

The Royal Masonic School for Girls

(A Company Limited by Guarantee)

Incorporated in England and Wales No. 01339867

Registered Charity No. 276784

REPORT OF THE GOVERNORS AND AUDITED FINANCIAL STATEMENTS

For the year ended

30 August 2018

The Royal Masonic School for Girls

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The Royal Masonic School for Girls

STRATEGIC REPORT

for the year ended 30 August 2018

The governors present their strategic report for the period 31 August 2017 to 30 August 2018.

REVIEW OF BUSINESS

The School has continued to improve the quality of provision for girls across the age range, and pre-school boys.

The external examination results of the Senior School continue to represent significant Value Added on a comprehensive intake, The Royal Masonic School for Girls being grouped in the top 10% nationally on this measure of performance. At GCSE level, 79% of girls achieved grades 9-6 grade or their equivalent. At Advanced Level 75% of girls achieved grades A*/B; all those who applied to university went onto to take up places, 69% being their first choice institution.

The charity produces regular budgets, management accounts and forecasts to ensure that it has sufficient reserves and school fee income to continue to operate. The employed staff consists of the Head and 148 Full Time Equivalent (FTE) members of the teaching and teaching support staff, and 93 FTE members of the bursarial support staff.

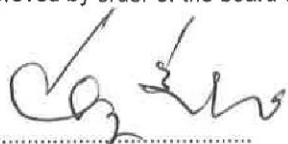
PRINCIPAL RISKS AND UNCERTAINTIES

The Governors of the School have implemented risk management as a matter of on-going policy and continue to keep the School's activities under review. In particular, systems and procedures have been established to manage problems following a major risk. The main areas of risk are considered to be:

- External Factors: sector, economic, political
- Business interruption arising from critical incidents
- Staffing: recruitment and retention
- Financial: cost pressures, external and internal
- Children's welfare: safeguarding
- Regulatory Compliance

The principal risks and uncertainties and the controls in place for their management are explained in greater depth in the Governors' Report.

Approved by order of the board of governors on 21st March 2019 and signed on its behalf by:



Mr D R Ellis OBE - Chair of the Finance Committee

The Royal Masonic School for Girls

REPORT OF THE GOVERNORS

for the year ended 30 August 2018

The governors, who are also directors of the charity for the purposes of the Companies Act 2006, present their report with the financial statements of the charity for the period 31 August 2017 to 30 August 2018. The governors have adopted the provisions of the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (The FRS 102 Charities SORP).

REFERENCE AND ADMINISTRATIVE DETAILS

Registered Company number

01339867 (England and Wales)

Registered Charity number

276784

Registered office

Rickmansworth Park

Rickmansworth

Hertfordshire

WD3 4HF

Governors

	Appointed	Resigned
Mr S Brew		
Prof J Brewer		
Mrs P Dyke		
Mr DR Ellis OBE		
Mr HK Emmerson		
Mr JW Flecker		
Mr JEE Gould		22.03.18
Miss AC Gray		
Mr C Hayward	07.12.17	
Mr J Knopp		
Mrs F Richards		
Mr N Springer		
Mr S Staite		
Mrs CA Stephens		22.03.18
Dr M Woodcock		02.10.18
Mr DR Yeaman		07.12.17
Mrs T Lemon	10.01.19	
Mr A Wauchope	10.01.19	

Company Secretary

Mrs D E D Robinson

Auditors

Kingston Smith LLP
Devonshire House
60 Goswell Road
London
EC1M 7AD

The Royal Masonic School for Girls

REPORT OF THE GOVERNORS

for the year ended 30 August 2018

REFERENCE AND ADMINISTRATIVE DETAILS

Bankers

Lloyds Bank Plc
Black Horse House
Wallbrook Court
North Hinksey Lane
Botley
Oxford
OX2 0QS

Investment Managers

Investec Wealth & Investment Limited
2 Gresham Street
London
EC2V 7QN

AIMS

The objects of the School are the education and care of girls between the ages of 2 and 19 years and of boys between the ages of 2 and 4 years.

Although the School is independent, it is required, and is very pleased, to accept as pupils all girls presented by the Royal Masonic Trust for Girls and Boys, being daughters of English Freemasons considered to be in need, where, in consultation with the Head, RMS is considered an appropriate environment to meet each girl's needs. This is in accordance with the objects of the School.

The School seeks to provide a structured educational environment that develops its pupils' capabilities, competencies and skills. The School promotes the academic, moral and physical development of its pupils through its academic curriculum, pastoral care, sporting and other activities. The School provides an educational environment where each student can develop and fulfil his or her potential, building self-confidence and creating a desire to contribute to the wider community. In so doing, the School prepares its girls and pre-school boys for the opportunities, responsibilities and experience of life.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing document

The Royal Masonic School for Girls is a company limited by guarantee, as defined by the Companies Act 2006, and governed by its Articles of Association. It is registered as a charity with the Charity Commission.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governors

The Royal Masonic School for Girls is organised in the manner common to the Independent Schools of this country, having an elected Board of Governors who are the only Directors of the company. A periodic review is undertaken of the skills, experience and backgrounds of Governors with a view to assessing any skills gap. Following this process, potential Governors are identified through open recruitment or arising from the personal knowledge of existing Governors and from external sources such as the Association of Governing Bodies of Independent Schools (AGBIS). Potential governors are selected via a rigorous recruitment process. Once their appointment is proposed and approved, election occurs at the next meeting of the Governors.

