

**THE SAINT JOHN'S SCHOOL FOUNDATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

**Registered Charity No: 312064**

**THE SAINT JOHN'S SCHOOL FOUNDATION**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

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# THE SAINT JOHN'S SCHOOL FOUNDATION

## GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018

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### REFERENCE AND ADMINISTRATIVE DETAILS

#### Council and Trustees

The Council of The Saint John's School Foundation consists of Governors who are also the Trustees of the Charity. The Governors who have served since 1 August 2017 are:

J D Willis BA ( <i>Chair</i> )	Mrs L Hume FBCS
P H Thorne (OJ) BA ( <i>Vice Chair</i> )	Mrs R Marshall BA GDL PgDL
A M Airey (OJ) LLB	A J L Peake (OJ) FCA
T Beckh MA	Mrs S Phillips BSc
Mrs C Davies BSc	E Sanderson
Mrs S Dickinson MSc	B Shaw BSc MRICS
A A Duma (OJ) LLB FCA	N Teunon MA ACA
Ms T Fantham MA, NPQH ( <i>elected 27 September 2017</i> )	Mrs C Turnbull MA ( <i>elected 27 September 2017</i> )
J Gravett (OJ)	S H L Williams MA
Mrs J Harris BA ( <i>retired 11 October 2018</i> )	

Governor Membership of Committees as at date of signing:

<u>Education</u>	<u>Estates</u>	<u>Finance</u>
Ms T Fantham ( <i>Chair</i> )	B Shaw ( <i>Chair</i> )	N Teunon ( <i>Chair</i> )
Mrs C Davies	A M Airey	T Beckh
Mrs L Hume	Mrs S Dickinson	A Duma
Mrs S Phillips	Mrs R Marshall	J Gravett
Mrs C Turnbull	E Sanderson	A J L Peake
S H L Williams	P H Thorne	P H Thorne

  

<u>Nominations and Remuneration</u>	<u>Risk Management and Compliance</u>
J D Willis ( <i>Chair</i> )	A M Airey ( <i>Chair</i> )
A M Airey	Mrs C Davies
B Shaw	Mrs L Hume
N Teunon	A J L Peake
P H Thorne	Mrs S Phillips
	P H Thorne

The Head and other members of the School's Senior Management Team attend as required to inform and update Committee members on the day-to-day management of the School.

**THE SAINT JOHN'S SCHOOL FOUNDATION**  
**GOVERNORS' REPORT**  
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**REFERENCE AND ADMINISTRATIVE INFORMATION (continued)**

<b>Head</b>	Mr M A R Collier MA (Oxon) <i>(until 23 August 2017)</i> Mrs R C Cole BSc MBA <i>(from 23 August 2017)</i>	
<b>Finance Director &amp; Secretary to Council</b>	Mrs S E Holwell BSc ACA	
<b>Operational Name</b>	The Saint John's School Foundation (also known as St John's School, Leatherhead)	
<b>Principal Address</b>	Epsom Road Leatherhead Surrey, KT22 8SP	
<b>Solicitors</b>	TWM Solicitors LLP Sweech House, Gravel Hill Leatherhead Surrey, KT22 7HF	
	Veale Wasbrough Vizards Narrow Quay House Narrow Quay Bristol, BS1 4QA	
<b>Independent Auditor</b>	Crowe U.K. LLP St Bride's House 10 Salisbury Square London, EC4Y 8EH	
<b>Bankers</b>	HSBC Bank plc 10 North Street Leatherhead Surrey, KT22 7AR	
	Svenska Handelsbanken AB (publ) 123a High Street Epsom Surrey, KT19 8DT	
<b>Fund Manager</b>	Investec Wealth & Investment Limited 2 Gresham Street London, EC2V 7QN	
<b>Property Advisor</b>	Patrick Gardner & Company 1/3 Church Street Leatherhead Surrey, KT22 8DN	
<b>Insurance Broker</b>	AON Insurance Group Sentinel 103 Waterloo Street Glasgow, G2 7BW <i>(to 31 August 2017)</i>	Marsh Education Practice Capital House 1-5 Perrymount Road Heywoods Heath, RH16 3SY <i>(from 1 September 2017)</i>

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

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

## **GOVERNORS' REPORT**

### **FOR THE YEAR ENDED 31 JULY 2018**

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The Governors present their annual report and audited financial statements for the year ended 31 July 2018 which comply with the requirements of the Charities Act 2011, the School's Charter and By-Laws, the Statement of Recommended Practice 'Accounting and Reporting by Charities' 2015 and legal requirements of The Charities (Accounts and Reports) Regulations 2008.

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

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

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **Governing Document**

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

### **Council**

The governing body of the Charity is the Council which may consist of not more than twenty-four Governors. The Governors are required to meet at least three times in each calendar year. The Council has delegated to various Committees the work of planning, implementing and reviewing the School's policies and aims at a more detailed level prior to discussion and approval by the Council. A list of Governors who have served since 1 August 2017 and membership of Committees is provided on page 1.

The Council members take their governance responsibilities seriously and aim to have a governance framework that is fit for purpose, compliant and efficient. In 2017 the new Charity Code of Governance was launched, with recommendations that charities review their level of application and explain any aspects of the code they were not applying. The Governors have carried out a review and found that the School applies the code with a few exceptions, and they are satisfied that the School's governance framework is robust and fit for purpose.

### **Group Structure**

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

### **Management**

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

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

# THE SAINT JOHN'S SCHOOL FOUNDATION

## GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018

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### OBJECTIVES AND ACTIVITIES

#### Charitable Objects

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

The School's statement of intent is:

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

#### Principal Activities

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

An individual's economic status, gender, ethnicity, race, religion or disability do not form part of the School's selection processes. During the year, the roll comprised 764 pupils (2017: 713), of whom 723 were day pupils (2017: 656) and 41 boarders (2017: 57). Analysis of the roll between boys and girls was 479 (2017: 440) and 285 (2017: 273) respectively. In relation to the School's historic foundation, 16 pupils (2017: 16) were from families of clergy.

#### Strategic Objectives

The School has developed a new curriculum over the past two years, which offers choice and specialisation but which also provides rigour. Our curriculum reflects best practice and is informed by the National Curriculum and changes in A level and GCSE qualifications. Ultimately, our choice of courses are made on the basis of what best suits the pupils. The School will continue to review the success of this new curriculum over the next two years and make any amendments as necessary. Public examination results are of central importance. It is our aim to produce A level examination results at 85% A\* to B grade or better and at GCSE level results at 65% 9-7 or better with at least 30% of grades at 9.

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

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

# THE SAINT JOHN'S SCHOOL FOUNDATION

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 JULY 2018

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#### OBJECTIVES AND ACTIVITIES (continued)

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

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

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

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

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

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

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

- a successful first year with the new Lower School at capacity, including continued successful recruitment of high-calibre pupils;
- meeting the target for the number of Foundationers on the School roll;
- successful progress being made in the new development of the sports facilities;
- just after the year end, meeting the objectives for exam results in 2018.

#### PUBLIC BENEFIT

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

During 2017 the School appointed a Director of Community Partnership, who is responsible for the development of partnerships with schools in the maintained sector and building relationships with local schools in Leatherhead. He maintains an overview of all matters related to the School's public benefit, partnerships and charitable status. This includes monitoring government policy and advising the Head and Senior Management Team of significant developments in these areas.

#### Bursaries and Widening Access

Funding for the provision of education for those who would not otherwise be able to afford the opportunity has been at the heart of the School's purpose since its foundation in 1851. Though this assistance was initially provided only for the sons of poor clergy, over time this purpose has broadened to include children of both genders. These children, referred to as 'Foundationers', still attend the School and benefit from financial assistance in order that their families may afford the education that the School provides. During the year £331,380 (2017: £348,000) was provided to 17 pupils (2017: 16).

In addition to the provision of assistance for children of the clergy, the School sets aside a proportion of its income and raises money from donors to fund other means-tested bursaries. Scholarships, based on academic potential or potential in specific fields such as sport, music, and art, are also available and awarded through competitive assessment.

