

# Financial Statements

## St. Andrew's School (Bedford)

### Limited

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**For the year ended 31 August 2017**

**Company Number 00866338**  
**Charity Registration Number 307531**

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## Charitable company information

<b>Company registration number</b>	00866338
<b>Charity registration number</b>	307531
<b>Registered office</b>	78 Kimbolton Road BEDFORD Bedfordshire MK40 2PA
<b>Directors (Council)</b>	Mr G M Bates OBE, Chairman Mr S J Williamson, Vice Chairman Mrs M J Burt Mr I R Flack Mr R Gaskell (resigned 19 April 2017) Mr M J Grafton Mr C Simmonds Mr D Eyton-Williams Mr J Leydon Mrs D P Lennie (appointed 19 April 2017) Mr B H Thompson (co-opted 19 April 2017) Mr J Wilkinson (co-opted 19 April 2017) Mr M J Neal (resigned 19 April 2017)
<b>Principal Officers</b>	Mr I Daniel -- Principal Mrs H Ryan -- Head of School Mrs S Diffey -- Business Manager & Company Secretary
<b>Bankers</b>	Barclays Bank plc 111 High Street Bedford Bedfordshire MK40 1NJ
<b>Auditors</b>	Grant Thornton UK LLP Chartered Accountants Victoria House 199 Avebury Boulevard MILTON KEYNES MK9 1AU

## Report of the Council

The Directors present their report and financial statements for the year ended 31 August 2017 and confirm they comply with the requirements of the Charities Act 2011 and the Charities SORP 2015.

### Reference and Administrative Information

St Andrew's School (Bedford) Limited is a company limited by guarantee (company registration number 00866338) and a registered charity (number 307531). The school was incorporated as an educational charity on 13 December 1965 and is governed by the provisions contained within its Memorandum and Articles of Association.

### Structure Governance and Management

#### Governing Document

The Company is governed by its Articles of Association which provide for the company to operate as an educational charity. They also provide for the income and property of the company to be applied solely towards its objectives and no assets or funds shall be paid or distributed to members of the association.

#### Governing Body

The Governors are the Directors of the Company and comprise the Governing Body of St Andrew's School ("the Council"). The School is governed by the Governing Body which operates with the support of a number of committees. Directors serve for a period of 3 years but are eligible for re-election at the AGM. The Governing Body meets regularly - at least termly, with more frequent meetings, as required, from time to time.

The Council members who served the company during the year were as follows:

Mr G M Bates OBE, chairman  
Mr S J Williamson, vice chairman  
Mrs M Burt  
Mr I R Flack  
Mr R Gaskell (resigned 19 April 2017)  
Mr M J Grafton  
Mr C Simmonds  
Mr D Eyton-Williams  
Mr J Leydon  
Mrs T Lennie (appointed 19 April 2017)  
Mr B H Thompson (co-opted 19 April 2017)  
Mr J Wilkinson (co-opted 19 April 2017)  
Mr M J Neal (resigned 19 April 2017)

#### Council members serving on Committees:

Curriculum - Messrs Simmonds (chairman), Bates, Grafton, Thompson  
Finance & Resources - Messrs Flack (chairman), Bates, Williamson  
Marketing & Development - Messrs Williamson (chairman), Bates, Wilkinson, Mrs Burt  
Health & Safety - Messrs Thompson, Bates  
Development - Messrs Eyton-Williams, Flack, Grafton, Bates, Williamson, Leydon  
Governance - Messrs Flack, Bates, Williamson

In addition the committees also benefit from the support of senior members of the school staff and, in the case of the Curriculum Committee, selected students attend the committee by invitation.

#### Recruitment and Training of Governors

The Governing Body seeks to ensure a mix of skills and experience and includes Governors from the legal, financial and property professions as well as Governors with education and senior managerial or business experience. The Governing Body strives to ensure both genders are represented and welcomes experience of equal opportunities and disability needs. They select new Governors on the basis of background, competence, both general and specialist. Governors are provided with induction training both in-house and by subscription to courses provided by professional bodies.

#### Organisational Management

Whilst the Governing Body is ultimately responsible for safeguarding the assets of the school, the governing body delegates work to a number of committees, outlined below; in addition the day to day organisation of the school is delegated to the Principal and Business Manager, supported by other members of Senior Management. General policy is determined by the Governors/Directors, with day to day administration being undertaken within the policies and procedures approved by the Governors.

The Principal oversees the recruitment of all educational staff, whilst under delegated authority the Business Manager oversees the recruitment of administrative and non-teaching support staff. The Principal and Business Manager attend Governors' meetings by invitation.