On appointment, Governors are given a verbal briefing on their duties and responsibilities by the Chairman of the Governing Body. They are provided with an induction pack of information including that relating to guidance on good governance, the constitution of the school and its governing body, the regulatory framework within which the school operates, the school's policies, past Board minutes etc. An induction day is organised whereby Governors spend time in all sections of the School and meet key staff and observe teaching. All Governors receive external professional safeguarding training. Thereafter, details of courses and seminars provided by the organisations such as the Association of Governing Bodies of Independent Schools (AGBIS) and the Boarding Schools' Association (BSA) are passed to the Governors to help them gain a better understanding of the nature of their role and of independent education.

The Royal Masonic School for Girls

REPORT OF THE GOVERNORS

for the year ended 30 August 2018

The Governors meet as a Board at least four times a year to determine the general policy of the Company and the Charity and to review its overall management and control, for which they are legally responsible. The Board of Governors' Finance and General Purposes (F&GP) Committee has the responsibility for the detailed consideration of all matters relating to the financial and operational management of the School Company. Further committees covering Academic, Pastoral, Human Resources (HR) and Estate have been set up. Subject to the considerations of these Committees the day-to-day running of the work of the School is delegated to the Head, Mr K Carson.

The employed staff consist of the Head and 143 FTE members of the teaching and teaching support staff, and 101 FTE members of the bursarial support staff.

The school is established in buildings and grounds owned by the RMIG Endowment Trust, a charitable body, which has responsibility for the major preventative maintenance programme and the development of the property for the benefit of the School and its pupils. The School Company is the tenant of the RMIG Endowment Trust with the employed staff required to operate an educational establishment within that property.

The lease in relation to the premises with RMIG Endowment Trust has expired and the Royal Masonic School for Girls, as tenant, has held over the terms of the old lease. The accounts have been prepared on this basis.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Risk management

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

The Governors of the School have implemented risk management as a matter of on-going policy and continue to keep the School's activities under review. In particular, systems and procedures have been established to manage problems following a major risk. The main areas of risk are considered to be:

- External Factors: economic, political
- Business interruption arising from critical incidents
- Staffing: recruitment and retention; compliance with employment law
- Financial: managing cost pressures, external and internal
- Children's welfare: safeguarding
- Regulatory Compliance

A new Risk Management Committee is proposed for 2018. This Committee will be formed to review /prioritise a revised risk register and then align/allocate these risks to the most appropriate governor subcommittee. These subcommittees would then have the detail, working with SLT and the relevant departments, to ensure the risks are explored, prioritised and mitigated against as far as is reasonably possible.

External Factors

The economic and political climate changes affecting the independent school sector in general and the market positioning of the School in particular are monitored on an ongoing basis by the School's senior leadership and governors. This includes the affordability and market competitiveness of the fees, the attractiveness of the curriculum options and facilities to prospective pupils and the salary and other employment benefits offered to the staff.

Business interruption

Incidents which have potential to adversely affect the School's ability to continue business at normal levels include acts outside of the school's control, such as pandemics, weather related catastrophes such as storms, whirlwind or lightning strikes or earth movement in the form of an earthquake. The School has a comprehensive Critical Incident Plan to try to minimise the ongoing impact of such events, as well as adequate business interruption insurance. Minimisation of the impact of those issues that the School is able to control to some extent – such as fire or buildings/utilities failure – is achieved by the identification of potential issues by, for example, regular fire and other risk assessments and the regular review of the ongoing maintenance programme, from which preventative measures can be implemented as a matter of priority.

The Royal Masonic School for Girls

REPORT OF THE GOVERNORS

for the year ended 30 August 2018

Staffing

The School engages the services of a highly experienced HR consultant who ensures that the Head and Bursar are fully aware of all legal, regulatory and best practice requirements relating to the recruitment and employment of staff including proper observation of equality for age, sex, race and religion. The recruitment and retention of high quality staff, particularly teachers, is an ongoing challenge for the school. Salary scales and other benefits are kept under careful review and an open dialogue is encouraged with staff across the school in order that potential employment issues can be identified and addressed at an early stage. A programme is in place to promote and improve the wellbeing of our staff across the school.

Financial

The school exercises careful control of internal accounting records to ensure the timely collection of fee income and management of debtors to minimise the losses from bad debts. Cost pressures arising from both external changes – such as changes in employment, regulatory and curriculum costs – and internal requirements are identified at an early stage and managed as far as possible by the preparation and control of school budgets involving budget holders across the school.