# THE SAINT JOHN'S SCHOOL FOUNDATION

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

During the academic year 2017/18 the number of non-clergy pupils benefiting from bursarial support was 63 (2017: 67), with the value of funds provided being £774,930 (2017: £861,131). This includes fully funded Albany Awards to 5 pupils (2017: 6) of £119,897 (2017: £139,098). The total value of bursarial assistance towards fees, examination fees, educational trip costs and similar expenses was £1,106,310 (2017: £1,209,131) representing 6.1% (2017: 7.2%) of gross fees. Total fee remissions funded by the School were £2,069,374 (2017: £2,170,296), representing 11.5% (2017: 12.9%) of gross fees.

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

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

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

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

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

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

The 2017 Community Holiday again welcomed 20 children with special needs, aged 10-18, to a seven-day residential holiday at the school in August. The children enjoyed a good holiday, which included visits to High Ashurst outdoor centre, the West End, the seaside at Littlehampton and Chessington World of Adventures; on-site the children experienced a range of games, arts and craft activities that included swimming, a fashion show and a drama performance. The holiday is staffed by sixth form and ex-sixth form pupils, who work with the children one-to-one, supervised by a more experienced adult team member. Six former pupils were given positions of responsibility, which they fulfilled well, and the intention is to increase this in the coming years. Since the year end, in August 2018, the School has successfully run a further such event, the fifth annual holiday.

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

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

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

Each House carries out fundraising events for the House-nominated charity, with support provided this year for London Air Ambulance, the Royal Marsden Cancer Charity, B@titude, YoungMinds, CSP Nepal, Woking and Sam Beare Hospice, Marie Curie, Chase Shooting Star, Basingstoke Hospital, and the Community Holiday.



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

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**FOR THE YEAR ENDED 31 JULY 2018**

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

The SJPA is a parent body of volunteers who arrange social and fundraising events throughout the year. The activities provide opportunities for good fellowship and for funds to be raised for the School. During the year £41,931 (2017: £17,278) was donated to the School for equipment and activities for the benefit of the pupils.

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

#### **Development (Fundraising and Alumni Relations)**

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

The Development Department continues to work closely with the St John's Parents' Association (SJPA) when considering future fundraising needs. Stewardship activities were organised to recognise and thank those who have donated to the School as well as those who have generously pledged a legacy. Alumni relations activity has continued with a full programme of events and initiatives for targeted year groups, professions and specific areas of interest.

During the year, a total of £66,300 (2017: £136,000) was received as a result of development activities. The School is most grateful for the support and generosity shown by the donor community.

The School had no fundraising activities requiring disclosure under S162A of the Charities Act 2011.

### **ACHIEVEMENTS AND PERFORMANCE**

#### **Academic Achievement**

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

The results of the Summer 2018 examinations saw a 100% pass rate at A level with 81% of grades at A\* to B (2017: 78%); and 47% A\*/A grades (2017: 44%). 31% of pupils achieved three A grades or better. Three pupils secured Oxbridge places and the vast majority of pupils secured a place at a university of their choice.

At GCSE level, 74% (2017: 74%) of the grades achieved by St John's pupils were either at A\*/A or 9-7; 48% of all grades achieved were at A\* or 9-8 (2017: 41%) and one-sixth of the year group achieved eight or more A\*s/9s. These are the best results at GCSE in the School's history.

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

# THE SAINT JOHN'S SCHOOL FOUNDATION

## GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018

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### ACHIEVEMENTS AND PERFORMANCE (continued)

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

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

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

Trips away from school have complemented the above; there is a range of day and residential trips, ranging from visits to museums and theatres, a visit to the Shamwari Game Reserve, and an exchange trip to France. Other trips have included a history trip to Paris, an art trip to Berlin, and a psychology trip to Vienna. Additionally the School competed against other schools in Italy (skiing), carried out a successful hockey tour to Germany, and ran sports training camps in Portugal (athletics) and Spain (cricket).

#### Combined Cadet Force (CCF)

The CCF has a total of 370 St John's cadets and pupils from our partnership school (Southborough High School) parading every Thursday across the Royal Navy, Army and Royal Air Force Sections. The cadets have had the opportunity to attend the Isle of Wight combined summer camp where they could undertake activities like sailing, kayaking, mountain biking, archery, shooting and low level tactics. Several took up the opportunity to attend courses held at various military establishments including leadership, lifeguarding, drill and ceremonial and first aid. The CCF welcomed the Director of Defence Rehabilitation, Col J Etherington, as guest speaker at the annual CCF dinner. There were several promotions during the year for cadet NCOs in recognition of their abilities and commitment. In each of the three sections awards were presented to those Lower Sixth cadets who had made the most contribution, showing commitment, leadership potential and excellent attitudes. Our annual inspection was conducted by Col Myszkowski, Commandant Reserve Forces at RMA Sandhurst and we achieved a glowing report.

#### Duke of Edinburgh Award Scheme

The Award Scheme remains popular; 28 pupils attained their Gold Award this year and 107 attained their Silver Award. The groups went to the Lake District and the New Forest for their expeditions.

#### Sport

With over 760 pupils now representing St John's across a variety of sports, 2017-18 was a very busy and exciting year. Our Rugby 1<sup>st</sup> XV started the year well by reaching the Semi-Finals of National Champions Trophy, with the entire School supporting them in their last home match. Our Hockey players once again out-performed expectations, with the U12's, drawn from a year of just 30 girls, qualifying for the Regional Finals.

At the National Futsal Finals our U13's finished third, our U14's second and our U15's as National Champions. Two age groups finished runners-up in the Southern Independent League and our U15's achieved an unbeaten season without conceding a goal. Netball once again had an exciting year with three players selected for Surrey Storm and our 1<sup>st</sup> team being unbeaten at home. The skiers performed well at the Inter-School Competition in Pila as did our shooters at Nationals.

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## GOVERNORS' REPORT

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### ACHIEVEMENTS AND PERFORMANCE (continued)

In the pool, we retained our Boys' National Bath Cup, and also won the girls' equivalent. Our Inter and Junior boys' Athletics teams were crowned district champions and in Tennis our U13 girls and boys both reached LTA county finals. Pupils continue to perform individually in sports such as gymnastics, dressage, Go-Karting, modern pentathlon, golf and sailing.

#### Music

The Music Department had another strong year, both vocally and instrumentally. The concert at Cadogan Hall was the pinnacle of the music year, with a vast array of musicians performing in one of London's finest venues. From the violin strings to the Swing Band's thumping bass, the pupils put on a concert to remember, with final rousing performance by the Chapel Choir. The Summer Term saw the return of the popular musical theatre evening; we welcomed pupils from all year groups to the stage for the first time. The May Madrigals was also a real opportunity for the Schola Cantorum, welcoming in Summer with an early-morning recital to an appreciative crowd.

Our pupils also performed admirably in music examination grades, with a host of pupils achieving distinctions in their respective grades. This included our talented Lower School pupils, many of whom make up the Lower School Choir and continue to make progress, including performing at Cadogan Hall. The Concerto Competition represented the very best of the musical talent at St John's. At the far end of the spectrum, the School welcomed pupils from a number of local feeder schools to the Music Competition Day; a day of great fun and a pleasure to see such enthusiasm for music in our prospective pupils. Alongside flagship events, the weekly recital series continued to give pupils of all levels a chance to perform each week, with many building their way towards joining ensembles such as the Sinfonia.

#### Art

The art department had a successful year academically with some excellent results at both A level and within the new specification at GCSE. The department continues to ensure pupils' work is a highly visible part of the school as a whole, not just within the art department corridors but across the entire site. Over the course of the year the department ran four educational trips to different art galleries within the London area. The School is lucky to be close enough to London to provide the opportunities to enhance the pupils' learning in a different environment away from the classroom; the work completed from these trips ensures each pupil is provided with first hand observation of art work within a gallery setting.