- 1 Curriculum Committee - this committee is responsible for oversight of the academic performance of the School and for educational policy, as well as overseeing pastoral matters. It makes appropriate recommendations to the Governing Body.
- 2 Finance & Resources Committee – this committee considers income and expenditure, both revenue and capital budgets, cash flow information and financial reports, including financial statements. The committee also reviews debtors and oversees bursaries and scholarship budgets. It also considers staff remuneration and employment issues, as well as premises maintenance matters. It makes recommendations to the Governing Body for approval.
- 3 Marketing Committee – this committee oversees the school's marketing activities and liaison with the local community, setting strategy, agreeing marketing priorities and providing guidance, including overseeing the school's website.
- 4 Health & Safety Committee – this committee is responsible for oversight of the School's internal Health & Safety policies and procedures and meets regularly with the School's H & S consultant. The committee ensures that remedial action is carried out, as required and reports regularly to the Council.
- 5 Development Committee - the committee is a joint group, dealing with the major projects currently being undertaken by both Rushmoor School and its "associate" school St Andrew's. They include the development of a joint Sixth Form for the two schools and proposals for the Clapham Park site. The committee reports accordingly to the Council.

6. Governance Committee - the committee seeks to ensure "good governance" within the governing body and the school by regular review of systems, structures, policies and procedures. The committee will report regularly to the Council.

### **Group Structure and Relationships**

The school works with a range of professional organisations to ensure wide access to our facilities and educational opportunities. By membership of ISA and ISI and through peer group mentoring (BBLE), the School aims to attain the highest standards of quality and performance inside and outside the classroom. We encourage our pupils and their families to develop an awareness of the strong ethos and all-round education they receive at the School. We co-operate with local charities including Bedford Educational Association in order to widen public access to the schooling we provide. We continue to optimise the use of our facilities by other schools and businesses, where we can, to broaden awareness of the school and its position in the town.

### **Objectives and Activities**

#### **Principal Activities**

The School is principally engaged in educating girls from six weeks to sixteen, as well as boys up to age eleven (Year 6) through its role as an independent school. From September 2016, jointly with Rushmoor, the School has offered a wide range of subjects for Sixth Form study in the new co-educational, further education extension on the Rushmoor site. Across the School, we aim to encourage the development of lively, enquiring minds, to enable pupils to acquire the knowledge, wisdom and self-discipline needed for life-long learning, employment and adult life. It also endeavours to offer the highest possible level of pastoral care, so that pupils develop as young people with respect for themselves and for others, and who uphold moral principles, especially honesty, integrity and compassion.

#### **Charitable Objectives**

The objects for which the charitable company was established are to promote and provide for the advancement of education and in connection therewith to acquire, establish, provide, conduct, carry on and develop in the United Kingdom any school in which children may receive a high standard of education.

The aims of the charitable company are:

- to offer the best possible standard of education to allow each individual pupil to develop fully in both academic and personal terms;
- to enable pupils, regardless of ability or background, to enjoy rich diverse learning opportunities and activities, which will develop confidence and prepare them for future challenges, in a rapidly changing society;
- to develop a community within a safe and peaceful environment which is both dynamic and caring and which values and respects equally people of all faiths and cultures;
- to achieve and maintain excellence in all departments of the school; and
- to ensure the future development of St Andrew's School through sound financial management and effective marketing.

### Public Benefit Statement

Integral to the school's principal aim of providing a good sound education for its pupils, at no cost to the public purse is its aim to provide a public benefit. The school's Governors have given consideration to the general guidance provided by the Charity Commission and particularly to its supplementary Public Benefit guidance on advancing education and fee-charging. St Andrew's School provides its pupils with good, sound education with its fees being set at a level which is consistent with our aim to provide a first class education to all pupils and good value to parents.

The School welcomes pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that our School will be able to educate and develop them to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that prospective pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes.

The School being part of a wider community we are keen that our staff and pupils participate in that community. Thus the School provides a wide range of support which contributes both to the school itself but also provides a wider public benefit.

- We cater for Children with an Early Help Assessment action plan and those who require support with their education with help from a dedicated SENCO and special needs team. This is particularly helpful to parents unable to find this level of flexibility and support in the maintained sector.
- The School continues to review and extend provision of bursaries which are linked to parental income. Although limited, as the source of funds is provided by fee income from other parents, the School not possessing the benefit of endowed funds on which to draw, the Governors have committed to provide a Bursary Fund which is equal to 5% of its fee income.
- St Andrew's School is linked with the University of Bedfordshire and provides places and mentoring for students who are training to become teachers. The School also provides opportunities for work experience students.
- Junior School collected produce for Akaal Seva. This is a voluntary organisation which has been running for the last 15 years in conjunction with Guru Nanak Gurdwara Bedford. Year 11 pupils organised an annual McMillan coffee morning. We held a whole school Christmas jumper charity day for the local homeless charity. Over £2,000 was raised over the year. Duke of Edinburgh participants volunteered in the local community with a number working in Charity Shops and local nurseries. We also raised monies for Operation Christmas Child and Samaritan's Purse as well as Children in Need.
- Strong community links between St Andrew's Church and The Reverend James Reveley have been maintained. 'Open the Book' take weekly assemblies. We host a St Andrew's Day celebration and pupils attend the church for school RE visits, our Carol Service and annual Prize Giving.
- The creative arts are an important part of the school and drama, art and music combined to present 'Pater Pan – the musical' for three nights at The Place Theatre in Bedford with attendance which included local schools and the general public. Costumes and props have since been lent to other drama societies.