Children's welfare; safeguarding

The school operates within the government and ISI's Safer Recruitment requirements and guidelines, carrying out all pre-recruitment checks including the enhanced level of Disclosure and Barring Service (DBS) checks prior to the appointment of all staff and Governors. The School has a robust and thorough set of safeguarding and related policies, and a regular training regime for all staff. The School prepares an annual Report to the Governing Body on Safeguarding Children in order that they may monitor compliance with the relevant Education Acts. This Report is also submitted to the Hertfordshire Safeguarding Children Board. The school employs nurses to review the girls' health. A doctor and dentist visit the school on a regular basis for the boarders and a counsellor is also available.

Regulatory Compliance

The Head, Bursar and their senior leadership teams constantly monitor the compliance of the school with the requirements of all external statutory authorities, ensuring that all receive relevant training and updating from the various external organisations such as the ISC, HMC, ISBA and AGBIS. The Independent Schools Inspectorate (ISI) operate a regular inspection regime to check this compliance; the last one was held in September 2017 where all regulations were found to be met.

Related parties

The RMIG Endowment Trust is landlord to The Royal Masonic School for Girls.

RMS Management Limited is the School's wholly-owned dormant subsidiary.

All investments owned by the School including those applicable to the Benjamin Iggulden Scholarship fund are held in the name of RMIG Nominees Limited.

The Royal Masonic School for Girls Bursary Fund exists to provide bursary assistance to the girls.

The Royal Masonic School for Girls

REPORT OF THE GOVERNORS

for the year ended 30 August 2018

OBJECTIVES

Public Benefit

The Charity's object is the education and care of girls between the ages of 2 and 19 years and of boys aged between 2 and 4 years. The Governors' current aims are to maintain an independent school providing a high quality education for children for the public benefit. In accordance with their objectives for this year, and having given due consideration to the published Charity Commission guidance on the operation of the Public Benefit requirement of the Charities Act 2011, the Governors have undertaken appropriate activities in furtherance of those aims for the Public Benefit.

The School is committed to the concepts of Access and Opportunity for Public Benefit and as a larger charity an explanation of the significant activities undertaken in order to carry out the charity's aims for the public benefit is required in the annual accounts document as well as its aims and strategies.

The year's objectives, activities and achievements are summarised below.

Objectives for the year

The Royal Masonic School for Girls provides a supportive structure, which enables staff and girls to discover and develop their talents to the full. This is achieved by:

- Recruiting and retaining high quality staff who are expected to review their work and to develop and extend their expertise in order to provide the finest learning experience for the pupils.
- Monitoring and assessing the work of each pupil to enable each child to develop to the full their academic potential and encouraging all pupils to explore a wide range of social and extra-curricular opportunities so that each may discover an area in which they can experience success, personal satisfaction and recognition within the school community.
- Making the facilities and resources of the School available to all its members and developing good relationships between the School, the local community and the world beyond our immediate environment.

ACTIVITIES AND PERFORMANCE

Teaching and learning

The majority of subjects have now gone through one complete assessment cycle with the new GCSE and A level specifications. This has resulted in new schemes of work, creation of resources and much time being spent trying to decode the assessment requirements of the new qualifications. The excellent GCSE results attest to the amount of work put in by all departments and the focus for the next academic year is reflect upon the lessons learnt first time through the new qualifications and how to improve for the next cohort.

The School has continued to develop the quality of provision for girls across the School. The new Sixth Form programme 'RMS Edge' is now in operation, combining flexibility of course choice with a commitment to breadth of opportunity in the Sixth form. All year 12 start with 4 course and then choose, if they wish, to decrease to 3 in the November of their first term allowing our pupils to make good quality decisions regarding their Sixth Form course choices. The Sixth Form curriculum has been augmented by the addition of the 'Choices' programme, which allows the pupils to develop interests in topics as diverse as feminist thought, to principles of law through to car maintenance, a regular lecture programme has been introduced, in conjunction with Merchant Taylor's School along with a timetabled sport and wellbeing lesson for all of year 12.

The assessment and reporting of pupil attainment and progress throughout the school has been reviewed and reformed this year. Guided by the principles of adopting a healthy learning environment, raising the importance of the My Learning agenda and on improving the clarity and usefulness of assessment information to parents the following changes were made:

- The My Learning agenda (the 4 Rs Resourcefulness, Resilience, Reflectiveness and Reciprocity) are now used to report on behaviour for learning. This is a common scale used from year 7 – 13.
- Full written reports are now not given for pupils, instead, more frequent reporting points are used and an increased number of parents' evenings have been scheduled to inform parents as to their daughter's progress.
- The report format has been changed to enable parents to see their daughter's development over the year and how she has responded to previous feedback.

The Royal Masonic School for Girls

REPORT OF THE GOVERNORS for the year ended 30 August 2018

The next stage of this assessment reform is now to make greater use of this information within departments to track pupil progress, spot underperformance and to intervene as necessary. The Director of Assessment is working with both Heads of Department and of Year to develop this.

Our priority, which is pupil progress and attainment, continues to inform all aspects of teaching and learning in and out of lessons. Collaborative work amongst staff has seen the sharing of resources and strategies as well as peer lesson observations through specially constituted Teacher Learning Communities. A particular focus has been Assessment for Learning for which staff have attended regular CPD sessions and shared good practice across the School. This year, with the introduction of pedagogy leaders this programme of continuous development teaching practice continues with strands focusing on teaching to the top, questioning, Mode A learning, use of ICT to support learning and strategies to support less able pupils.