In the final week of the summer term, the department took 8 pupils on a 5-day residential trip to Berlin and visited a wide range of galleries and museums. This trip complimented the pupils' course work and enriched their understanding of the history of art in one of the most inspiring cities. Alongside the art each pupil learnt the historical significance and importance of many landmarks and buildings and this enabled them to appreciate and understand the German sensibility, their art, culture and heritage. All these skills are critical for success at A level Fine Art.

The department also hosted evening life drawing sessions for 6<sup>th</sup> form students over the course of the autumn term and evening workshop sessions over the course of the spring and summer terms. An art exhibition to display all GCSE and A Level work was held late in the summer term.

## ACHIEVEMENTS AND PERFORMANCE (continued)

### Drama

The year began with the Senior School delivering an atmospheric and impactful production of Sophocles' *Oedipus*. The company pulled together as an expressive and dedicated ensemble. The tension of the play was managed expertly by the two groups of chorus and the growing sense of unease was highlighted throughout. Notable performances included Oedipus, showing the role's journey from corporate, professional businessman to a figure of pity and desperation, and Tiresias, full of venom and anger directed towards the naïve king.

The U5 and U6 academic pupils delivered highly detailed and poignant performances as part of their academic drama scripted exams. All pupils worked hard both in lessons and in many, many after school rehearsals where they polished and honed their craft, producing group pieces and monologues full of passion, integrity and nuance. The standard of how they have advanced as performers from when they started their courses is noteworthy indeed.

Next, was the Middle School Production of *The Lion, the Witch and the Wardrobe*. This was a fantastic ensemble piece where the world of the play was painstakingly recreated by both the inventive set but also by the imagination and verve of the cast. A brilliant production full of colour and verve; this was a group of very talented performers indeed.

The L5 and L6 academic Drama group produced three evenings of thought provoking and entertaining drama as part of their devised practical exam. It is always impressive to note that these productions were of the pupils' own creation both in the writing of the script and development of their characterisation. We hope that these pupils will be awarded grades that will fully reflect their efforts.

The final show of the year was an ambitious theatrical adaptation of *Alice in Wonderland* by Lewis Carroll. The cast included 60 members of the Lower School and worked hard to recreate the story set in an ever-changing digital world.

## PLANS FOR FUTURE PERIODS

Future plans include:

- continuing to reflect on and develop the teaching and learning practices at the School;
- embedding plans for integrating the Fourth Form year in 2018 when St John's Lower School pupils are joined by new pupils;
- enhancing the boarding provision at the School;
- continuing to recruit high-calibre staff;
- continuing to enhance the quality of the estate and developing the facilities on offer.

# THE SAINT JOHN'S SCHOOL FOUNDATION

## GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018

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### FINANCIAL REVIEW

#### Results for the Year

The consolidated Statement of Financial Activities shows another year of positive outcome with net incoming funds from operations being £1,163,825 (2017: £1,132,953). All the School's income is applied for educational purposes, with the primary source being through the receipt of fees. Other income is received mainly through donations, the trading activities of St John's (Leatherhead) Enterprises Ltd, and through letting of School premises and registration fees.

The balance sheet shows net current liabilities of £1,672,591 as at 31 July 2018 compared with net current liabilities of £378,310 at 31 July 2017. Total funds stand at £26,454,125 (2017: £25,151,425).

#### Reserves and Financial Planning

The School maintains reserves for the following reasons:

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

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

The Reserves Policy is to ensure immediate access to funding at the financial year-end for the equivalent of one month's operating expenditure, being approximately £1m. Up to £500k of this funding requirement is currently available in the form of an authorised overdraft; therefore, the level of available cash at the year-end should be at least £600k, to cover the remainder of the School's August operating expenditure of £500k plus a proportion of expenditure on restricted funds, should the need arise. This amount will vary according to the size of the summer capital programme. Fees for the Autumn Term are invoiced during August, and the majority of parents pay at the start of term in September although about one third pay by direct debit over three months. It is therefore considered prudent for the School to be able to cover forecast expenditure for August in full at the year-end, recognising that cash balances will be significantly higher once the Autumn Term's fees (around £6.5m in 2018) are invoiced.

# THE SAINT JOHN'S SCHOOL FOUNDATION

## GOVERNORS' REPORT

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#### FINANCIAL REVIEW (continued)

As at 31 July 2018 the School's total funds amounted to £26.5m (2017: £25.2m), including cash balances of £2.9m (2017: £3.1m) whereas Free Reserves stood at a negative £3.5m (2017: negative £1.4m). Free Reserves are calculated as follows:

	2018 £000	2017 £000
General Fund	23,173	22,008
Foundation Fund (unrestricted)	1,416	1,426
	<u>24,589</u>	<u>23,434</u>
Fixed Assets	30,264	29,826
Less related borrowings	<u>(2,156)</u>	<u>(4,923)</u>
	<u>(28,108)</u>	<u>(24,903)</u>
Free Reserves	<u>(3,519)</u>	<u>(1,469)</u>

The worsening in Free Reserves has arisen because the School has continued to improve and add to its fixed asset base, and has repaid £2.8m of long term borrowing during the year. The investment in fixed assets will allow the School to continue to attract new pupils.

Although Free Reserves were negative at the year-end the School's immediately available cash balance of £2.9m exceeded the policy target. The authorised overdraft of £500k and revolving credit facility of £2m were not utilised at the year-end. In addition, £2.49m of the creditor balance (£950k due within one year and £1.54m due after more than one year) relates to payment of fees in advance, which will be taken to income on a termly basis and which is not expected to result in an outflow of cash. Negative Free Reserves as at 31 July are not considered to be of significant concern because the School has a full roll of pupils for September 2018 and forecasts including cash flow projections indicate that the School will continue to meet its liabilities as they fall due. Cost management measures introduced in previous years remain in place and ongoing annual surpluses are predicted, indicating that the School will remain a going concern for the foreseeable future.

#### Investment management

The Governors' powers of investment are widely defined and, in accordance with the Trustee Act 2000, investment may be in stocks, shares and other investments, as they consider appropriate. The investment assets of the School are managed by Investec Wealth & Investment Limited. The primary objective of the management of investments is to preserve the capital value of the fund in real terms and to provide income and capital growth if possible. In line with the investment strategy set by the Governors, the Fund Manager has discretion to invest in the approved asset classes accordingly. The performance of the Fund Manager and the investment strategy are reviewed annually and were last reviewed by the Finance Committee in September 2018.

# SAINT JOHN'S SCHOOL FOUNDATION

## GOVERNORS' REPORT

FOR THE YEAR ENDED 31 JULY 2018

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### FINANCIAL REVIEW (continued)

#### Risk Management

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

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

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

#### STATEMENT OF GOVERNORS' RESPONSIBILITIES

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

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

- Select the most suitable accounting policies and apply them consistently;
- Observe the methods and principles set out in the Charities SORP;
- Make judgments and estimates that are reasonable and prudent;
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

**FOR THE YEAR ENDED 31 JULY 2018**

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2015 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and ensuring their proper application under charity law and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Council on \_\_\_\_\_ and signed on its behalf by: \_\_\_\_\_

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

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### **Opinion**

We have audited the financial statements of The Saint John's School Foundation for the year ended 31 July 2018 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows 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 group's and of the parent charity's affairs as at 31 July 2018 and of the group's 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 Charities Act 2011.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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 group's or the parent charity'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 auditor's report 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 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.

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

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### **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 Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept by the parent charity; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 16, the trustees are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

### **Auditor's responsibilities for the audit of the financial statements**

We have been appointed as auditor under Section 151 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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.

### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

**Crowe U.K. LLP**  
Statutory Auditor  
London

### **Date**

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

**THE SAINT JOHN'S SCHOOL FOUNDATION**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**  
**FOR THE YEAR ENDED 31 JULY 2018**

		Unrestricted funds	Restricted and endowment funds	Total funds 2018	Total funds 2017
		£	£	£	£
	<b>Notes</b>				
<b>Income from:</b>					
Donations and legacies	2	25,728	98,218	123,946	176,039
Charitable activities: School fees	3	15,993,707	-	15,993,707	14,602,116
Other income from charitable activities	4	920,982	-	920,982	811,480
Other trading activities	5	21,582	-	21,582	134,058
Investments	6	24,634	18,747	43,381	40,648
<b>Total income</b>		<b>16,986,633</b>	<b>116,965</b>	<b>17,103,598</b>	<b>15,764,341</b>
<b>Expenditure on:</b>					
Raising funds	10	88,991	19,358	108,349	169,336
Charitable activities	10	15,726,269	105,155	15,831,424	14,462,052
<b>Total expenditure</b>		<b>15,815,260</b>	<b>124,513</b>	<b>15,939,773</b>	<b>14,631,388</b>
<b>Net incoming funds from operations before investment gains</b>		<b>1,171,373</b>	<b>(7,548)</b>	<b>1,163,825</b>	<b>1,132,953</b>
Net (losses) / gains on investments	13	(2,517)	(2,608)	(5,125)	39,387
<b>Net income</b>		<b>1,168,856</b>	<b>(10,156)</b>	<b>1,158,700</b>	<b>1,172,340</b>
<b>Transfers between funds</b>		<b>230</b>	<b>(230)</b>	<b>-</b>	<b>-</b>
<b>Other recognised gains:</b>					
Actuarial gains / (losses) on defined benefit pension scheme		144,000	-	144,000	(96,000)
<b>Net movement in funds</b>		<b>1,313,086</b>	<b>(10,386)</b>	<b>1,302,700</b>	<b>1,076,340</b>
<b>Reconciliation of funds</b>					
Total funds brought forward	23	24,510,012	641,413	25,151,425	24,075,085
<b>Total funds carried forward</b>		<b>25,823,098</b>	<b>631,027</b>	<b>26,454,125</b>	<b>25,151,425</b>

All amounts derive from continuing activities.

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

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

The notes on pages 20-39 form part of these financial statements.

**THE SAINT JOHN'S SCHOOL FOUNDATION**  
**CONSOLIDATED AND CHARITY BALANCE SHEETS**  
**AS AT 31 JULY 2018**

		<b>Group 2018 £</b>	<b>Group 2017 £</b>	<b>School 2018 £</b>	<b>School 2017 £</b>
	<b>Notes</b>				
<b>Fixed assets</b>					
Tangible assets	<b>12</b>	<b>30,263,658</b>	29,826,033	<b>30,263,658</b>	29,826,033
Investments	<b>13</b>	<b>1,129,770</b>	1,145,703	<b>1,169,770</b>	1,185,703
<i>Total fixed assets</i>		<b>31,393,428</b>	30,971,736	<b>31,433,428</b>	31,011,736
<b>Current assets</b>					
Debtors	<b>15</b>	<b>601,875</b>	421,709	<b>670,420</b>	482,494
Cash at bank and in hand		<b>2,883,421</b>	3,118,718	<b>2,765,132</b>	3,010,517
<i>Total current assets</i>		<b>3,485,296</b>	3,540,427	<b>3,435,552</b>	3,493,011
<b>Liabilities</b>					
Creditors: amounts falling due within one year	<b>16</b>	<b>(5,157,887)</b>	(3,918,737)	<b>(5,148,143)</b>	(3,911,321)
<i>Net current liabilities</i>		<b>(1,672,591)</b>	(378,310)	<b>(1,712,591)</b>	(418,310)
<i>Total assets less current liabilities</i>		<b>29,720,837</b>	30,593,426	<b>29,720,837</b>	30,593,426
Creditors: amounts falling due after more than one year	<b>17</b>	<b>(4,500,712)</b>	(6,518,001)	<b>(4,500,712)</b>	(6,518,001)
<i>Net assets excluding pension asset</i>		<b>25,220,125</b>	24,075,425	<b>25,220,125</b>	24,075,425
Defined benefit pension scheme asset		<b>1,234,000</b>	1,076,000	<b>1,234,000</b>	1,076,000
<b>Total net assets</b>		<b>26,454,125</b>	25,151,425	<b>26,454,125</b>	25,151,425
<b>The funds of the School:</b>					
Endowment funds		<b>220,541</b>	223,669	<b>220,541</b>	223,669
Restricted income funds		<b>410,486</b>	417,744	<b>410,486</b>	417,744
<i>Total restricted funds</i>		<b>631,027</b>	641,413	<b>631,027</b>	641,413
Unrestricted funds		<b>24,589,098</b>	23,434,012	<b>24,589,098</b>	23,434,012
Pension reserve		<b>1,234,000</b>	1,076,000	<b>1,234,000</b>	1,076,000
<i>Total unrestricted funds</i>		<b>25,823,098</b>	24,510,012	<b>25,823,098</b>	24,510,012
<b>Total School funds</b>	<b>23</b>	<b>26,454,125</b>	25,151,425	<b>26,454,125</b>	25,151,425

The School's incoming resources, excluding the subsidiary company, amounted to £17,097,281 (2017: £15,733,522), resources expended amounted to £15,933,456 (2017: £14,600,569) and net incoming resources amounted to £1,163,825 (2017: £1,132,953).

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

Chair of the Council  
J D Willis

The notes on pages 20-39 form part of these financial statements.

**THE SAINT JOHN'S SCHOOL FOUNDATION**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 JULY 2018**

	<b>Total funds 2018 £</b>	<b>Total funds 2017 £</b>
<b>Cash flows from operating activities</b>		
<b><i>Net cash provided by (used in) operating activities</i></b>	<b>2,232,259</b>	<b>1,534,548</b>
<b>Cash flows from investing activities</b>		
Dividends, interest and rents from investments	44,045	41,732
Purchase of fixed assets	(2,081,691)	(2,046,831)
Proceeds from the sale of investments	690,499	316,481
Purchase of investments	(690,499)	(316,481)
<b><i>Net cash provided by (used in) investing activities</i></b>	<b>(2,037,646)</b>	<b>(2,005,099)</b>
<b>Cash flows from financing activities</b>		
Repayments of borrowing	(2,767,552)	(761,227)
Cash inflows from new borrowing	-	1,488,300
Fees in advance – receipts less refunds	2,123,467	1,152,011
Increase in advance deposits	214,175	179,560
<b><i>Net cash provided by (used in) financing activities</i></b>	<b>(429,910)</b>	<b>2,058,644</b>
<i>Change in cash and cash equivalents in the year</i>	<b>(235,297)</b>	<b>1,588,093</b>
<b>Cash and cash equivalents at 1 August 2017</b>	<b>3,118,718</b>	<b>1,530,625</b>
<b>Cash and cash equivalents at 31 July 2018</b>	<b>2,883,421</b>	<b>3,118,718</b>

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

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

	<b>Total 2018 £</b>	<b>Total 2017 £</b>
<b><i>Net income for the year</i></b>	<b>1,158,700</b>	<b>1,172,340</b>
<b>Adjustments for:</b>		
Depreciation charges	1,594,646	1,490,729
Loss on disposal of fixed assets	200,071	-
Gains on investments	5,125	(39,387)
Dividends, interest and rents from investments	(43,381)	(40,648)
Release of fees in advance	(1,091,024)	(703,628)
Increase in debtors	(180,917)	(59,448)
Increase / (decrease) in creditors	559,143	(210,320)
Other non-cash movements – pension and investment management costs	29,896	(75,090)
<b><i>Net cash provided by operating activities</i></b>	<b>2,232,259</b>	<b>1,534,548</b>
<b>Analysis of cash and cash equivalents</b>		
	<b>Total 2018 £</b>	<b>Total 2017 £</b>
Cash in hand	2,883,421	3,118,718
<b><i>Total cash and cash equivalents</i></b>	<b>2,883,421</b>	<b>3,118,718</b>

# THE SAINT JOHN'S SCHOOL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

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### 1. ACCOUNTING POLICIES

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

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

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

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

#### Group Accounting Policies

These financial statements consolidate the results of the School and its wholly-owned trading subsidiary, St John's (Leatherhead) Enterprises Ltd, on a line by line basis. No separate Statement of Financial Activities has been presented for the School alone.

