

CHARITY

COMMISSION

**REPORT OF THE TRUSTEES AND  
FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31<sup>ST</sup> AUGUST 2018  
FOR  
RICHMOND HOUSE SCHOOL**

CHARITY COMMISSION  
FIRST CONTACT

28 JAN 2019

ACCOUNTS  
RECEIVED

**Thomas Coombs  
Chartered Accountants  
3365 The Pentagon  
Century Way  
Thorpe Park  
Leeds  
West Yorkshire  
LS15 8ZB**

**RICHMOND HOUSE SCHOOL**

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FOR THE YEAR ENDED 31ST AUGUST 2018**

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**RICHMOND HOUSE SCHOOL**

**REFERENCE AND ADMINISTRATIVE DETAILS  
FOR THE YEAR ENDED 31ST AUGUST 2018**

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**TRUSTEES**

C Shuttleworth (Chair until 18/10/18)  
G Galdins (Chair from 18/10/18)  
S J Brazier (Vice Chair from 18/10/18)  
P J Fox (appointed 26/3/18)  
M R Grange (Vice Chair until resigned 18/10/18)  
P Jolly (resigned 18/10/18)  
V G Monnickendam  
E Moran (appointed 18/10/18)  
E Slater (appointed 22/1/18)  
S Stephens  
J B Watson (resigned 18/10/18)  
G P Woods (appointed 18/10/18)

**REGISTERED OFFICE**

168-172 Otley Road  
Leeds  
LS16 5LG

**REGISTERED COMPANY NUMBER**

01270675 (England and Wales)

**REGISTERED CHARITY NUMBER**

505630

**AUDITORS**

Thomas Coombs  
Statutory Auditor  
Chartered Accountants  
3365 The Pentagon  
Century Way  
Thorpe Park  
Leeds  
West Yorkshire  
LS15 8ZB

**BANKERS**

National Westminster Bank plc  
8 Park Row  
Leeds  
West Yorkshire  
LS1 5HD

**SOLICITORS**

Walker Morris LLP  
Kings Court  
12 Kings Street  
Leeds  
LS1 2HL

Clarion LLP  
Elizabeth House  
13-19 Queen St  
Leeds  
LS1 2TW

## **RICHMOND HOUSE SCHOOL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST AUGUST 2018**

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The Trustees 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 31st August 2018. The Trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

#### **OBJECTIVES AND ACTIVITIES**

##### **Objects of the Charity**

The objects of the School as detailed in the Memorandum of Association are to promote and provide for the advancement of education and training and in connection therewith to conduct, carry on, acquire and develop in the United Kingdom any boarding or day school or schools for the education of children of either sex or both sexes.

##### **Principal activity**

The Charity's principal activity is the operation of Richmond House School, a day school in Far Headingley, Leeds. The School is registered as a charitable organisation. The main areas of the charitable activity are the provision and advancement of education and training.

##### **Strategies and Objectives**

The Board's strategy, as a charitable Independent School, is to foster pupils' academic and personal development in a challenging, caring and happy environment that enables all to achieve their full potential. In addition, supporting public benefit objectives, the aim is to provide opportunities for those children of lower income or otherwise disadvantaged families, who would otherwise be unable to access these facilities and provide facilities for the benefit of third parties and the local community.

##### **Objectives for the year**

The objectives which reflect the charitable purpose, educational aims and ethos were:

- To progress developments for Early Years facilities and a Sports and Performance Hall
- To review the academic curriculum to incorporate consistent academic progression
- To embed new assessment and monitoring software to further enhance academic progress
- To incorporate outdoor learning more formally within the curriculum
- To develop use of IT across the curriculum
- To embed new PSHE curriculum
- Develop school grounds and infrastructure to support pupil learning
- To further develop marketing with a new website and improved visibility in the wider community

##### **Public benefit**

In the furtherance of the objects of the Charity the Directors, as Trustees, have complied with the duty in section 4 of the Charities Act 2011. This is to have due regard for the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement.

Richmond House School encourages pupils to consider their place in the wider community, to develop a strong sense of social responsibility, and to support those less fortunate than themselves. These aims are achieved through many avenues: within the curriculum, through expected behaviours and pupils voluntarily organising charity fundraising events throughout the year to benefit local, national and global charities.

The School facilities are used by community groups, external organisations and sports teams. These groups are supported through free or subsidised hire rates to promote their use in the local community.

In respect of grant making, the School operates a bursary fund to assist new applicants to the School or an existing pupil where a change in parent or guardian's circumstances has resulted in a difficulty to meet tuition fees. This fund is primarily used to broaden the access to the School and use of this fund is reviewed by the Governors to ensure restricted funds are used appropriately and any matching of donated funds or supplements from unrestricted income to the bursary fund are carefully managed. Availability of bursaries is advertised on the School website - [www.rhschool.org](http://www.rhschool.org).

Such support is available on a needs basis via application to the Bursar. Bursaries to the value of £67,461 (2017:£87,700) were made in 2017/18.