### **Equal Opportunities**

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

### **Policies Supporting the Charitable Objects**

#### **Access Policy**

It is important to us that access to the education we offer is not restricted only to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Our concessions policies, including bursaries and scholarships, contribute to a widening of access to the education we offer and the facilities we enjoy.

#### **Grant Making Policies:**

##### **Bursary policy**

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are usually made on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk. In assessing means we use the methodology promulgated by the Independent Schools' Bursars Association, which takes a number of factors into consideration including family income, investments and savings and family circumstances, for example dependant relatives and the number of siblings. The School does not have an endowment and in funding our awards we have to be mindful that we must ensure a balance between fee-paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefiting from the awards.

##### **Promoting High Academic Standards: Scholarship policy**

The purpose of our scholarship awards is to recognise academic potential or the ability to excel in our co-curricular activities. Our scholarships are awarded on the basis of the individual's academic potential and/or evidence of exceptional abilities which will contribute to our co-curricular activities.

We advertise the availability of scholarship awards annually and details of both our Bursaries and Scholarships may be obtained from the School's Business Manager.

#### **Other Policies on Assistance:**

##### **Financial planning policy and Fees in Advance**

Timely financial planning is often the key for many parents and indeed grandparents who are hoping to send their children to St Andrew's School and a school fees plan is available to help those who wish to fund educational costs through regular contributions. Discounts are available for those wishing to pay lump sums into our Fees in Advance Scheme.

### **Sibling Remissions**

To underline the value we place on continuity for families, we offer discounts where parents have or will have had more than two children at the School. A remission of 10% is given against the fees for additional siblings, throughout their time here and regardless of whether elder siblings are still at the School. In order to benefit parents with pupils attending both St Andrew's and Rushmoor Schools, the Sibling Discount now extends across both schools and the new Joint Sixth Form.

### **Assistance for our teaching staff**

As part of our emphasis on attracting and retaining high calibre staff, we offer a discount scheme where staff members choose to educate their children at the School.

### **Public Benefit Aims and Intended Impact**

Within the Objects, the School aims to create an environment to nurture children, to get the best from them, to allow them to develop and fulfil their potential. We provide them with a first class independent education, strong pastoral support and a wide range of sporting and artistic opportunities. The ethos of St Andrew's School is at the heart of everything. Our public benefit aim is that all pupils will be self-confident and desire to contribute to the wider community.

In the furtherance of these aims the School's Governors, as the charity trustees, have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the public benefit requirement under that Act.

St Andrew's School provides a significant benefit to the public. The School strives to ensure that measures of public benefit are appropriate, and that significant sections of the public are not excluded from the opportunity to benefit from the education and facilities offered due to the need to pay a fee. In addition to significant provision of bursaries and other forms of financial support, the School provides a wide range of opportunities for community benefit and facilities, and events are often open to all.

## **Annual Review**

### **Strategic Developments**

Since September 2013, St Andrew's School has operated in association with Rushmoor School Limited, with the schools working closely together. This association between the schools recognises the strengths of both and the aim is for this close working relationship to provide benefit to each. Mr Ian Daniel, Head of Rushmoor, is Principal of both Schools, and the schools now have common governors/trustees.

During the year there have been a number of developments, with several joint visits and events arranged for pupils of both Schools; there has also been an ongoing interchange of teaching staff and in terms of administration, common workings have been introduced. It is encouraging that, during the past three years, Rushmoor has been able to maintain its high pupil roll, virtually at capacity, whilst at St Andrew's we have sought growth in pupil numbers across the year groups.

### **Land at Clapham Park**

With the purchase by Rushmoor School of the 40 acre site between Clapham Road and Manton Lane, Bedford secured, during recent months the Governors have progressed with the concept of a new joint school on the site for both Rushmoor and St Andrew's. The land is currently subject to a short term agricultural tenancy and the project will take a number of years to reach fruition but during the past two years negotiations with the planning authority have shown that on the vast majority of headings the terms for outline planning consent have been met. There remains the vexed question of highways and traffic movements in the locality and on these grounds, the planning application was refused in January 2018. Governors have immediately taken steps to launch an appeal and they are optimistic regarding its outcome. The proposals are to develop a "Diamond Model School", with co-education in the Early and Junior Years, Single Gender provision in the Senior School but with a Co-educational Sixth Form.