In Cadogan House, we were pleased with the excellent Inspection Report comments in October 2017 which recognised some key academic and pastoral achievements. The development of our whole school approach to Phonics has reaped outstanding results. Mathematics is a key focus of the new development plan and we are using the latest research and visits to other schools to develop provision in this key area. In addition, there has been the development of a skills-based curriculum approach that has been embedded in the reporting cycle to parents. The emphasis has been on engaging and exciting learning activities within a structured progressive curriculum model. Assessment for learning has been a key component of our teaching and learning philosophy and it remains a key area of focus in the new School Development Plan.

Integrating technology

Technology, and in particular the internet, has brought about a massive change to the way society works. Instant-on devices such as smartphones and tablet computers mean that most people have 24/7 access to information and knowledge.

We have a clear responsibility to help educate our students on how to find, process and evaluate this information and to help them understand the pitfalls of the information age including staying safe online and how to use social media appropriately.

As an outstanding school we aim to build on our successes in the classroom which must include incorporating mobile technology. We are enhancing, not replacing, our traditional teaching methods to create a modern learning environment which will encourage:

- creativity
- curiosity
- collaboration
- challenge

We are also very aware of our duty of care to our students and the responsibility that we have to educate them so that they understand the risks associated with the internet and social media. It is important that teachers, students and parents share the responsibility of ensuring safe and responsible use of devices at all times which is covered in life skills and ICT lessons.

The Royal Masonic School for Girls

REPORT OF THE GOVERNORS

for the year ended 30 August 2018

Co-curricular activities

RMS is proud to offer a wide range of co-curricular activities which cater for all interests and ages; this program has been enhanced and supported by the introduction of 'late' buses this year. Students are encouraged, through an online booking system, to make their own independent decisions and keep the extra-curricular activities in balance with their academic work. Form tutors and HOY advise and support girls on activities by checking the online data and in discussions with the girls. The activities are also made available to parents through the school website and Parent Portal. Students and Staff were asked to give feedback on their experiences of their activities in school which has fed in to the School Development Plan with co-curricular a key theme in developing resilience.

Pastoral

The pastoral care at RMS has undergone further development through the input of the Tutor working Party with changes recommended for implementation September 2018. The process has highlighted our excellent care and the dedication of our teachers to the welfare of all pupils.

Having had additional counselling hours approved, an external counsellor has been appointed to work with the Sixth Form pupils, and this is a much needed and valued addition to our pastoral care.

The LGBTQ+ group is now a thriving pupil forum, meeting weekly and liaising with particular staff on issues raised.

Working relationships across sections of the school have been enhanced through regular meetings and wider collaboration between Senior School, Cadogan House and Ruspini House. The pastoral 4Rs have become embedded into Life Skills lessons. Similarly, Cadogan House have implemented the Bounce Back scheme to work on the development of resilience.

Safeguarding remains at the forefront of pastoral care with regular compulsory training for all staff in addition to the training given to meet statutory requirements. The DSL and DDSLs work collaboratively to ensure that consistency and best practice is evident across the school.

Pupil Voice

RMS is committed to being responsive to parents and pupils. Departments are encouraged to elicit regular feedback from pupils in relation to subject delivery. In boarding there are termly opportunities for confidential feedback, which is returned directly to the Head of Boarding. The School Council, with a representative from each form group, deals with issues relating to student learning, environment, food, boarding, welfare and charity. The Council as a whole meets regularly to collate ideas. It is particularly successful and beneficial to the RMS community as it enables pupils from all years to have their say on school life from the amount of homework they receive, recycling and helping to reduce waste alongside improvements to the carpark and play areas. Throughout the year all students have opportunities to have input into the agendas of the meetings and chosen outcomes are raised by the Deputy Head Girl, School Council with Departmental Heads and the Senior Leadership Team; progress is fed back to the School through form times and assemblies.

Staff development and welfare

Clear benefit and greater alignment with service users as well as closer more effective working relationships has been seen following the appointment of new members into the HR team. Working alongside the newly appointed Compliance Officer, the management of GDPR and safeguarding continues to enhance the professional and pastoral environment.

The development of all staff across the School community is paramount and the introduction of 5 Pedagogy Leaders and the roll out of a comprehensive programme of after-school CPD sessions has further developed teaching staff skills and knowledge. Including all support staff in INSET at the start of each term has fostered a feeling of inclusivity as well as enhancing skills and development in areas such as IT. A drive to increase the number of apprenticeships has extended to professional as well as vocational roles and has proved popular with existing members of staff as well as attracting new appointments.

A comprehensive Middle Leaders programme will ensure key staff have the managerial and leadership skills required to motivate their departments in delivering the Whole School Development Plan and, alongside the introduction of a new performance management system for academic staff, will ensure outstanding teaching across the School.

The review of Staff Wellbeing has driven the introduction of new policies for the handling of staff long service and retirement benefits as well as the continuing provision of services such as use of the fitness suite, staff swimming and massage.