## **STRATEGIC REPORT**

### **Achievement and performance**

Richmond House School continues to pride itself on pupil performance and achievement from a non-selective co-educational intake of pupils, who are educated in an environment where 'children are happy to learn'. The school is regularly complemented on being friendly and welcoming whilst promoting and delivering high standards of behaviour, academic and extra curricular breadth and success. Below is an update on the performance against the objectives for the year which were outlined on page 2.

### **Development of Early Years and Sports and Performance Hall**

During the year, plans were drawn up and planning permission achieved to build a new Early Years facility and a new Sports and Performance Hall within the school grounds which will significantly enhance our facilities. The accounts contain costs expensed within the Statement of Financial Activities (SOFA) of £57,823 relating to this project. Following positive feedback from parents on the development plans, the Governors have now revisited plans to determine the most appropriate way to deliver both the Early Years facility and Sports and Performance Hall as quickly as possible within budgetary constraints. A revised design is being submitted for planning permission to develop the Early Years facility on its current location and to build the Sports and Performance Hall on the school playing fields.

### **Educational achievements**

We were delighted that our all of our Year 6 pupils were offered places at their first choice of school with 17 of them being offered scholarships. During the year, changes were made to many areas of the curriculum with further developments particularly in the areas of PSHE and Outdoor Learning. The Outdoor area consists of a yurt, tipi, homemade sink, fire pit, mini beast area, and now a sandpit for archaeological digging. These provide opportunities for the children to improve self confidence and team working skills through activities such as den building; making figures from willow; making hot chocolate and toasting marshmallows. A key focus area was literacy this year which started in the Autumn term with our Big Push on Reading where children were encouraged to read through activities during the week of World Book Day; "Word of the Day" and book swaps. Classroom Monitor was introduced for Years 1-6 which is a tool to monitor progress in Maths and English, further supporting our objective of ensuring academic progression.

In other areas of the curriculum for 2017/18, our pupils shone at the Quiz Club Championships with both the Science and Maths teams reaching the semi finals in their respective competitions.

Our extra curricular activities continued to broadened the education of our pupils, with a total of 33 extra curricular activities on offer. In addition, our pupils benefit from many trips and educational visits including residential trips to Nell Bank, Cranedale and the Year 6 annual trip to Paris.

Music and drama continue to be an important part of the development of the talents of our pupils. We have over 80 pupils taking part in peripatetic music lessons each week and their talents are showcased through our much-anticipated productions. All of our Lower School pupils took part in a Christmas nativity, and Upper School pupils took part in a thought-provoking production of Ocean World, which explored the detrimental impact that humans have on the oceans with plastic pollution. This followed with a pledge from the School to stop using single use plastic, to increase the amount of recycling and to reduce waste.

On the sports field we had around 100 competitive fixtures in netball, rugby, rounders, rugby league, football, cricket, swimming and cross country making use of our ten acres of grounds. Our inclusive policy ensured that every pupil in Upper School played in matches regardless of ability. We had great success including our U11 netball team winning the St Pius Netball Shield, our U10 rugby team being unbeaten in the Leeds Carnegie festival and wins at many tournaments in netball, football, swimming and cross country.

We continue to build links with the community, through our volunteering, charity fund raising and family events. This year saw us raise over £2,000 supporting St George's Crypt, Sport Relief, Greenpeace and the Open Arms charity in Malawi through events such as our Fun Run, singing performances and bun sales. We performed at many venues including Wakefield Cathedral, Mount St Joseph's nursing home, St Chad's Court and Victoria Gate where we raised money for our chosen charities.

### **Development of school grounds and infrastructure**

In addition to the major development of the Early Years facility and Sports and Performance Hall, the Governors continued to invest in the grounds and infrastructure with an upgrade to security of the site with a new entry system and investment in IT equipment including new computers and interactive screens.

## **STRATEGIC REPORT**

### **Achievement and performance (continued)**

#### **Marketing Development**

During the year a new brand, website and uniform were launched to ensure the school responds to the changing needs of both our pupils and parents. The website contains a parent portal to enhance our communications with parents.

#### **Governing Body and staffing changes**

This year saw some significant changes in our Governing Body as part of our succession planning. The Governing Body would like to thank Catherine Shuttleworth for her leadership as Chair over the last 4 years and for her continuing commitment to the Board. Gill Galdins has succeeded Catherine as Chair from 18 October 2018. We would also like to thank Martin Grange, Peter Jolly and Jim Watson for their support and guidance over their terms of office. Following a skills audit of the Board, Emma Slater, Paul Fox, Eleanor Moran and Gary Woods were appointed to provide oversight in the areas of HR and legal matters, building development and procurement, safeguarding and academic progression.

Tracey Looker was appointed Bursar in January 2018. The Governors would like to thank the outgoing Bursar, Gill Newsome, for her financial and operational management of the school for the past 12 years.

#### **Financial review**

##### *Financial position*

The unrestricted surplus for the year amounted to £209,495 (2017: £121,898). There was a £6,038 decrease (2017: £731 decrease) in restricted funds, giving a total net increase in funds of £203,457 (2016: £121,167).