### **Sixth Form Provision**

Plans for a joint Sixth Form, serving both students from St Andrew's and Rushmoor Schools came to fruition in September 2016 with the opening of the new Joint Sixth Form in Fenwick House, adjacent to the Rushmoor site. A wide range of "A" level subjects is offered to attract students from both schools as well as students from other local schools who may find the smaller, more focused environment of the School attractive. Students have settled well, with encouraging numbers of students enrolled and we look forward to welcoming a further cohort to undertake their Sixth Form studies in this new exciting environment.

### **Information Commitment**

The two Schools have entered an exciting period of their joint development and the Governors, Principal and Senior Management of both Schools are committed to sharing up to date information on all aspects of the projects with parents and stakeholders of these major enterprises as they unfold over coming months and years.

### **Activities and Achievements**

Our large nursery operates partly as a feeder to the School and partly as a day care nursery for parents prior to their children entering local state schools. We offer flexible hours and wrap around care whilst home links and Saturday workshops provide valuable support for parents. In March 2016 our Early Years Foundation Stage was judged to be 'outstanding' in all areas by the ISI Inspection team. This was followed by the school being presented with the ISA Award for Excellence in Early Years.

In Science we introduced the option to take examinations in the separate Sciences as an alternative to the double award, and curriculum time has been increased in English. A vocational ICT course has been replaced with GCSE Computing.

Sports Day at the School field for the juniors and seniors at the International Athletics stadium is now a fixture, with more record times and distances set this year. Teams have successfully represented the school in Netball tournaments, Cross country, swimming galas, mixed hockey league to name a few.

Pupils performed very well in the Speech and Drama and music categories of The Bedfordshire Festival. The fantastic production of 'Peter Pan – the musical' at the Place Theatre was a highlight of the year. Pupils have been hugely successful in completing LAMDA Speech and Drama Exams.

### **Academic Results**

St Andrew's is a non-selective school. The 2016-17 cohort performed well in their GCSE Examinations most went on to their first choice sixth forms and colleges to study the courses of their choice with the added option of our new Sixth Form.

#### **Headline figures:**

A\*- C = 72% across all subject entries, 2% drop from last year but mitigated by the more challenging 9-1 courses coming online. (National 66.3% down 2% points from last year). Percentage of pupils who obtained at least 5 GCSE passes at A\*- C = 68%

Overall these results represent a pleasing achievement as they had to contend with the more rigorous 9-1 courses. The whole school value added was 0.1 using the MIDyis data, yet this did not capture a number of our students who joined after the data capture point which occurred at the start of year 7. If we look at how these students achieved against internal school predictions we are confident this figure would be higher if they had been included in the MIDyis data. This problem will be alleviated in the future as we now have all year 9's sit the test at the end of the year 9, in addition to those who are able to do it in year 7.

#### **Pleasing subject results:**

The majority of subject departments produced results significantly above the national average in terms of A\*- C grade percentages. Particularly notable examples are Food technology, French, Music, ICT, Spanish and Statistics all recording 100% A\*-C grades, with History, Geography and DT achieving over 80%.

### **Improving facilities**

The development of ICT continues with computers and software being up-graded. Wifi is now accessible throughout the school and more powerful PC's.

The introduction of a laser cutter to the Design Technology department has opened up a wealth of production possibilities. The quality of work around the school has been regularly admired and at this Year's GCSE Art and DT Exhibition was outstanding.

The remodelling of the EYFS outdoor space developing more stimulating areas for creative and investigative play was a focus in the last year.

### **Wider Experiences**

Music making in the school is growing rapidly. The choirs and instrumental ensemble are firmly established. The musical year was completed with a music day, singing at the Summer Fair and an evening of wonderful playing and singing from girls and boys of both schools. We have appointed a new music teacher to further encourage musical involvement throughout the school.

The range of clubs after school is developing and this year has included Horse Riding and Sky Diving. We have also introduced gymnastics, karate, dance, mixed hockey, cookery, photography and the opportunities for older pupils to complete Bronze, Silver and now with the introduction of the 6<sup>th</sup> form, Gold DofE and some attend CCF at BMS.

All years attended a joint Stern Science day further developing their education.

### **Financial Review**

As indicated above, the past four years have seen significant change for the School and the association with Rushmoor School is now showing rewards for both schools. The financial statements prepared to the year ended 31 August 2017 demonstrate one element of this, with the School able to record continued modest profitability. Maintenance of pupil numbers, encouraged by a reduction in school fees to more competitive levels, has had a significant effect on income; this together with containment of costs had allowed the school to record a trading surplus.