The Royal Masonic School for Girls

REPORT OF THE GOVERNORS

for the year ended 30 August 2018

Values, Community and Charity work

The Values Programme continues to give emphasis to community based and charity work. The School community raised £17,216 for the Charity Sane www.sane.org.uk; a cheque was handed to representatives from the charity in a whole school assembly in May 2018, with students hearing how the money would be used. Money had been raised with cake sales, non-Uniform days, a staff member raised £3000 by running the London Marathon, over £1000 was raised with a Sixth Form social and approximately £1000 raised from a lower school disco. Other fundraising events included a £2 challenge in Houses, Slime competition, Year 7 shortbread sale, LEAD challenges including selling stationery, stalls at the FORMS Christmas Fair and the Summer Fair and selling ice lollies at Senior, Cadogan and Ruspini sports days. An individual student also collected donations from girls watching the World Cup matches screened during lunchtime.

Work with our partner school in Atorkor, Ghana continued with year 11,12 and 13 visiting and helping with work there in summer 2018. They also fundraised to take sanitary products out to female members of the community and one student made an appeal for football shirts to take over which were very well received. Students also collected arts and crafts and sporting equipment to take over to Atorkor.

The school collected £448 for the Royal British Legion Poppy appeal; in May 2018 we received a certificate for supporting this appeal for 60 years as a school from Di Barber, the Chairman of Three Rivers District Council.

Charitable fundraising activities also took place by individual students raising money for The Little Princess Trust, Cancer Research and the British Heart Foundation.

The Community Arts team continue to perform in a range of local venues such as homes for the elderly, the Chelsea Hospital and performances at the school and the local Rickmansworth Canal festival. The school also has a community choir who perform at school events and the canal festival. Many students also volunteer in the local area in charity shops and charities.

Links with the local Batchworth Community Council have been established, so the school can assist and be present in local community events such as the Rickmansworth canal festival.

Brownies, Guides and ACF divisions continue to operate and use the school facilities, enabling a mix of RMS students and students from local schools to come together in these activities. Senior Girls and Boys from John Hampden Grammar School (JHGS) benefit from a leadership day lead by senior members of the armed forces.

Local schools have continued to benefit from access to the planetarium and observatory and other school facilities.

Exchange opportunities with schools in Havergal, Canada and Bangkok continue to be popular with Year 9 students.

The School facilitates a number of members of RMS staff to serve as Governors of other schools, mostly in the maintained sector.

Community use of facilities

Activities undertaken during the year which constitute public benefit include the following:

- Free use of swimming pool to a neighbouring school on a weekly basis and To RMS Girl Guides/Brownies to undertake swimming badges.
- Free stalls available to local charities at the School's Summer and Christmas fairs
- Free visits for local youth groups to the Observatory and Planetarium.
- Free use of school facilities for the Rickmansworth Detachment of the Bedfordshire & Hertfordshire Army Cadet Force.
- Preferential hire rates for local charities using school meeting facilities eg. Peace Hospice.

The Royal Masonic School for Girls

REPORT OF THE GOVERNORS

for the year ended 30 August 2018

Under the management of Nuffield Health, our Sports and Fitness Centre is hired out to many local clubs, largely at discounted rates to those available elsewhere; these include:

- Active Swim
- Amersham Swimming Club
- Chipperfield FC & Girls FC
- Chorleywood Youth Football Club
- Croxley Football Club
- District Cross Country Competition – Host
- Farnham Park Softball Club
- Fencers Club London
- Great Britain Fencing
- Great Britain Fast and Slow Pitch Soft Ball
- Hatch End Lacrosse Club
- Krav-Maga self-defence club
- Templar Martial arts kick boxing club
- London Wizards Futsal Club
- Rickmansworth Aikido Club
- Rickmansworth Hockey Club
- Rickmansworth Roller Hockey Club
- RMS Gymnastics Academy
- Sports Coach - operates weekend sports school for children aged 6-16
- Supercamps
- Templar Martial Arts
- Three Rivers District Council Netball
- Tika Taka Football Club
- U Play Sports (Netball Club)
- Watford Fencing Club
- Watford Town FC
- Windsor & Maidenhead Softball Club

PERFORMANCE

Operational performance of the school

The external examination results of the Senior School continue to represent significant Value Added on a comprehensive intake, The Royal Masonic School for Girls being grouped in the top 10% nationally on this measure of performance. At GCSE level, 79% of girls achieved grades 9-6 grade or their equivalent. At Advanced Level 75% of girls achieved grades A*/B; all those who applied to university went onto to take up places, 69% being their first choice institution.

FINANCIAL REVIEW

Principal funding sources

The principal funding source of the Charity is that derived from its fee income. The charitable activity of the company is the education of pupils and during the period to 30 August 2018 the following numbers in each category have attended:

Total Senior School 636 pupils (2017: 633 pupils)
Total Pre-Preparatory and Preparatory 233 pupils (2017: 237 pupils)
Total Pre-school 63 pupils (2017: 62 pupils)

Although the School is an independent school it is required to receive as pupils all girls entered by the Royal Masonic Trust for Girls and Boys being daughters of English Freemasons considered to be in need and who are capable of being educated. This is in accordance with the objects of the Company. These pupils are included in the above numbers.