##### *Investment policy and objectives*

The Memorandum dictates that the Governors may invest the money of the Charity not immediately required for its purposes in or upon such investments, securities or property as may be thought fit, subject to conditions (if any) and consents (if any) imposed or required by law.

##### *Reserves policy*

The Governors aim to have sufficient free reserves available to facilitate the efficient operation of the School. Free reserves are defined as total reserves excluding fixed assets, designated and restricted funds. The Governors consider this to be three months running costs which is approximately £500,000. During the course of the year, £500,000 was set aside in a designated reserve to invest in school premises leaving free reserves amounting to £366,037 (2017: £619,957). The Governors aim to build free reserves to target levels over 2-5 years from budgeted operating surpluses.

Any free cash balances are invested in interest bearing accounts with reputable financial institutions. The reserves of the School include investments in school land and buildings with a net book value at 31 August 2018 of £1,227,967 (2017: £1,240,853).

#### **Tangible assets**

The Charity's tangible assets are held for use by the School. The Governors maintain the freehold and long leasehold land and buildings out of expenditure to a standard which ensures their residual value exceeds their net book values.

#### **Designated funds**

The Governors have designated funds of £500,000 towards the development of the Early Years facility and Sports and Performance Hall building project which is expected to commence during 2019.

#### **Restricted funds**

The Charity has a number of restricted funds which are represented by fixed assets and cash at bank. The purposes of these funds are detailed in note 16 to the financial statements.

#### **Future plans**

The key strategic and operational objectives for the year 2018/19 are:

- To continue to enhance academic progression through review of teaching methods and monitoring and assessment tools
- To develop new areas of the curriculum to further enhance pupil learning
- To develop wider opportunities for pupil responsibility and involvement in wider life of school and community
- To develop the school grounds and infrastructure to support pupil learning including progressing development for the Early Years facility and Sports and Performance Hall. An amount of £500,000 from accumulated reserves has been designated for this project.
- To continue to develop our marketing to improve visibility in the wider community

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing document**

The Company is governed by its Memorandum and Articles of Association, last amended on 26 March 2006.

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## **RICHMOND HOUSE SCHOOL**

### **REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31ST AUGUST 2018**

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#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Directors and Governors of the company**

The Governors are the Charity Trustees and Company Directors of Richmond House School. The Governors are a self appointing body and all of those detailed below served on the board for the full year, except where indicated otherwise:

C Shuttleworth (Chair until 18/10/18, remains a Trustee and Company Director)  
G Galdins (Chair from 18/10/18)  
S J Brazier (Vice Chair from 18/10/18)  
P J Fox (appointed 26/3/18)  
M R Grange (Vice Chair until resigned 18/10/18)  
P Jolly (resigned 18/10/18)  
V G Monnickendam  
E Moran (appointed 18/10/18)  
E Slater (appointed 22/1/18)  
S Stephens  
J B Watson (resigned 18/10/18)  
G P Woods (appointed 18/10/18)

##### **Recruitment and training**

The Trustees of the School are members of the Charity. A new member will be admitted to the Board of Governors on the approval of the existing Board of Governors which shall have absolute discretion as to the admission of any person. The Chairperson reviews the policies over selection, recruitment and training of Governors on a regular basis.

All new Governors serve a probationary period and then, if satisfactory in the execution of their duties, have their appointment to the governing body ratified at the AGM. A Governor's term of office is normally four years with re-election required at the AGM for up to three terms.

##### **Organisational management**

The Governors meet as a whole body at least four times per annum to review the School's activities and strategies and determine the general policy of the School. The day to day management of the School is delegated to the Headmistress and her senior leadership team.

Governors are advised of any changes in governance requirements and informed of training courses and conferences to further their knowledge. The School is a member of the Association of Governing Bodies of Independent Schools (AGBIS) which runs training courses for governors and advises on best practice.

##### **Key management remuneration**

The day-to-day running of the school is delegated to the Headteacher, Bursar, Director of Academic Studies and Assistant Head - Pastoral, as the key management personnel. They attend all main board meetings of the Governing Body, plus the Headteacher and at least one other member of the senior team are members of each of the sub committees.

The key management personnel at 31st August 2018 were:

H Stiles	Headteacher
T Looker	Bursar
C Mullis	Director of Academic Studies
S Young	Assistant Head - Pastoral

The remuneration of key management personnel is set by the Board. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools, to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Principal risks and uncertainties**

The Governors keep the School's activities under review, particularly in regard to major risks that may arise as well as systems and procedures established to manage and mitigate risks. The Trustees have assessed the major risks, particularly operational and financial and are satisfied that the systems are in place to manage and mitigate exposure to the major risks.

The principal risks can be categorised as financial, educational, reputational and legal.

**The key controls are:**

- clear governance structure, with sub committees and formal agendas.
- clear organisation, responsibilities and reporting lines
- clear authorisation and approval levels
- strategic plans, budgets and financial management including monthly management accounts
- careful planning and management of projected pupil numbers
- formal policies and responsibilities including child safeguarding, health and safety, staff recruitment and areas of operations
- IT system security and remote back ups
- full safeguarding procedures from staff recruitment to day to day management

The unexpected announcement of the 43% rise in employer teachers' pension contributions from 1 September 2019 presents a new financial risk to Richmond House School along with other independent schools. The Board of Governors is reviewing financial forecasts and, in particular, capital investment plans in light of this announcement.