The net movement in the funds for the year was net growth in resources of £1,735 (2016: net growth of £88,645).

### **Reserves Policy**

The Governors recognise the need for free reserves to cover the risks of operating as an independent establishment. The aim of Governors is therefore to build liquid reserves out of annual operating surpluses of 3 months unrestricted expenditure, subject to the demands of essential capital expenditure to equip the school with the up to date facilities needed to maintain and improve the standard of educational services currently provided. Trading results in recent years have however precluded the aim of building liquid reserves but there is now a clear aim to return the school to profitability.

Unrestricted reserves as at 31 August 2017 were £655,269, (2016: £653,534), with Free Reserves improving to £38,507 (2016: £22,490).

Over recent years the Governors have welcomed the support of its bankers but, following the sale of a surplus freehold property there is now a much reduced reliance on bank support. The return to modest levels of profitability has been encouraging but day to day working capital continues to be met by careful and prudent management of short-term liquid resources.

### **Pay policy for key management personnel**

The directors and the senior leadership team are the key management personnel that are in charge of directing, controlling and operating the School on a day to day basis. In considering senior pay, the needs of the organisation for skills, experience and personal capabilities to enable it to achieve its objectives and the price of such skills in the labour market.

### **School Policies**

The school is a member of the Independent Schools Council and as a member, the school has in place various policies which govern inter alia, the content and teaching of the curriculum, the pastoral care and the discipline of the pupils and health and safety at work. All such policies are kept under regular review.

### **Risk management**

The governors examine the major risks that the school faces each financial year when preparing and updating the charity's strategic plan. The charity has developed systems to monitor and control risks to mitigate the potential impact on the school in the future. The School's Analysis of Risk is reviewed annually by Governors.

### **Fixed assets**

The governors are of the opinion that in aggregate the market value of the land and buildings exceeds the book value but, in view of the uncertain state of the property market, are not in a position to assess the amount of the excess. The movements in tangible fixed assets for the year are shown in note 4 to the financial statements.

### **Indemnity insurance**

The charitable company has purchased professional indemnity insurance for governors, officers and employees to indemnify them against liabilities arising as a result of negligence.

### **Small company provisions**

This report has been prepared in accordance with the special provisions for small companies under section 15 of the Companies Act 2006.

## Responsibilities of the Council

The Council (who are also Directors of Rushmoor School Limited for the purposes of company law) are responsible for preparing the Trustees' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Council to prepare financial statements for each financial year. Under that law the Council have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law including FRS 102 The Financial Reporting Standard applicable in the UK and Ireland). Under Company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the 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 these financial statements, the Council are required to:

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

The Council are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Council confirm that:

- so far as each Member is aware, there is no relevant audit information of which the charitable company's auditor is unaware; and
- The Council have taken all the steps that they ought to have taken as trustees in order to make themselves aware of any relevant audit information and to establish that the charitable Company's auditor is aware of that information.

The Council are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

## Auditors

Grant Thornton UK LLP, having expressed their willingness to continue in office, will be deemed reappointed for the next financial year in accordance with section 487(2) of the Companies Act 2006 unless the company receives notice under section 488(1) of the Companies Act 2006.

Approved by the Board of Directors of St. Andrew's School (Bedford) Limited on the 15th Feb 2018 and signed on their behalf:



I R Flack  
Director



## Report of the independent auditor to the members of St. Andrew's School (Bedford) Limited (registered number 00866338)

### Opinion

We have audited the financial statements of St. Andrew's School (Bedford) Limited (the 'charitable company') for the year ended 31 August 2017 which comprise the statement of financial activities (incorporating an income and expenditure account), the balance sheet 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 August 2017 and of its incoming resources and application of resources including, its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### Basis for opinion

We have been appointed as auditor under the Companies Act 2006 and report in accordance with regulations made under that Act. 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.

### Who we are reporting to

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

### 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.



# Report of the independent auditor to the members of St. Andrew's School (Bedford) Limited (registered number 00866338)

## **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Report of the Council, set out on pages 3 - 12 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 matters prescribed by the Companies Act 2006**

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

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

## **Matter on which we are required to report under the Companies Act 2006**

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

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption from the requirement to prepare a strategic report or in preparing the Report of the Council.