Financial results

The SOFA shows a Net operating surplus of £969,254 which after accounting for the Pension scheme buyout and Net losses on investments shows a loss for the year of £545,451. This includes Surplus on restricted funds of £24,978 which is predominantly the income net of costs of the fundraising Campaign for Excellence (ref Note 23).

The Royal Masonic School for Girls

REPORT OF THE GOVERNORS for the year ended 30 August 2018

Net fee income was higher than anticipated due to an increase in pupil numbers compared with budget across the senior school. The pre-school income was below budget due to lower pupil numbers for holiday camps; this has resulted in a review and restructure of the shape of the pre-school year to ensure operational efficiency. Discounts, scholarships and bursaries were increased as part of a strategy to close the gap on average levels of fees assistance offered by our competitors. Despite increased pupil numbers expenditure was below budget. Key areas included a reduction in teaching costs compared with budget. A strategy of moving administrative tasks from teaching staff to the support team facilitated efficiency gains compared to budget, with associated increases in support team staff offsetting around 50% of that saving. Release of an accrual for Heat Light and Power also added significantly to the expenditure savings. Additional Marketing spend and the introduction of the Apprentice levy by the government were both significant items of expenditure which reduced surplus over budget.

Grant Making Activities

The Royal Masonic School for Girls is committed to demonstrating that we provide public benefit and regards it as educationally beneficial to widen access to the education it offers; this has always been a distinctive feature of RMS whose foundation was essentially charitable.

Scholarships and exhibitions are offered to encourage and reward excellence; they are awarded in recognition of outstanding achievement or promise in a particular sphere and involve financial support normally up to a maximum of 25% of the annual fee. Bursaries enable suitable girls whose parents could not otherwise afford the fees to benefit from an education at The Royal Masonic School for Girls. These means tested awards may be awarded to girls who reach the School's required standards but who require financial assistance to take up a place, or to help parents of an existing girl keep her at the School in times of unexpected financial difficulty.

In the Financial Year 2017/18, a total of £375,166 (2017: £333,049) was awarded in scholarships and bursaries by the School to 101 girls (2017: 104). The RMIG Endowment Trust also awarded Foundation Scholarships amounting to £22,506 to 2 girls (2017: £22,506 to 4 girls). A further 5 (2017: 9) girls were supported by the Royal Masonic Trust for Girls and Boys amounting to £112,077 (2017: £177,936).

RMS also currently educates 1 child who is fully funded by a local authority as an Assisted Boarder, this girl would otherwise be in care.

Remuneration Policy

The School does not remunerate its Governors. The Governors are responsible for determining the remuneration of the Head and the Bursar, and for setting the policy and framework for the remuneration of the rest of the School staff. Remuneration is set in the context of the School's purposes, aims and values and to reflect the skills, experience and competences required for particular roles. In setting remuneration, the Governors also consider a number of additional factors including an individual's contribution, affordability and remuneration offered by schools of a similar size, pupil age range and locality.

Reserves policy

The charity produces regular budgets, management accounts and forecasts to ensure that it has sufficient reserves to continue to operate.

The total level of funds as at the year-end date were £2,505,234 of which £731,509 related to restricted and endowment funds and £1,088,132 was invested in fixed assets. The remainder of £685,593 were regarded as free reserves of the charity.

Governors are currently reviewing the reserves policy in light of future strategy and perceived risks.

The Royal Masonic School for Girls

REPORT OF THE GOVERNORS

for the year ended 30 August 2018

FUTURE DEVELOPMENTS

The Building Development Plan was reviewed in 2014 with projections for the next ten years. The first project to be funded by the Campaign, namely an All Weather Pitch, has been completed. The next project, the relocation, refurbishment and upgrading of the Performing Arts Faculty started in September 2018 and is due to complete in Spring 2019.

As outlined in Note 20, the Governors are currently actively renegotiating a revised lease agreement with the RMIG Endowment Trust which owns the land and buildings occupied by the School. Once this is concluded, steps will also be taken to reduce the intercompany balance between the two entities.

PENSION

The trustees of the RMTGB staff pension scheme are appointed by the trustees of the RMTGB.

The school signed an agreement on 31 March 2016 entering into an unsecured loan agreement with RMTGB. The Loan has been undertaken to allow the school to buy out its liability relating to the RMTGB Staff Pension scheme. The loan shall be repaid in monthly instalments with the current rate of interest charged at the Bank of England rate. As at the 30 August 2018 the loan had been triggered and as a result the monthly pension payments since 31st March 2016 have been set off against the full loan liability. See note 30 for details on the pension scheme buyout.

Further details are given in notes 14 and 28 to the accounts.