**AUDITORS**

The auditors, Thomas Coombs, will be proposed for re-appointment at the forthcoming Annual General Meeting.

Report of the Trustees, incorporating a strategic report, approved by order of the Board of Trustees, as the Company Directors, on 24<sup>th</sup> January 2019 and signed on the board's behalf by:



G Galdins - Chair of Trustees



**STATEMENT OF TRUSTEES RESPONSIBILITIES  
FOR THE YEAR ENDED 31ST AUGUST 2018**

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The Trustees (who are also the Directors of Richmond House School 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;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the 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.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RICHMOND HOUSE SCHOOL**

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### **Opinion**

We have audited the financial statements of Richmond House School (the 'charitable company') for the year ended 31st August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (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 31st August 2018 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 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 Auditors 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.

### **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 Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and 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, 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 Trustees for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Report of the Trustees has been prepared in accordance with applicable legal requirements.

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

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

We have nothing to report in respect of the following matters where 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.

### **Responsibilities of Trustees**

As explained more fully in the Statement of Trustees Responsibilities, 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.

## REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF RICHMOND HOUSE SCHOOL

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### Responsibilities of Trustees

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.

### Our 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 a Report of the Independent Auditors 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 Report of the Independent Auditors.

### Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an auditors' 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.

*C. Darwin*

Christopher Darwin (Senior Statutory Auditor)  
for and on behalf of Thomas Coombs  
Statutory Auditor  
Chartered Accountants  
3365 The Pentagon  
Century Way  
Thorpe Park  
Leeds  
West Yorkshire  
LS15 8ZB

Date: 24<sup>th</sup> January 2019

**RICHMOND HOUSE SCHOOL**

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31ST AUGUST 2018**

		Unrestricted fund	Restricted funds	Total	2018 funds	Total	2017 funds
	Notes	£	£		£		£
<b>INCOME AND ENDOWMENTS FROM</b>							
Donations and legacies	2	418	2,062		2,480		5,332
Charitable activities	4						
Operation of the school		1,907,049	-		1,907,049		1,706,563
Other ancillary trading income		292,272	-		292,272		259,176
Investment income	3	<u>961</u>	<u>-</u>		<u>961</u>		<u>339</u>
<b>Total</b>		<b>2,200,700</b>	<b>2,062</b>		<b>2,202,762</b>		<b>1,971,410</b>
<b>EXPENDITURE ON</b>							
Charitable activities	5						
Operation of the school		<u>(1,991,205)</u>	<u>(8,100)</u>		<u>(1,999,305)</u>		<u>(1,850,243)</u>
<b>NET INCOME/(EXPENDITURE)</b>		<b>209,495</b>	<b>(6,038)</b>		<b>203,457</b>		<b>121,167</b>
Transfers between funds	16	<u>50</u>	<u>(50)</u>		<u>-</u>		<u>-</u>
Net movement in funds		<b>209,545</b>	<b>(6,088)</b>		<b>203,457</b>		<b>121,167</b>
<b>RECONCILIATION OF FUNDS</b>							
Total funds brought forward		<u>1,970,438</u>	<u>22,886</u>		<u>1,993,324</u>		<u>1,872,157</u>
<b>TOTAL FUNDS CARRIED FORWARD</b>		<b><u>2,179,983</u></b>	<b><u>16,798</u></b>		<b><u>2,196,781</u></b>		<b><u>1,993,324</u></b>


The notes form part of these financial statements

**RICHMOND HOUSE SCHOOL**

**BALANCE SHEET  
AT 31ST AUGUST 2018**

		Unrestricted fund £	Restricted funds £	2018 Total funds £	2017 Total funds £
	Notes				
<b>FIXED ASSETS</b>					
Tangible assets	12	1,313,946	16,798	1,330,744	1,373,317
<b>CURRENT ASSETS</b>					
Debtors	13	69,724	-	69,724	44,298
Cash at bank		<u>1,025,087</u>	<u>-</u>	<u>1,025,087</u>	<u>756,330</u>
		1,094,811	-	1,094,811	800,628
<b>CREDITORS</b>					
Amounts falling due within one year	14	(228,774)	-	(228,774)	(180,621)
<b>NET CURRENT ASSETS</b>		<u>866,037</u>	<u>-</u>	<u>866,037</u>	<u>620,007</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>2,179,983</u>	<u>16,798</u>	<u>2,196,781</u>	<u>1,993,324</u>
<b>NET ASSETS</b>		<u>2,179,983</u>	<u>16,798</u>	<u>2,196,781</u>	<u>1,993,324</u>
<b>FUNDS</b>	16				
Unrestricted funds					
- Free reserves				366,037	619,957
- Fixed asset reserve				1,313,946	1,350,481
- Designated reserves				500,000	-
Restricted funds				<u>16,798</u>	<u>22,886</u>
<b>TOTAL FUNDS</b>				<u>2,196,781</u>	<u>1,993,324</u>