#### b) Going concern

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

#### c) Fixed assets

Expenditure since 1948 on freehold properties within School grounds has been capitalised at cost. Expenditure outside School grounds was capitalised at market value at 31 August 1996. From 1 September 1996 items of capital expenditure have been charged as expenses in the Statement of Financial Activities where the cost of that item is less than the capitalisation threshold set by the Governors or where the expected useful life is less than three years. The capitalisation threshold is £4,000 and is reviewed periodically by the Governors.

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

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

# THE SAINT JOHN'S SCHOOL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

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### 1. ACCOUNTING POLICIES (continued)

#### d) Fees and similar earned income

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

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

#### e) Activities for generating funds

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

#### f) Investment income

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

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

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

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

#### h) Resources expended

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

##### Cost of raising funds

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

##### Charitable activities

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

- Teaching
- Welfare and catering
- Premises maintenance

##### Support costs

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

#### i) Irrecoverable VAT

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

# THE SAINT JOHN'S SCHOOL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

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### 1. ACCOUNTING POLICIES (continued)

#### j) **Measurement of debtors**

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

#### k) **Recognition of liabilities**

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

#### m) **Pension Schemes**

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

##### The Teachers' Pension Scheme

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

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

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

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

##### Defined contribution scheme

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

#### n) **Investments**

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

#### o) **Operating leases**

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

#### p) **Finance leases**

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



# THE SAINT JOHN'S SCHOOL FOUNDATION

## NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

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### 1. ACCOUNTING POLICIES (continued)

#### q) Fund accounting

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

##### Unrestricted funds

These are available for use at the discretion of the Council in furtherance of the general objectives of the School. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

##### Restricted income funds

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

##### Endowment funds

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

#### r) Judgements and estimates

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

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

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

#### s) Financial instruments

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

At the balance sheet date the Group held financial assets at amortised cost of £3,303,629 (2017: £3,387,781), financial assets at fair value through income or expenditure of £1,129,770 (2017: £1,145,703) and financial liabilities at amortised cost of £7,139,916 (2017: £8,972,988).

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

2. DONATIONS AND LEGACIES

	Unrestricted £	Restricted £	2018 £	2017 £
Donations	25,728	98,218	123,946	173,039
Legacies	-	-	-	3,000
	<u>25,728</u>	<u>98,218</u>	<u>123,946</u>	<u>176,039</u>

3. SCHOOL FEES

	2018 £	2017 £
<b>The School's fee income consisted of:</b>		
Gross fees	18,063,084	16,772,412
<b>Less:</b>		
Bursaries, scholarships and remissions	(2,119,973)	(2,269,330)
	<u>15,943,111</u>	<u>14,503,082</u>
<b>Add back:</b>		
Bursaries paid by restricted funds	50,596	99,034
	<u>15,993,707</u>	<u>14,602,116</u>

4. OTHER INCOME FROM CHARITABLE ACTIVITIES

	2018 £	2017 £
Registration fees	78,556	143,510
Other income	373,600	157,235
Income from school trips and extracurricular activities	353,431	409,501
Charitable rent and hire of facilities	115,395	101,234
	<u>920,982</u>	<u>811,480</u>

5. OTHER TRADING INCOME

	2018 £	2017 £
Rent and hire of facilities	21,582	134,058

**THE SAINT JOHN'S SCHOOL FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2018**

**6. INVESTMENT INCOME**

	Unrestricted £	Restricted £	2018 £	2017 £
Bank interest	6,591	-	6,591	786
Investment income	18,043	18,747	36,790	39,862
	<b>24,634</b>	<b>18,747</b>	<b>43,381</b>	<b>40,648</b>

**7. EXPENDITURE**

	2018 £	2017 £
<b>Expenditure includes:</b>		
Depreciation	1,594,646	1,490,729
Auditors' remuneration		
For audit services	23,170	24,764
For other services	1,300	1,250

**8. STAFF COSTS**

	2018 £	2017 £
Wages and salaries	7,381,206	6,701,109
Social security costs	790,452	697,282
Termination payments	156,232	48,177
Employer's contribution to defined contribution pension schemes	860,622	779,275
Cost of operating defined benefit pension scheme	19,000	(7,000)
	<b>9,207,512</b>	<b>8,218,843</b>

The average number of employees in the year, including part-time employees, was 214 (2017: 206) of which 102 (2017: 92) were teaching staff. All termination payments were paid during the year.

The number of higher paid employees was:	2018	2017
£60,000 - £69,999	5	6
£70,000 - £79,999	3	1
£80,000 - £89,999	1	2
£90,000 - £99,999	1	-
£120,000 - £129,999	1	-
£140,000 - £149,999	1	1

Amounts paid to key management personnel	<b>745,972</b>	<b>622,987</b>
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**9. TRUSTEES**

Neither the Governors nor persons connected with them received any remuneration or other benefits from the School or any connected entity. No Governors (2017: none) received reimbursement of travel expenses (2017: £nil). One Governor is a partner at Patrick Gardner & Company who provide property investment and valuation advice to the School. No charges were made for this advice. A premium of £5,000 (2017: £5,000) was paid for trustee indemnity insurance cover of £10m.

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

10. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs £	Direct costs £	Support costs £	Total 2018 £	Total 2017 £
<b>Raising funds</b>					
Fundraising costs	40,075	25,464	23,347	88,886	117,220
Investment management fees	-	10,896	-	10,896	10,910
Trading costs	-	6,317	2,250	8,567	41,206
	<u>40,075</u>	<u>42,677</u>	<u>25,597</u>	<u>108,349</u>	<u>169,336</u>
<b>Charitable activities</b>					
<b><i>School operating costs</i></b>					
Teaching	6,772,138	1,195,062	-	7,967,200	7,224,397
Welfare and catering	1,064,571	1,069,145	-	2,133,716	2,112,059
Premises	273,099	1,261,808	-	1,534,907	1,389,758
Support costs of schooling	-	-	4,145,005	4,145,005	3,636,804
	<u>8,109,808</u>	<u>3,526,015</u>	<u>4,145,005</u>	<u>15,780,828</u>	<u>14,363,018</u>
Bursaries paid from restricted funds	-	50,596	-	50,596	99,034
<b><i>Total charitable activities</i></b>	<u>8,109,808</u>	<u>3,576,611</u>	<u>4,145,005</u>	<u>15,831,424</u>	<u>14,462,052</u>
<b>Total costs</b>	<u>8,149,883</u>	<u>3,619,288</u>	<u>4,170,602</u>	<u>15,939,773</u>	<u>14,631,388</u>

11. SUPPORT COSTS 2018

	Fundraising £	Trading £	Schooling £	Total 2018 £
Governance	165	16	29,253	29,434
Finance	1,431	138	254,130	255,699
Legal, professional, training and recruitment	801	77	142,169	143,047
Insurance	545	52	96,707	97,304
IT support	1,751	169	310,882	312,802
Office supplies and equipment	834	80	148,126	149,040
Marketing and communications	589	57	104,639	105,285
Support wages and salaries	5,921	571	1,051,138	1,057,630
Depreciation	10,015	965	1,778,116	1,789,096
Travel and transport	1,226	118	217,635	218,979
Miscellaneous expenditure	69	7	12,210	12,286
	<u>23,347</u>	<u>2,250</u>	<u>4,145,005</u>	<u>4,170,602</u>