STATEMENT OF GOVERNORS RESPONSIBILITIES

The governors (who are also the directors of The Royal Masonic School For Girls for the purposes of company law) are responsible for preparing the Report of the Governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law 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 charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing those financial statements, the governors are required to:

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

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

In so far as the governors are aware:

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

Approved by order of the board of governors on 21st March 2019 and signed on its behalf by:



Mr D R Ellis OBE - Chair of the Finance Committee

**INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE ROYAL
MASONIC SCHOOL FOR GIRLS**
for the year ended 30 August 2018

Opinion

We have audited the financial statements of the Royal Masonic School for Girls for the year ended 30 August 2018 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 'The Financial Reporting Standard Applicable in the UK and Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

Emphasis of matter

We draw attention to the uncertainty over the rent charged in the financial statements and the accrued income and expenditure from the RMIG Endowment Trust. The financial statements are prepared on the basis that the terms of the old lease have been held over as described in note 3 to the financial statements. Our opinion is not modified in this respect.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE ROYAL MASONIC SCHOOL FOR GIRLS

for the year ended 30 August 2018

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

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

Responsibilities of trustees

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF THE ROYAL
MASONIC SCHOOL FOR GIRLS**
for the year ended 30 August 2018

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Kingston Smith LLP, Statutory Auditor

Devonshire House
60 Goswell Road
London EC1M 7AD

9th May 2019

The Royal Masonic School for Girls

STATEMENT OF FINANCIAL ACTIVITIES

for the year ended 30 August 2018

	Notes	Unrestricted funds - general £	Restricted funds £	Endowment fund £	Total 2018 £	Total 2017 £
INCOME FROM:						
Charitable Activities						
School fees	4	14,324,838	-	-	14,324,838	13,701,429
Other educational income	5	251,775	-	-	251,775	247,120
Other income						
Other trading income	6	177,642	-	-	177,642	185,495
Other activities	6	325,002	115,582	-	440,584	274,385
Investments						
Investment	7	15,744	11,091	-	26,835	23,834
Voluntary sources						
Donations and gifts	8	2,939	21,000	-	23,939	72,049
Total income and endowments		15,097,940	147,673	-	15,245,613	14,504,312
EXPENDITURE ON:						
Costs of raising funds						
Fundraising and development	9	-	3,356	-	3,356	50,046
Other trading costs		1,564	-	-	1,564	-
Interest and other costs		8,080	-	-	8,080	-
Charitable activities						
Education	10	14,161,080	102,279	-	14,263,359	13,665,986
Total expenditure		14,170,724	105,635	-	14,276,359	13,716,032
Net operating income/(expenditure)		927,216	42,038	-	969,254	788,280
Pension scheme buyout	30	(1,507,645)	-	-	(1,507,645)	-
Net gains on investments		-	(7,060)	-	(7,060)	147
Net income/(expenditure)		(580,429)	34,978	-	(545,451)	788,427
Transfer between funds		10,000	(10,000)	-	-	-
Net movement in funds		(570,429)	24,978	-	(545,451)	788,427
Fund balances brought forward		2,344,154	651,291	55,240	3,050,685	2,262,258
Fund balances carried forward	23	1,773,725	676,269	55,240	2,505,234	3,050,685

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The accompanying notes form part of these financial statements.

The Royal Masonic School for Girls

BALANCE SHEET

At 30 August 2018

	Notes	Unrestricted funds - general £	Restricted funds £	Endowment fund £	Total 2018 £	Total 2017 £
FIXED ASSETS						
Tangible assets	16	940,222	-	-	940,222	947,361
Investments	17	-	92,669	55,240	147,909	156,561
		940,222	92,669	55,240	1,088,131	1,103,922
CURRENT ASSETS						
Stocks	18	12,299	-	-	12,299	12,605
Debtors	19	658,119	-	-	658,119	1,392,658
Cash at bank and in hand		5,742,964	583,600	-	6,326,564	4,971,687
		6,413,382	583,600	-	6,996,982	6,376,950
CREDITORS: Amounts falling due within one year	20	(3,200,138)	-	-	(3,200,138)	(3,184,237)
NET CURRENT ASSETS		3,213,244	583,600	-	3,796,844	3,192,713
TOTAL ASSETS LESS CURRENT LIABILITIES		4,153,466	676,269	55,240	4,884,975	4,296,635
CREDITORS: Amounts falling due after more than one year	21	(2,379,741)	-	-	(2,379,741)	(1,245,950)
NET ASSETS		1,773,725	676,269	55,240	2,505,234	3,050,685
FUNDS						
Restricted funds	23	-	676,269	-	676,269	651,291
Unrestricted funds – general	23	1,773,725	-	-	1,773,725	2,344,154
Endowment fund	23	-	-	55,240	55,240	55,240
		1,773,725	676,269	55,240	2,505,234	3,050,685

Approved and authorised for issue by the Board of Governors on 21st March 2019 and signed on their behalf by:


Mr D R Ellis OBE
Chair of the Finance Committee

The accompanying notes form part of these financial statements.
Company Number: 01339867

The Royal Masonic School for Girls

CASHFLOW STATEMENT

for the year ended 30 August 2018

CASH FLOW STATEMENT	Notes	2018 £	2017 £
Net cash inflow from operating activities	29	1,686,232	1,494,694
Cash flows from Investing activities:			
Bank Interest received		15,744	15,832
Dividends received		11,091	8,002
Other Investment income		-	-
Proceeds from sale of fixed assets		-	-
Payments to acquire fixed assets		(359,782)	(190,686)
Net cash outflow from Investing activities		(332,947)	(166,852)
Increase/(decrease) in cash		1,353,285	1,327,842
Cash and cash equivalents beginning of the reporting period		4,973,654	3,645,812
Cash and cash equivalents end of the reporting period		6,326,939	4,973,654

The Royal Masonic School for Girls

ACCOUNTING POLICIES

for the year ended 30 August 2018

1 ACCOUNTING POLICIES

Royal Masonic School for Girls is a company limited by guarantee with registered number 01339867, incorporated and domiciled in England and Wales. Its registered office is Rickmansworth Park, Rickmansworth, Hertfordshire, WD3 4HF.