The financial statements were approved by the Board of Trustees on 24<sup>th</sup> January 2019 and were signed on its behalf by:

  
G Galdins – Chair of Trustees

The notes form part of these financial statements

**RICHMOND HOUSE SCHOOL****CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST AUGUST 2018**

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	Notes	2018 £	2017 £
<b>Cash flows from operating activities:</b>			
Cash generated from operations	1	<u>300,207</u>	<u>214,067</u>
<b>Net cash provided by (used in) operating activities</b>		<u>300,207</u>	<u>214,067</u>
 <b>Cash flows from investing activities:</b>			
Purchase of tangible fixed assets		<u>(31,450)</u>	<u>(33,074)</u>
<b>Net cash provided by (used in) investing activities</b>		<u>(31,450)</u>	<u>(33,074)</u>
		<hr/>	<hr/>
<b>Change in cash and cash equivalents in the reporting period</b>		<b>268,757</b>	<b>180,993</b>
<b>Cash and cash equivalents at the beginning of the reporting period</b>		<u><b>756,330</b></u>	<u><b>575,337</b></u>
<b>Cash and cash equivalents at the end of the reporting period</b>		<u><u><b>1,025,087</b></u></u>	<u><u><b>756,330</b></u></u>

The notes form part of these financial statements

**RICHMOND HOUSE SCHOOL**

**NOTES TO THE CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31ST AUGUST 2018**

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**1. RECONCILIATION OF NET INCOME/(EXPENDITURE) TO NET CASH FLOW FROM OPERATING ACTIVITIES**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
<b>Net income/(expenditure) for the reporting period (as per the statement of financial activities)</b>	<b>203,457</b>	<b>121,167</b>
<b>Adjustments for:</b>		
Depreciation charges	74,023	70,811
Increase in debtors	(25,426)	(662)
Increase in creditors	<u>48,153</u>	<u>22,751</u>
<b>Net cash provided by (used in) operating activities</b>	<b><u>300,207</u></b>	<b><u>214,067</u></b>

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31ST AUGUST 2018**

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**1. ACCOUNTING POLICIES**

**Basis of preparing the financial statements**

The financial statements of the charitable company, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared under the historical cost convention.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are presented in sterling which is the functional currency of the Charity and rounded to the nearest £.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

**Tangible fixed assets**

Tangible fixed assets are stated at cost or deemed cost less accumulated depreciation. Cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all tangible fixed assets, at rates calculated to write off the cost, less estimated residual value, of each asset on a systematic basis over its expected useful life as follows:

Freehold buildings	50 years
Long Leasehold buildings	50 years
Fixtures, fittings and equipment	3-10 years
Machinery	20 years
Motor vehicles	5 years

Long leasehold land is not depreciated.

The Charity capitalises assets where they have a cost greater than £250 and are considered to have an economic benefit to the School for a period greater than a year.

The freehold buildings and long leasehold land and buildings were revalued at the transition date 1st September 2014 at £1,300,000. This, under FRS 102 is the deemed cost of these assets as at that date.

**Taxation**

The Charity is exempt from corporation tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Trustees. Designated funds represent amounts specifically earmarked by the Governors for projects.

Restricted funds can only be used for particular restricted purposes within the objects of the Charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Pension costs and other post-retirement benefits**

The Charity makes contributions to the Teachers' Pension Scheme, a multi-employer defined benefit pension scheme. As the Charity is unable to separately identify its share of the assets and liabilities of the scheme, the scheme is accounted for as if it were a defined contribution scheme under FRS 102. The contributions are charged against income as they become payable in accordance with the rules of the scheme.

The charitable company also operates a defined contribution stakeholder pension scheme for support staff. Contributions payable to the charitable company's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.



**1. ACCOUNTING POLICIES - continued**

**Company and charitable status**

Richmond House School is a company limited by guarantee. The guarantors are the Governors named on page 1. The liability in respect of this guarantee, as set out in the memorandum, is limited to £1 per member. The company is a Charity, Registration Number 505630.

**Going concern**

The company has substantial cash resources which, in the opinion of the Trustees, are sufficient to enable it to continue as a going concern for the foreseeable future.

**Income and endowments**

**Operation of school**

Income from school fees and for other school services is recognised in line with the term to which they relate. Fees consist of charges billed less discounts.

**Investment income**

Investment income relates to interest and is included when receivable.

**Donations receivable**

Donations received are treated as income in the year in which entitlement is demonstrable and conditions have been met. Donations subject to specific wishes of the donors are treated as restricted funds.

**Expenditure**

Liabilities are recognised as soon as there is a legal or constructive obligation committing the Charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. The irrecoverable element of VAT is included with the item of expense to which it relates.

**Support costs**

Support costs have been allocated to activity cost categories on a basis consistent with the use of the resources.

**Debtors and creditors receivable/ payable within one year**

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

**Leases**

Rentals payable under operating leases are charged to the SOFA on a straight line basis over the period of the lease.

