: £76,002).

ST AUGUSTINE'S PRIORY SCHOOL LIMITED
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2017

20. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted Funds 2016 £	Restricted Funds 2016 £	Total Funds 2016 £
Income and endowments from:			
Charitable Activities	5,968,249	-	5,968,249
Investment income	5,614	12,618	18,232
Other income	1,173	-	1,173
Total	5,975,036	12,618	5,987,654
Expenditure on:			
Raising funds	545	1,225	1,770
Charitable Activities	5,628,017	-	5,628,017
Total Expenditure	5,628,562	1,225	5,629,787
Net income before transfers and gains	346,474	11,393	357,867
Gains/(losses) on investments	1,992	4,476	6,468
Transfers between funds	10,940	(10,940)	-
Net income/(expenditure)	359,406	4,929	364,335
Reconciliation of funds:			
Total funds brought forward	1,206,982	305,115	1,512,097
Total funds carried forward	1,566,388	310,044	1,876,432

21. COMPARATIVE MOVEMENT IN FUNDS

	<i>Balance at 1 August 2015 £</i>	Incoming Resources £	Resources Expended £	Transfers and gains £	Balance at 31 July 2016 £
Restricted Funds					
Margaret Dormer Scheme	305,115	12,618	(1,225)	(6,464)	310,044
Unrestricted Funds					
General Fund	1,070,123	5,969,422	(5,628,017)	13,139	1,424,667
Margaret Dormer Scheme	136,859	5,614	(545)	(207)	141,721
	1,206,982	5,975,036	(5,628,562)	12,932	1,566,388
Total Funds	1,512,097	5,987,654	(5,629,787)	6,468	1,876,432