## Report of the independent auditor to the members of St. Andrew's School (Bedford) Limited (registered number 00866338)

### **Responsibilities of trustees for the financial statements**

As explained more fully in the Responsibilities of the Council set out on page 12, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

### **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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

**Grant Thornton UK LLP**

Gareth Norris ACA  
Senior Statutory Auditor  
for and on behalf of Grant Thornton UK LLP  
Statutory Auditor, Chartered Accountants  
Milton Keynes

Date: **23 MARCH 2018**

## Statement of financial activities (incorporating an income and expenditure account)

	Note	Unrestricted funds 2017 £	Unrestricted funds 2016 £
<b>Incoming from:</b>			
<b>Charitable activities</b>			
Fees receivable	1	1,802,878	1,833,866
Meal income		41,100	34,065
Donations and legacies		21,943	18,657
Investments		21	70
<b>Other income</b>			
Other income		5,991	6,961
<b>Total income</b>		<u>1,871,933</u>	<u>1,893,619</u>
<b>Expenditure on:</b>			
<b>Charitable activities</b>			
Education	2	<u>1,870,198</u>	<u>1,804,974</u>
<b>Total expenditure</b>		<u>1,870,198</u>	<u>1,804,974</u>
<b>Net income</b>			
Net income from educational activities		1,735	88,645
Net incomes from sale of fixed assets		-	-
<b>Total net income</b>		<u>1,735</u>	<u>88,645</u>
<b>Reconciliation of funds</b>			
Total funds brought forward at 1 September 2016		<u>653,534</u>	<u>564,889</u>
<b>Total funds carried forward at 31 August 2017</b>	12	<u>655,269</u>	<u>653,534</u>

All of the above results are derived from continuing activities. All gains and losses recognised in the year are included above.

The accompanying accounting policies and notes form part of these financial statements.

## Balance sheet

Company number: 00866338

	Note	2017 £	2016 £
<b>Fixed assets</b>			
Tangible assets	4	616,762	631,044
<b>Current assets</b>			
Debtors	5	85,233	46,832
Cash at bank		<u>226,576</u>	<u>166,085</u>
		311,809	212,917
<b>Creditors: amounts falling due within one year</b>	6	<u>273,302</u>	<u>190,427</u>
<b>Net current assets</b>		<u>38,507</u>	<u>22,490</u>
<b>Total assets less current liabilities</b>		<u>655,269</u>	<u>653,534</u>
<b>Funds</b>			
Unrestricted funds			
General fund	12	655,269	653,534
		<u>655,269</u>	<u>653,534</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

These financial statements were approved by the Council and authorised for issue on **15 MARCH** 2018 and are signed on their behalf by:



G M Bates  
Chairman

The accompanying accounting policies and notes form part of these financial statements.

## Principal accounting policies

### Accounting policies

#### Basis of preparation

The accounts of the charitable company have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities ("SORP (FRS102)") and with applicable UK Accounting Standards. They are drawn up on the historical cost accounting basis.

St. Andrews's School (Bedford) Limited meets the definition of a public benefit entity under Financial Reporting Standard (FRS) 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy notes.

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Further details are provided in the accounting policies for depreciation of fixed assets, and for bad debts.

#### Going concern

Since its association with Rushmoor School in 2013, St Andrew's has been able to trade with greater confidence. Following the sale of a property, which was surplus to requirements, bank borrowing has been repaid and, as a result of improved financial planning and management, modest surpluses have been achieved. In the longer term the Governors of both St. Andrew's School and the stronger, successful, Rushmoor School plan to bring both schools together on a single site.

On this basis and with continuation of the current trend at the School and underlying bank support, Governors are of the view that the School's financial arrangements are ultimately sound and it is appropriate to continue trading on a Going Concern basis.

### **Recognition of incoming resources**

These are included in the Statement of Financial Activities (SOFA) when the charity becomes entitled to the resources, the Council believe that receipt is probable and the monetary value can be measured with sufficient reliability.

### **School fees receivable and similar income**

Fees receivable are accounted for in the period which the service is provided. Fees receivable are stated after deducting allowances, bursaries and remissions granted by the School.

Fees in advance are those fees received in advance of the following year's education and are shown as a short term liability until taken to income in accordance with this policy.

### **Ancillary and non-ancillary trading income**

Ancillary trading income represents amounts from activities to generate funds within the charitable objects for example, school shop sales, coaches to and from school and school trips. Non-ancillary trading income represents amounts from activities not directly related to the charitable objects, for example lettings of school facilities out of term time and rental from spare school buildings. Income from these activities is recognised in the SOFA when the goods are sold or services provided.

### **Voluntary sources, grants and donations**

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

Voluntary income for general purposes is accounted for as unrestricted and is credited to the General Fund.

### **Liability recognition**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the charity to pay for resources.

### **Expenditure**

Expenditure is accrued as soon as there is a contractual obligation or a liability is considered probable, discounted to present value for longer term liabilities. Expenditure is allocated to expense headings either on a direct cost basis. The irrecoverable element of VAT is included with the item of expense to which it relates. Bad debts are provided for in accordance with the group bad debt policy.

Charitable activity expenditure represents all direct costs incurred, in order for the School to fulfil its objective of providing education for three to sixteen year olds, and support costs.

Governance costs represent costs incurred to provide the governance infrastructure required to allow the School to operate and general information required for public accountability.