**2. DONATIONS AND LEGACIES**

	2018	2017
	£	£
Donations	<u>2,480</u>	<u>5,332</u>

**3. INVESTMENT INCOME**

	2018	2017
	£	£
Investment Income	<u>961</u>	<u>339</u>

# **RICHMOND HOUSE SCHOOL**

## **NOTES TO THE FINANCIAL STATEMENTS - CONTINUED FOR THE YEAR ENDED 31ST AUGUST 2018**

### **4. INCOME FROM CHARITABLE ACTIVITIES**

			2018	2017
	Operation of the school	Other ancillary trading income	Total activities	Total activities
	£	£	£	£
School fees	1,907,049	-	1,907,049	1,706,563
Lunches	-	134,658	134,658	118,143
Pre and after school care	-	46,256	46,256	46,143
Peripatetic music	-	54,308	54,308	48,800
Learning support	-	8,892	8,892	13,252
Sundry income	-	10,709	10,709	10,117
Extra curriculum activities	-	37,449	37,449	22,721
	<u>1,907,049</u>	<u>292,272</u>	<u>2,199,321</u>	<u>1,965,739</u>

School fees are reported net of bursary awards of £67,461 (2017: £87,700).

### **5. CHARITABLE ACTIVITIES COSTS**

	Direct costs (See note 6)	Support costs (See note 7)	Totals
	£	£	£
Operation of the school	<u>1,618,691</u>	<u>380,614</u>	<u>1,999,305</u>

### **6. DIRECT COSTS OF CHARITABLE ACTIVITIES**

	2018	2017
	£	£
Staff costs	1,230,561	1,190,828
Other staffing costs	6,920	4,451
Peripatetic music	43,573	36,889
Extra curriculum activities	24,272	14,266
Educational departments	30,868	21,234
Canteen provisions	71,175	66,037
Premises costs	53,050	44,175
Repairs and renewals	19,985	16,485
Depreciation	74,023	70,811
Hire of amenities	12,378	12,087
Travelling expenses	8,582	10,497
Computer training and support	15,854	15,490
Cleaning materials	12,738	12,443
Doubtful debts	(1,570)	10,357
Subscriptions	8,711	9,077
Prize giving	3,193	6,851
Trips and outings	4,378	1,917
	<u>1,618,691</u>	<u>1,543,895</u>

### **7. SUPPORT COSTS**

	Other £
Operation of the school	<u>380,614</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2018**

**7. SUPPORT COSTS - continued**

Support costs, included in the above, are as follows:

<b>Other</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Staff costs	197,152	234,841
Other staffing costs	9,882	-
Administration costs	33,826	23,626
Marketing and promotions (including staff costs)	49,514	17,575
Sundry costs	5,476	2,911
Legal and professional fees	77,880	22,349
Governance cost: Audit fees	6,350	5,046
Governance cost: Teachers' Pension Audit fees	534	-
	<u>380,614</u>	<u>306,348</u>

**8. NET INCOME/(EXPENDITURE)**

Net income/(expenditure) is stated after charging/(crediting):

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Depreciation - owned assets	74,023	70,811
Auditors' remuneration	<u>6,350</u>	<u>5,046</u>

**9. TRUSTEES' REMUNERATION AND BENEFITS**

There were no Trustees' remuneration or other benefits for the year ended 31st August 2018 nor for the year ended 31st August 2017.

**Trustees' expenses**

Trustees' expenses of £nil were paid for the year ended 31st August 2018 (2017: £79).

**RICHMOND HOUSE SCHOOL****NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2018****10. STAFF COSTS**

	2018	2017
	£	£
Wages and salaries	1,219,440	1,184,699
Social security costs	108,115	104,181
Other pension costs	132,955	136,789
	<u>1,460,510</u>	<u>1,425,669</u>

The average number of full time equivalent employees during the year was as follows:

	2018	2017
Head teacher	1	1
Teaching staff	25	25
Kitchen staff	4	4
Ancillary	4	4
Administrative	4	4
	<u>38</u>	<u>38</u>

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

	2018	2017
Head teacher	1	1
Teaching staff	34	33
Kitchen staff	7	7
Ancillary	5	6
Administrative	5	5
	<u>52</u>	<u>52</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2018	2017
£60,001 - £70,000	<u>1</u>	<u>1</u>

One employee earned more than £60,000 per annum in the current period. Contributions to pensions schemes in respect of this member of staff amounted to £9,987 (2017: £9,888).

The total employee costs (gross and employer pension contributions) of the key management personnel as considered by the Charity were £247,129 (2017: £223,301).