**THE SAINT JOHN'S SCHOOL FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2018**

**11. SUPPORT COSTS 2017 (continued)**

	<b>Fundraising</b>	<b>Trading</b>	<b>Schooling</b>	<b>Total 2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Governance	222	78	27,320	<b>27,620</b>
Finance	1,801	633	221,485	<b>223,919</b>
Legal, professional, training and recruitment	964	339	118,685	<b>119,988</b>
Insurance	986	346	121,251	<b>122,583</b>
IT support	2,775	975	341,504	<b>345,254</b>
Office supplies and equipment	1,295	455	159,428	<b>161,178</b>
Marketing and communications	935	329	115,070	<b>116,334</b>
Support wages and salaries	7,334	2,578	902,605	<b>912,517</b>
Depreciation	11,981	4,212	1,474,536	<b>1,490,729</b>
Travel and transport	1,182	416	145,510	<b>147,108</b>
Miscellaneous expenditure	76	27	9,410	<b>9,513</b>
	<b>29,551</b>	<b>10,388</b>	<b>3,636,804</b>	<b>3,676,743</b>

**12. FIXED ASSETS**

	<b>Buildings within School grounds</b>	<b>Freehold land and buildings outside School grounds</b>	<b>Plant and machinery</b>	<b>Assets under construction</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>Cost / valuation</b>					
At 1 August 2017	33,053,769	2,549,834	3,792,131	1,231,894	40,627,628
Transfers	169,468	-	627,657	(797,125)	-
Additions	11,986	-	135,787	2,084,569	2,232,343
Disposals	(445,395)	-	(80,767)	-	(526,162)
<b>At 31 July 2018</b>	<b>32,789,828</b>	<b>2,549,834</b>	<b>4,474,808</b>	<b>2,519,338</b>	<b>42,333,808</b>
<b>Depreciation</b>					
At 1 August 2017	8,552,003	824,631	1,424,961	-	10,801,595
Charge for the year	1,136,878	65,693	392,075	-	1,594,646
Transfers	(300,315)	-	300,315	-	-
Eliminated on disposal	(261,290)	-	(64,801)	-	(326,091)
<b>At 31 July 2018</b>	<b>9,127,276</b>	<b>890,324</b>	<b>2,052,550</b>	<b>-</b>	<b>12,070,150</b>
<b>Net book value</b>					
<b>At 31 July 2018</b>	<b>23,662,552</b>	<b>1,659,511</b>	<b>2,422,258</b>	<b>2,519,338</b>	<b>30,263,658</b>
At 31 July 2017	24,501,766	1,725,203	2,367,170	1,231,894	29,826,033

The School had capital commitments contracted for completion after the year end of £315,090 for the refurbishment of North and Montgomery houses and the creation of boarding facilities for the Lower School, and £5,926,290 for the new swimming pool (2017: capital commitments of £125,856).

Included within Plant and Machinery are assets held under finance leases with a net book value of £37,395 (2017: £69,471).

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

13. INVESTMENTS

	Group 2018 £	2017 £	School 2018 £	2017 £
<b>a) Movements</b>				
At 1 August 2017	1,145,703	1,117,226	1,185,703	1,157,226
Purchases	678,152	312,678	678,152	312,678
Disposals	(690,499)	(316,481)	(690,499)	(316,481)
Investment management fees	(10,896)	(10,910)	(10,896)	(10,910)
Cash retained within portfolio	12,435	3,803	12,435	3,803
Net gains for the year	(5,125)	39,387	(5,125)	39,387
<b>At 31 July 2018</b>	<b>1,129,770</b>	<b>1,145,703</b>	<b>1,169,770</b>	<b>1,185,703</b>
<b>b) Balances</b>				
Investec Wealth & Investment portfolio	1,129,770	1,145,703	1,129,770	1,145,703
Investment in subsidiary	-	-	40,000	40,000
<b>Total</b>	<b>1,129,770</b>	<b>1,145,703</b>	<b>1,169,770</b>	<b>1,185,703</b>
<b>c) Historical cost</b>				
Investec Wealth & Investment portfolio	1,062,657	1,029,070	1,062,657	1,029,070
Investment in subsidiary	-	-	40,000	40,000
<b>Total</b>	<b>1,062,657</b>	<b>1,029,070</b>	<b>1,102,657</b>	<b>1,069,070</b>

14. TRADING SUBSIDIARY

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

	2018 £	2017 £
Turnover	21,582	134,058
Cost of sales	(2,837)	(27,608)
Gross profit	18,745	106,450
Administration expenses	(3,480)	(3,210)
Net profit	15,265	103,240
Gift aid payment to St John's School	(15,265)	(103,240)
Retained profit for the year	-	-
The assets and liabilities of the subsidiary were:		
Current assets	122,805	112,405
Current liabilities	(82,805)	(72,405)
Total net assets	40,000	40,000
Aggregate share capital and reserves	40,000	40,000

**THE SAINT JOHN'S SCHOOL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

**15. DEBTORS**

	<b>Group</b>		<b>School</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
School fees	<b>248,778</b>	187,552	<b>248,778</b>	187,552
Due from subsidiary company	-	-	<b>73,061</b>	64,988
Sundry debtors	<b>171,430</b>	81,511	<b>166,914</b>	77,308
Prepayments	<b>181,667</b>	152,646	<b>181,667</b>	152,646
	<b>601,875</b>	421,709	<b>670,420</b>	482,494

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

	<b>Group</b>		<b>School</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loan (note 18)	<b>734,237</b>	734,237	<b>734,237</b>	734,237
Fees in advance (note 19)	<b>950,462</b>	588,911	<b>950,462</b>	588,911
Advanced deposit fund	<b>1,719,879</b>	1,505,704	<b>1,719,879</b>	1,505,704
Taxation and social security	<b>206,092</b>	191,554	<b>206,092</b>	191,554
Other creditors	<b>652,297</b>	240,698	<b>651,194</b>	239,545
Accruals and deferred income	<b>869,559</b>	626,135	<b>860,918</b>	619,872
Finance leases (note 20)	<b>25,361</b>	31,498	<b>25,361</b>	31,498
	<b>5,157,887</b>	3,918,737	<b>5,148,143</b>	3,911,321

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

	<b>Group</b>		<b>School</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Bank loan (note 18)	<b>1,383,021</b>	4,117,257	<b>1,383,021</b>	4,117,257
Fees in advance (note 19)	<b>1,543,068</b>	872,176	<b>1,543,068</b>	872,176
Bond borrowing	<b>1,488,300</b>	1,488,300	<b>1,488,300</b>	1,488,300
Accruals	<b>73,234</b>	-	<b>73,234</b>	-
Finance leases (note 20)	<b>13,089</b>	40,268	<b>13,089</b>	40,268
	<b>4,500,712</b>	6,518,001	<b>4,500,712</b>	6,518,001

**18. BANK LOAN**

	<b>2018</b>	<b>2017</b>
	<b>£</b>	<b>£</b>
Falling due for repayment:		
- between two and five years	<b>1,383,021</b>	4,117,257
- after more than five years	-	-
	<b>1,383,021</b>	4,117,257
- within one year	<b>734,237</b>	734,237
	<b>2,117,258</b>	4,851,494

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

**THE SAINT JOHN'S SCHOOL FOUNDATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 JULY 2018**

**19. FEES IN ADVANCE**

	2018 £	2017 £
Balance brought forward	1,461,087	1,012,704
New fees in advance received	2,123,467	1,152,011
	<u>3,584,554</u>	<u>2,164,715</u>
Amounts utilised in payment of fees	(1,153,024)	(741,479)
	<u>2,431,530</u>	<u>1,423,236</u>
Amounts accrued in the year	62,000	37,851
<b>Balance carried forward</b>	<u><u>2,493,530</u></u>	<u><u>1,461,087</u></u>
<b>Represented by creditors falling due:</b>		
- within one year	950,462	588,911
- after more than one year	1,543,068	872,176
	<u><u>2,493,530</u></u>	<u><u>1,461,087</u></u>

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

**20. FINANCE LEASES**

	2018 £	2017 £
Falling due for repayment:		
- within one year	25,361	31,498
- between two and five years	13,089	40,268
	<u><u>38,450</u></u>	<u><u>71,766</u></u>



THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

21. DEFERRED INCOME

	2018 £	2017 £
Balance brought forward	2,663	20,719
Released to Statement of Financial Activities	(2,663)	(20,719)
Deferred during the year	25,153	2,663
Balance carried forward	25,153	2,663

22. ALLOCATION OF THE GROUP'S NET ASSETS

a) Balance at 31 July 2018	Fixed assets £	Invest- ments £	Net current liabilities £	Long term liabilities £	Pension scheme asset £	Total £
Unrestricted funds	30,263,658	554,972	(1,728,820)	(4,500,712)	-	24,589,098
Pension fund	-	-	-	-	1,234,000	1,234,000
Restricted income funds	-	354,257	56,229	-	-	410,486
Endowment funds	-	220,541	-	-	-	220,541
<b>Balance at 31 July 2018</b>	<b>30,263,658</b>	<b>1,129,770</b>	<b>(1,672,591)</b>	<b>(4,500,712)</b>	<b>1,234,000</b>	<b>26,454,125</b>

  

b) Balance at 31 July 2017	Fixed assets £	Invest- ments £	Net current liabilities £	Long term liabilities £	Pension scheme asset £	Total £
Unrestricted funds	29,826,033	562,781	(436,801)	(6,518,001)	-	23,434,012
Pension fund	-	-	-	-	1,076,000	1,076,000
Restricted income funds	-	359,253	58,491	-	-	417,744
Endowment funds	-	223,669	-	-	-	223,669
<b>Balance at 31 July 2017</b>	<b>29,826,033</b>	<b>1,145,703</b>	<b>(378,310)</b>	<b>(6,518,001)</b>	<b>1,076,000</b>	<b>25,151,425</b>

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

**23. STATEMENT OF FUNDS**

For the year ended 31 July 2018

	Balance at 1 August 2017 £	Incoming resources £	Resources expended £	Gains and losses £	Transfers £	Balance at 31 July 2018 £
<b>a) Unrestricted funds</b>						
General fund	22,010,455	16,986,633	(15,790,908)	-	(32,770)	<b>23,173,410</b>
Foundation fund	1,423,557	-	(5,352)	(2,517)	-	<b>1,415,688</b>
Pension reserve	1,076,000	-	(19,000)	144,000	33,000	<b>1,234,000</b>
	<b>24,510,012</b>	<b>16,986,633</b>	<b>(15,815,260)</b>	<b>141,483</b>	<b>230</b>	<b>25,823,098</b>
<b>b) Restricted income funds</b>						
Old Johnian fund	385,263	11,576	(11,995)	(1,607)	-	<b>383,237</b>
Albany Award fund	-	10,982	(10,982)	-	-	-
Foundation Appeal fund	-	31,380	(31,380)	-	-	-
Russell Baker fund	-	5,992	(5,992)	-	-	-
Champney's Fund	-	72	(72)	-	-	-
Hinton Scholarship fund	-	1,107	(1,107)	-	-	-
Cricket Pavilion fund	-	230	-	-	(230)	-
Other funds	32,481	55,626	(60,858)	-	-	<b>27,249</b>
	<b>417,744</b>	<b>116,965</b>	<b>(122,386)</b>	<b>(1,607)</b>	<b>(230)</b>	<b>410,486</b>
<b>c) Endowment funds</b>						
Russell Baker fund	186,907	-	(1,778)	(837)	-	<b>184,292</b>
Champney's Fund	2,251	-	(21)	(10)	-	<b>2,220</b>
Hinton Scholarship fund	34,511	-	(328)	(154)	-	<b>34,029</b>
	<b>223,669</b>	-	<b>(2,127)</b>	<b>(1,001)</b>	-	<b>220,541</b>
<b>Total restricted funds</b>	<b>641,413</b>	<b>116,965</b>	<b>(124,513)</b>	<b>(2,608)</b>	<b>(230)</b>	<b>631,027</b>
<b>Total funds</b>	<b>25,151,425</b>	<b>17,103,598</b>	<b>(15,939,773)</b>	<b>138,875</b>	-	<b>26,454,125</b>

**Foundation fund**

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

**Restricted funds**

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

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

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

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

The Cricket Pavilion appeal was to raise funds towards the cost of rebuilding the Cricket Pavilion.

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

STATEMENT OF FUNDS (continued)

Transfers between funds

£33,000 was transferred from the General fund to the Pension reserve, representing the contributions paid into the defined benefit scheme during the year. £230 was transferred from the Cricket Pavilion Appeal fund to the General fund following completion of the project.

For the year ended 31 July 2017

	Balance at 1 August 2015 £	Incoming resources £	Resources expended £	Gains and losses £	Transfers £	Balance at 31 July 2017 £
<b>a) Unrestricted funds</b>						
General fund	20,617,397	15,688,109	(14,239,370)	-	(55,681)	<b>22,010,455</b>
Foundation fund	1,712,471	-	(308,261)	19,347	-	<b>1,423,557</b>
Pension reserve	1,086,000	-	7,000	(96,000)	79,000	<b>1,076,000</b>
	<b>23,415,868</b>	<b>15,688,109</b>	<b>(14,540,631)</b>	<b>(76,653)</b>	<b>23,319</b>	<b>24,510,012</b>
<b>b) Restricted income funds</b>						
Old Johnian fund	373,458	12,518	(13,063)	12,350	-	<b>385,263</b>
Albany Award fund	-	26,183	(26,183)	-	-	-
Foundation Appeal fund	23,000	24,386	(47,386)	-	-	-
Russell Baker fund	-	6,499	(6,499)	-	-	-
Champney's Fund	-	78	(78)	-	-	-
Hinton Scholarship fund	-	1,200	(1,200)	-	-	-
Chapel Organ appeal	12,815	8,919	-	-	(21,734)	-
Other funds	31,835	59,497	(57,266)	-	(1,585)	<b>32,481</b>
	<b>441,108</b>	<b>139,280</b>	<b>(151,675)</b>	<b>12,350</b>	<b>(23,319)</b>	<b>417,744</b>
<b>c) Endowment funds</b>						
Russell Baker fund	182,261	-	(1,780)	6,426	-	<b>186,907</b>
Champney's Fund	2,194	-	(21)	78	-	<b>2,251</b>
Hinton Scholarship fund	33,654	-	(329)	1,186	-	<b>34,511</b>
	<b>218,109</b>	-	<b>(2,130)</b>	<b>7,690</b>	-	<b>223,669</b>
<b>Total restricted funds</b>	<b>659,217</b>	<b>139,280</b>	<b>(153,805)</b>	<b>20,040</b>	<b>(23,319)</b>	<b>641,413</b>
<b>Total funds</b>	<b>24,075,085</b>	<b>15,827,389</b>	<b>(14,694,436)</b>	<b>(56,613)</b>	-	<b>25,151,425</b>

**THE SAINT JOHN'S SCHOOL FOUNDATION**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 JULY 2018**

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**24. OPERATING LEASE COMMITMENTS**

At 31 July 2018 the School had the following annual commitments under non-cancellable operating leases:

	2018 £	2017 £
Expiring within one year	47,907	32,154
Expiring between two and five years	62,079	35,334
	109,986	67,488

**25. RELATED PARTY TRANSACTIONS**

During the year the School provided services and catering goods to St John's (Leatherhead) Enterprises Ltd in support of the hire of facilities, and also paid invoices on behalf of St John's (Leatherhead) Enterprises Ltd where these invoices were issued in the name of the School. These were recharged at cost. Total recharges during the year amounted to £6,309 (2017: £39,036).

At the year-end St John's (Leatherhead) Enterprises Ltd decided a donation of £15,265 (2017: £103,240) would be paid to the School.

At the year-end St John's (Leatherhead) Enterprises Ltd owed £73,061 (2017: £64,988) to the School.

**26. PENSION SCHEMES**

**Teaching staff**

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £729,759 (2017: £665,711) and at the year end £60,096 (2017: £nil) was accrued in respect of contributions to this scheme.