### **Unrestricted funds**

These funds comprise the net resource revenue of the School, including donations, expendable at the discretion of the Council in furtherance of the objects of the School.

**The accompanying accounting policies and notes form part of these financial statements.**

### **Tangible assets and depreciation**

Tangible fixed assets are stated at cost less depreciation. Individual capital items, or projects, with a value greater than £500 are capitalised.

Depreciation is provided at rates calculated to write off the cost, less estimated residual value of each asset based on current market prices, over its expected useful life on a straight line basis, as follows:

Freehold land	nil
Freehold buildings	40 – 50 years
Furniture	5 – 10 years
Fixtures and fittings	5 – 10 years
Motor vehicles	3 – 5 years
Computer equipment	3 – 4 years

The company has reviewed its tangible assets, which comprise land, buildings and initial fixtures and fittings. The buildings are capitalised in the financial statements at historic cost.

St Andrew's School Limited exercises judgement in selection of appropriate rates for depreciation of fixed assets, and for matters of impairment.

### **Debtors**

Known bad debts are written off and specific provision is made for any considered to be doubtful.

### **Operating lease agreements**

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged to the SOFA on a straight line basis over the lease term. Lease incentives are accounted for over the lease term on a straight-line basis.

### **Cash flow statement**

The cash flows of St. Andrew's School (Bedford) Limited are included in the consolidated cash flow statement of Rushmoor School Limited. St. Andrew's School (Bedford) Limited is exempt under the terms of Section 1 of FRS 102 from publishing a cash flow statement.

### **Pension costs**

The School participates in a multi-employer scheme, the Government's Teachers' Pension Scheme (TPS), for its teaching staff. The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the Company in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. The scheme is a multi-employer scheme where it is not possible, in the normal course of events, to identify on a consistent and reasonable basis, the share of underlying assets and liabilities belonging to individual participating employers. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The School makes contributions to defined contribution (money purchase) schemes for the benefit of certain employees. These contributions are also charged to the Statement of Financial Activities in the period in which they are payable.

### **Judgement in applying accounting policies and key sources of estimation uncertainty**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statement where these judgements and estimates have been made are as follows:

**Trade debtors:** An allowance for doubtful debts is maintained for estimated losses resulting from the inability or refusal of the company's customers to make required payments.

**Fixed assets:** Depreciation is charged with due consideration to the useful economic life and residual value of fixed assets and the continuing appropriateness of the applied policy is considered on an annual basis by the directors.

## Notes to the financial statements

### 1 Charitable activities – fees receivable

	2017 £	2016 £
The school fees income comprises		
Gross fees	1,943,220	1,989,972
Less: Total scholarships, bursaries, etc.	(140,342)	(156,106)
	<u>1,802,878</u>	<u>1,833,866</u>

### 2 Analysis of expenditure

#### a) Total expenditure

	Staff costs (note 3) £	Depreciation (note 4) £	Support costs £	Total 2017 £	Total 2016 £
<b>Charitable expenditure</b>					
Teaching	1,211,829	-	47,910	1,259,739	1,205,346
Welfare	55,564	-	382	55,946	54,883
Premises	53,671	22,297	218,546	294,514	298,305
School administration and Governance	104,359	4,658	150,982	259,999	246,440
<b>Total charitable expenditure</b>	<u>1,425,423</u>	<u>26,955</u>	<u>417,820</u>	<u>1,870,198</u>	<u>1,804,974</u>
<b>Total expended</b>	<u>1,425,423</u>	<u>26,955</u>	<u>417,820</u>	<u>1,870,198</u>	<u>1,804,974</u>

#### b) Governance included in support costs

	2017 £	2016 £
Remuneration paid to auditor for audit services	8,500	9,375
Other non-audit services	950	515
	<u>9,450</u>	<u>9,890</u>

### 3 Staff costs

The average number of staff (including part-time staff) employed by the company during the financial year amounted to:

	2017 No	2016 No
Administrative	6	6
Teaching	25	29
Domestic	6	6
Maintenance	8	7
Classroom assistants	28	30
	<u>73</u>	<u>78</u>

The aggregate payroll costs for the year were:

	2017 £	2016 £
Wages and salaries	1,229,554	1,167,096
Social security costs	85,499	73,529
Pension costs	110,370	114,890
	<u>1,425,423</u>	<u>1,355,515</u>

None of the Governors received remuneration, expenses or other benefits from St Andrew's School (Bedford) Limited or from any connected body.

There were no higher paid employees whose annual remuneration was more than £60,000.

Key management personnel comprise the directors and members of the senior leadership team. The total amount of employee benefits (including employer pension contributions) of key management personnel was £245,745 (2016: £195,012).

Professional indemnity and Council members' liability insurance has been purchased for £840 (2016: £840).