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2018**

**11. COMPARATIVES FOR THE STATEMENT OF FINANCIAL ACTIVITIES**

	Unrestricted fund £	Restricted funds £	Total funds £
<b>INCOME AND ENDOWMENTS FROM</b>			
Donations and legacies	-	5,332	5,332
Charitable activities			
Operation of the school	1,706,563	-	1,706,563
Other ancillary trading income	259,176	-	259,176
Investment income	339	-	339
<b>Total</b>	<b>1,966,078</b>	<b>5,332</b>	<b>1,971,410</b>
 <b>EXPENDITURE ON</b>			
Charitable activities			
Operation of the school	1,844,180	6,063	1,850,243
<b>Total</b>	<b>1,844,180</b>	<b>6,063</b>	<b>1,850,243</b>
 <b>NET INCOME/(EXPENDITURE)</b>	<b>121,898</b>	<b>(731)</b>	<b>121,167</b>
 <b>RECONCILIATION OF FUNDS</b>			
Total funds brought forward	1,848,540	23,617	1,872,157
 <b>TOTAL FUNDS CARRIED FORWARD</b>	<b>1,970,438</b>	<b>22,886</b>	<b>1,993,324</b>

**RICHMOND HOUSE SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2018**

**12. TANGIBLE FIXED ASSETS**

	Freehold buildings £	Long leasehold land and buildings £	Plant and machinery £
<b>COST</b>			
At 1st September 2017	793,719	513,276	18,675
Additions	9,300	-	-
Disposals	-	-	-
At 31st August 2018	<u>803,019</u>	<u>513,276</u>	<u>18,675</u>
<b>DEPRECIATION</b>			
At 1st September 2017	47,343	18,799	11,958
Charge for year	15,921	6,265	933
Eliminated on disposal	-	-	-
At 31st August 2018	<u>63,264</u>	<u>25,064</u>	<u>12,891</u>
<b>NET BOOK VALUE</b>			
At 31st August 2018	<u>739,755</u>	<u>488,212</u>	<u>5,784</u>
At 31st August 2017	<u>746,376</u>	<u>494,477</u>	<u>6,717</u>
	<b>Fixtures and fittings £</b>	<b>Motor vehicles £</b>	<b>Totals £</b>
<b>COST</b>			
At 1st September 2017	978,044	49,424	2,353,138
Additions	22,150	-	31,450
Disposals	(93,376)	-	(93,376)
At 31st August 2018	<u>906,818</u>	<u>49,424</u>	<u>2,291,212</u>
<b>DEPRECIATION</b>			
At 1st September 2017	857,948	43,773	979,821
Charge for year	46,060	4,844	74,023
Eliminated on disposal	(93,376)	-	(93,376)
At 31st August 2018	<u>810,632</u>	<u>48,617</u>	<u>960,468</u>
<b>NET BOOK VALUE</b>			
At 31st August 2018	<u>96,186</u>	<u>807</u>	<u>1,330,744</u>
At 31st August 2017	<u>120,096</u>	<u>5,651</u>	<u>1,373,317</u>

The brought forward cost for the freehold buildings and long leasehold land and buildings represents a combination of a "deemed cost" of £1,300,000 as at 1st September 2014 plus subsequent capital costs of £16,295. The deemed cost is based on Existing Use and Market Value according to WSB Property Consultants LLP, of 36 Park Cross Street, Leeds, LS1 2QH. From 1st September 2014 depreciation is applied at 2% straight line.

All tangible fixed assets were used for charitable purposes.

There were additions of £nil (2017: £4,131) relating to assets acquired with restricted funds, the depreciation of which is charged to restricted funds in the statement of financial activities over the useful economic life of the assets.

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2018**

**12. TANGIBLE FIXED ASSETS - continued**

At 31st August 2018 assets with a cost of £115,820 and a net book value of £16,803 had been acquired with restricted funds. All other assets were purchased from unrestricted funds.

**13. DEBTORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
School fees	20,810	14,735
Accrued income	869	4,961
Prepayments	<u>48,045</u>	<u>24,602</u>
	<u>69,724</u>	<u>44,298</u>

**14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2018 £	2017 £
Creditors in the course of ordinary activities	34,127	23,012
Other creditors and deferred grants	35,110	32,919
Deposits	62,850	65,600
Fees in advance	80,628	47,849
Accrued expenses	<u>16,059</u>	<u>11,241</u>
	<u>228,774</u>	<u>180,621</u>

**15. LEASING AGREEMENTS**

Minimum lease payments under non-cancellable operating leases fall due as follows:

	2018 £	2017 £
Within one year	2,008	2,008
Between one and five years	<u>1,302</u>	<u>3,038</u>
	<u>3,310</u>	<u>5,046</u>

**16. MOVEMENT IN FUNDS**

	At 1/9/17 £	Net movement in funds £	Transfers between funds £	At 31/8/18 £
<b>Unrestricted funds</b>				
Free reserves	619,957	277,480	(531,400)	366,037
Fixed assets reserve	1,350,481	(67,985)	31,450	1,313,946
Designated reserves	-	-	500,000	500,000
	<u>1,970,438</u>	<u>209,495</u>	<u>-</u>	<u>2,179,983</u>
<b>Restricted funds</b>				
Parents' Association Capital Fund	22,836	(6,038)	-	16,798
Revenue Fund	<u>50</u>	<u>-</u>	<u>(50)</u>	<u>-</u>
	<u>22,886</u>	<u>(6,038)</u>	<u>(50)</u>	<u>16,798</u>
<b>TOTAL FUNDS</b>	<u>1,993,324</u>	<u>203,457</u>	<u>-</u>	<u>2,196,781</u>