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

The Teachers' Pension Budgeting and Valuation Account

Although members may be employed by various bodies, their retirement and other pension benefits are set out in regulations made under the Superannuation Act (1972) and Public Service Pensions Act (2013) and are paid by public funds provided by Parliament. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions, along with those made by employers, are credited to the Exchequer under arrangements governed by the above Act.

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

**26. PENSION SCHEMES (continued)**

Valuation of the Teachers' Pension Scheme

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

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

- Employer contribution rates were set at 16.4% of pensionable pay; in line with current regulations, not including the additional 0.08% employers pay for the cost of Scheme administration;
- Total scheme liabilities for service to the effective date of £191.5 billion, and notional assets of £176.6 billion, giving a notional past service deficit of £15.0 billion;
- An employer cost cap of 10.9% of pensionable pay;
- Actuarial assessments are undertaken in intervening years between formal valuations for financial reporting purposes, using updated membership data.

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

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

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

Scheme changes

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

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

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

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

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

**26. PENSION SCHEMES (continued)**

**Non-teaching staff**

The School also maintains a defined benefits scheme, The St John's Foundation School Pension and Assurance Scheme, for some of its non-teaching staff. This was closed to new entrants on 1 May 2001 and to future accrual on 1 March 2016. The charge for the year, against which employer contributions paid over to the Scheme Trustees in the year amounted to £33,000 (2017: £79,200), together with the actuarial gains and losses on the Scheme for the year, is recognised in the Consolidated Statement of Financial Activities in accordance with FRS 102.

For staff not in this defined benefits scheme, the School operates a Stakeholder pension scheme. This is a unit-linked defined contributions scheme managed by Legal & General, under which the School contributes 5% and the employee 3% of pensionable pay. Employer contributions totalling £128,817 (2017: £113,562) were paid in respect of this stakeholder pension scheme during the year.

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

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

**Actuarial valuation**

The Scheme is funded by the employer in accordance with the recommendations of an independent qualified actuary on the basis of triennial valuations. The most recent of these valuations was made on 1 January 2017 and was conducted under the Pensions Act 2004. This legislation requires trustees to achieve a defined Statutory Funding Objective, ("SFO") and to hold sufficient and appropriate assets to meet the Technical Provisions. The SFO valuation in January 2017 indicated that the assets (excluding annuities purchased in respect of secured pension rights), the market value of which was then £3,867,000, represented just over 113% of its liabilities. This actuarial valuation on an ongoing basis indicated a surplus of assets compared to liabilities of £739,000. This surplus is calculated using different assumptions to those required under FRS 102, details of which are set out below.

The formal triennial valuation as at 1 January 2017 indicated that the Scheme was in surplus as a result of which, following consultation between the Trustees and the employer, a new Schedule of Contributions was agreed with effect from 1 January 2018. This confirms that the first £200,000 of expenses will be payable from the assets of the Scheme, after which, the Employer will pay all scheme expenses, including those related to administration and actuarial services, in addition to the PPF levy.

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

26. PENSION SCHEMES (continued)

	2018 £	2017 £
Net interest credit	26,000	30,000
Administration cost	(45,000)	(23,000)
Total pension (charge) / income recognised in the Statement of Financial Activities	(19,000)	7,000
Actuarial gains / (losses) immediately recognised	144,000	(96,000)
<b>Amounts recognised in the balance sheet</b>		
Present value of funded obligation	(3,455,000)	(3,593,000)
Fair value of plan assets	4,689,000	4,669,000
Pension scheme asset	1,234,000	1,076,000
<b>Change in benefit obligation</b>		
Benefit obligation at 1 August 2017	3,593,000	3,366,000
Current accrual cost	-	-
Interest cost	87,000	90,000
Actuarial (gains) / losses	(129,000)	230,000
Actuarial losses / (gains) due to experience	19,000	(21,000)
Change in secured pensioners value due to scheme experience	-	-
Benefits paid	(115,000)	(72,000)
Benefit obligation at 31 July 2018	3,455,000	3,593,000
<b>Change in plan assets</b>		
Fair value of plan assets at 1 August 2017	4,669,000	4,452,000
Interest on assets	113,000	120,000
Actuarial gains	34,000	113,000
Employer contributions	33,000	79,000
Expenses paid by scheme	(45,000)	(23,000)
Employee contributions	-	-
Change in secured pensioners value due to scheme experience	-	-
Benefits paid	(115,000)	(72,000)
Fair value of plan assets at 31 July 2018	4,689,000	4,669,000
<b>Actual return on plan assets</b>	147,000	233,000
<b>Funded status and net amount recognised</b>	1,234,000	1,076,000

THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

26. PENSION SCHEMES (continued)

Fund assets		Plan assets	
		2018	2017
The weighted average asset allocation at the year-end was as follows:			
	<b>Asset category</b>		
	Equities	12.67%	30.48%
	Govt bonds	72.83%	53.89%
	Annuities	14.12%	15.31%
	Cash	0.38%	0.32%
		<u>100%</u>	<u>100%</u>
<b>Principal Actuarial Assumptions</b>		<b>2018</b>	<b>2017</b>
Discount rate		2.65%	2.45%
Inflation (RPI)		3.05%	3.05%
Salary increases*		0.00%	0.00%
Pension increases in deferment – accrued before 6 April 2009		3.05%	3.05%
Pension increases in deferment – accrued after 6 April 2009		2.50%	2.50%
Pension increases in payment – members joining after 1 January 1995		3.00%	3.00%
Pension increases in payment – members joining before 1 January 1995		5.00%	5.00%
Mortality table		S2NA series	S2NA series
Mortality improvements		1.25%	1.25%
Commutation		75% of pension	75% of pension
Life expectancy at age 65 of male aged 65		22.1 years	22.3 years
Life expectancy at age 65 of male aged 45		23.5 years	23.7 years

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

Five year history	2018	2017	2016	2015	2014
	£	£	£	£	£
Benefit obligation at 31 July	(3,455,000)	(3,593,000)	(3,366,000)	(3,183,000)	(2,890,000)
Fair value of plan assets at 31 July	4,689,000	4,669,000	4,452,000	3,913,000	3,505,000
<b>Asset</b>	<u>1,234,000</u>	<u>1,076,000</u>	<u>1,086,000</u>	<u>730,000</u>	<u>615,000</u>



THE SAINT JOHN'S SCHOOL FOUNDATION

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2018

27. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Total funds 2017 £
<b>Income from:</b>			
Donations and legacies	57,054	118,985	176,039
Charitable activities: School fees	14,665,164	-	14,665,164
Other income from charitable activities	811,480	-	811,480
Other trading activities	134,058	-	134,058
Investments	20,353	20,295	40,648
<b>Total income</b>	<b>15,688,109</b>	<b>139,280</b>	<b>15,827,389</b>
<b>Expenditure on:</b>			
Raising funds	154,832	14,504	169,336
Charitable activities	14,385,799	139,301	14,525,100
<b>Total expenditure</b>	<b>14,540,631</b>	<b>153,805</b>	<b>14,694,436</b>
<b>Net incoming funds from operations before investment gains</b>	<b>1,147,478</b>	<b>(14,525)</b>	<b>1,132,953</b>
Net gains on investments	19,347	20,040	39,387
<b>Net income</b>	<b>1,166,825</b>	<b>5,515</b>	<b>1,172,340</b>
<b>Transfers between funds</b>	<b>23,319</b>	<b>(23,319)</b>	<b>-</b>
<b>Other recognised gains / (losses):</b>			
Actuarial losses on defined benefit pension schemes	(96,000)	-	(96,000)
<b>Net movement in funds</b>	<b>1,094,144</b>	<b>(17,804)</b>	<b>1,076,340</b>
<b>Reconciliation of funds</b>			
Total funds brought forward	23,415,868	659,217	24,075,085
<b>Total funds carried forward</b>	<b>24,510,012</b>	<b>641,413</b>	<b>25,151,425</b>