#### 4 Tangible fixed assets

	Freehold property £	Furniture fixtures and fittings £	Motor vehicles £	Computer equipment £	Total £
Cost					
At 1 September 2016	1,137,710	123,813	27,840	77,120	1,366,483
Additions	-	12,673	-	-	12,673
At 31 August 2017	<u>1,137,710</u>	<u>136,486</u>	<u>27,840</u>	<u>77,120</u>	<u>1,379,156</u>
Depreciation					
At 1 September 2016	533,236	119,962	27,840	54,401	735,439
Provided in the year	21,939	358	-	4,658	26,955
At 31 August 2017	<u>555,175</u>	<u>120,320</u>	<u>27,840</u>	<u>59,059</u>	<u>762,394</u>
Net book value at 31 August 2017	<u>582,535</u>	<u>16,166</u>	<u>-</u>	<u>18,061</u>	<u>616,762</u>
Net book value at 31 August 2016	<u>604,474</u>	<u>3,851</u>	<u>-</u>	<u>22,719</u>	<u>631,044</u>

All assets are held for charitable purposes.

The bank has a charge on some of the School's freehold properties.

#### 5 Debtors

	2017 £	2016 £
Fees receivable	76,061	43,683
Prepayments	8,711	2,682
Other debtors	461	467
	<u>85,233</u>	<u>46,832</u>

The accompanying accounting policies and notes form part of these financial statements.

## 6 Creditors: amounts falling due within one year

	2017	2016
	£	£
Trade creditors	48	2,283
Social security and other taxes	35,646	33,277
Fees received in advance	169,326	74,776
Other creditors	40,613	45,644
Accruals and deferred income	14,973	29,823
Amount due to parent company	12,696	4,624
	<u>273,302</u>	<u>190,427</u>

## 7 Taxation

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

## 8 Capital commitments

There were no capital commitments at 31 August 2017 or 31 August 2016.

## 9 Contingent liabilities

There were no contingent liabilities at 31 August 2017 or 31 August 2016.

## 10 Pension

### Teachers' Pension Scheme (TPS)

#### Introduction

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

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

#### Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge (currently 14.1%))
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%.

During the previous year the employer contribution rate was 14.1%. The TPS valuation for 2012 determined an employer rate of 16.4%, which was payable from September 2015. The next valuation of the TPS is currently underway based on April 2016 data, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The employer's pension costs paid to TPS in the period amounted to £101,261 (2016: £105,808). A copy of the valuation report and supporting documentation is on the [Teachers' Pensions website](#).

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

#### Defined contribution scheme

The Company also makes contributions to defined contribution (money purchase) schemes on behalf of certain other employees. The charge to the Statement of Financial Activities representing contributions payable in the year amounted to £9,109 (2016 - £9,081).

An amount of £14,572 (2016: £14,892) is payable at the year-end in respect of both schemes.

**The accompanying accounting policies and notes form part of these financial statements.**

# 11 Company limited by guarantee

The company is limited by guarantee and does not have a share capital. The members have a liability not exceeding £1 per member.

# 12 Unrestricted funds

	General fund £	2017 Total £	2016 Total £
Balance brought forward	653,534	653,534	564,889
Net incoming resources	1,735	1,735	88,645
Balance carried forward	<u>655,269</u>	<u>655,269</u>	<u>653,534</u>

# 13 Analysis of net assets between funds

	Unrestricted funds £	Total funds 2017 £	Unrestricted funds £	Total funds 2016 £
Tangible fixed assets	616,762	616,762	631,044	631,044
Current assets	311,809	311,809	212,917	212,917
Current liabilities	<u>(273,302)</u>	<u>(273,302)</u>	<u>(190,427)</u>	<u>(190,427)</u>
Net assets	<u>655,269</u>	<u>655,269</u>	<u>653,534</u>	<u>653,534</u>

# 14 Commitments under operating leases

At 31 August 2017, the company had total future commitments under non-cancellable operating leases as set out below:

	Other £	2017 Leasehold and buildings £	Other £	2016 Leasehold and buildings £
Operating leases which expire:				
Within 1 year	16,249	67,600	16,249	55,000
Between 1 and 5 years	39,269	270,400	55,518	220,000
After more than 5 years	-	202,800	-	220,000

The accompanying accounting policies and notes form part of these financial statements.

**15 Controlling party**

The Council consider that the ultimate parent undertaking is Rushmoor School Limited, a registered charity, number 307530, which is incorporated in England and Wales. Consolidated accounts are available from Companies House, Crown Way, Maindy, Cardiff, CF14 3UZ. In the opinion of Council members, there is no ultimate controlling party.

**16 Related party transactions**

There have been no transactions with related parties that require disclosure under either FRS 102 or Charities SORP (FRS 102) (effective 1 January 2015).