**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED  
FOR THE YEAR ENDED 31ST AUGUST 2018**

**16. MOVEMENT IN FUNDS - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
Free reserves	2,200,700	(1,923,220)	277,480
Fixed assets reserve	-	(67,985)	(67,985)
Designated reserves	-	-	-
	<u>2,200,700</u>	<u>(1,991,205)</u>	<u>209,495</u>
<b>Restricted funds</b>			
Parents' Association Capital Fund	-	(6,038)	(6,038)
Parents' Association Revenue Fund	<u>2,062</u>	<u>(2,062)</u>	<u>-</u>
	<u>2,062</u>	<u>(8,100)</u>	<u>(6,038)</u>
<b>TOTAL FUNDS</b>	<u><u>2,202,762</u></u>	<u><u>(1,999,305)</u></u>	<u><u>203,457</u></u>

Comparatives for movement in funds

	At 1/9/16 £	Net movement in funds £	Transfers between funds £	At 31/8/17 £
<b>Unrestricted funds</b>				
Free reserves	461,103	187,797	(28,943)	619,957
Fixed assets reserve	1,387,437	(65,899)	28,943	1,350,481
	<u>1,848,540</u>	<u>121,898</u>	<u>-</u>	<u>1,970,438</u>
<b>Restricted funds</b>				
Parents' Association Capital Fund	23,617	(781)	-	22,836
Revenue Fund	-	50	-	50
	<u>23,617</u>	<u>(731)</u>	<u>-</u>	<u>22,886</u>
<b>TOTAL FUNDS</b>	<u><u>1,872,157</u></u>	<u><u>121,167</u></u>	<u><u>-</u></u>	<u><u>1,993,324</u></u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
Free reserves	1,966,078	(1,778,281)	187,797
Fixed assets reserve	-	(65,899)	(65,899)
	<u>1,966,078</u>	<u>(1,844,180)</u>	<u>121,898</u>
<b>Restricted funds</b>			
Parents' Association Capital Fund	4,131	(4,912)	(781)
Parents' Association Revenue Fund	1,151	(1,151)	-
Revenue Fund	<u>50</u>	<u>-</u>	<u>50</u>
	<u>5,332</u>	<u>(6,063)</u>	<u>(731)</u>
<b>TOTAL FUNDS</b>	<u><u>1,971,410</u></u>	<u><u>(1,850,243)</u></u>	<u><u>121,167</u></u>



**16. MOVEMENT IN FUNDS - continued**

Unrestricted funds are those funds expendable at the discretion of the Governors in pursuance of the Charity's objectives.

Included within unrestricted funds is freehold and long leasehold land and buildings with a net book value at the year end of £1,227,967 (2017: £1,240,853). These figures include the revaluation of the freehold buildings and long leasehold land and buildings on 1st September 2014 of £656,864.

The fixed asset reserve represents unrestricted funds held in the form of tangible fixed assets.

Designated funds represent the amount of £500,000 which during 2018 the Governors allocated towards the development of the Early Years facility and Sports and Performance Hall building project which is expected to commence during 2019.

The Parents' Association Capital fund reflects donations from the Parents' Association to fund the purchase of specific fixed assets. The related annual depreciation relating to the fixed assets is charged against the restricted fund. The Parents' Association Revenue Fund reflects donations to fund specific operating costs.

**17. CONTINGENT LIABILITIES**

Richmond House School is a company limited by guarantee with no share capital. Each member is liable to contribute a sum not exceeding £1 in the event of a winding-up. There were no contingent liabilities at 31st August 2018 or 31st August 2017.

**18. RELATED PARTY DISCLOSURES**

During the year ended 31st August 2018 there were purchases totalling £747 from Clarion Solicitors Ltd which M. Grange is a director of. The balance owing from Richmond House School at the year end was £103. Transactions are conducted on an arms-length basis.

There were also purchases totalling £2,795 from Table Top Television Ltd which is a related party of G. Galdins. The balance owing from Richmond House School at the year end was £581. These transactions are conducted at an arms-length.

**19. PENSIONS 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 £132,080 (2017: £125,661).

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 2016 and the valuation report, which was published in 2018, confirmed an employer contribution rate for the TPS of 23.6% from 1 September 2019.

This employer rate will be payable until the outcome of the next actuarial valuation, which is due to be prepared as at 31 March 2020 and completed in 2022. 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.

**20. TAXATION**

Richmond House School has charitable status and its investment income and gains are exempt from corporation tax by virtue of its provisions of section 505, Income and Corporation Taxes Act 1988. Furthermore, it is considered that the trading activities of the Charity are carried out as the primary purpose of the Charity and accordingly, any element of the operating surplus attributable to such activities is also exempt from corporation tax under the provisions of that section.

**21. INDEMNITY INSURANCE**

The Charity has purchased professional risks insurance to cover Governors' liability and professional indemnity up to £2,000,000.