1.1 BASIS OF PREPARATION

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (FRS 102) and the requirements of the Companies Act 2006.

The financial statements are prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest pound.

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principle accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 GOING CONCERN

The governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the charitable group to continue as a going concern. The governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the governors have considered the charitable group's forecasts and projections and have taken account of pressures on fee income. After making enquiries the governors have concluded that there is a reasonable expectation that the charity has adequate resources to continue in operational existence for the foreseeable future. The charity therefore continues to adopt the going concern basis in preparing its financial statements.

1.3 PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS

The financial statements contain information about The Royal Masonic School For Girls as an individual charity and do not contain consolidated financial information as the parent of a group. The charity has taken the option under Section 402 of the Companies Act 2006 not to prepare consolidated financial statements.

1.4 INCOMING RESOURCES

All incoming resources are included on the Statement of Financial Activities when the charity is legally entitled to the income and the amount can be quantified with reasonable accuracy. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School, but include contributions received from restricted funds for scholarships, bursaries and other grants.

1.5 RESOURCES EXPENDED

Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

Grants offered subject to conditions which have not been met at the year end date are noted as a commitment but not accrued as expenditure.

1.6 ALLOCATION AND APPORTIONMENT OF COSTS

Costs have been allocated first between charitable activities and governance. Salaries and other costs are allocated according to the charitable activity to which they relate.

1.7 TANGIBLE FIXED ASSETS

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Computer equipment	33% straight line
Fixtures & fittings	20-25% straight line
Leasehold improvements	10% straight line
Long leasehold property	Not depreciated

Assets with a value of £500 or more are capitalised.

1.8 INVESTMENTS

Investments, except investments in subsidiaries, are stated at market value at the balance sheet date. The Statement of Financial Activities includes the realised gains and losses on acquisitions and disposals as well as the unrealised gains and losses throughout the year. The unrealised gains or losses represent the difference between the market value and the book value on the annual accounting date, namely 31 August. Unrealised gains or losses are transferred to the accumulated fund. The actual gain or loss will depend upon the prices ruling at the time of sale. The figure for unrealised gains is therefore only an indication of the position.

Investments in subsidiaries are recognised at cost less impairment. An annual review for impairment is undertaken by the Trustees.

1.9 STOCKS

Stocks are valued at the lower of cost and net realisable value.

1.10 LEASES

Rentals paid under operating leases are charged to the Statement of Financial Activities evenly over the period of the lease.

The Royal Masonic School for Girls

ACCOUNTING POLICIES

for the year ended 30 August 2018

1.11 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.12 FINANCIAL ASSETS

Financial assets are recognised in the company's statement of financial position when the company becomes party to the contractual provisions of the instrument. Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are classified into specified categories. The classification depends on the nature and purpose of the financial assets and is determined at the time of recognition.

Basic financial assets, which include trade and other receivables and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method, unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Other financial assets classified as fair value through profit or loss are measured at fair value.

Loans and receivables

Trade debtors, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as 'loans and receivables'. Loans and receivables are measured at amortised cost using the effective interest method, less any impairment.

Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial. The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating the interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the debt instrument to the net carrying amount on initial recognition.

Impairment of financial assets

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. The impairment loss is recognised in profit or loss.

1.13 FINANCIAL LIABILITIES

Basic financial liabilities are initially measured at transaction price, unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Other financial liabilities classified as fair value through profit or loss are measured at fair value.

1.14 TAXATION

The company has no liability to corporation tax because it is a registered charity.

1.15 FUND ACCOUNTING

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the Governors.

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

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

1.16 EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense.

The cost of any unused holiday entitlement is recognised in the period in which the employee's services are received.

Termination benefits are recognised immediately as an expense when the company is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

1.17 RETIREMENT BENEFITS

The company contributes to two pension schemes. Contributions are charged to the Statement of Financial Activities as they become payable.

Further details are given in note 14 to the accounts.

The Royal Masonic School for Girls

ACCOUNTING POLICIES

for the year ended 30 August 2018

2 KEY ESTIMATES & JUDGEMENTS

In the application of the company's accounting policies, the Board is 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.

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

The estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Useful economic lives

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Provisions

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the aging profile of debtors and historical experience. See note 19 for the net carrying amount of the debtors.

3 HELD OVER LEASE WITH RMIG ENDOWMENT TRUST

The lease between RMIG Endowment Trust and The Royal Masonic School for Girls expired on 25 December 2013 and as at the date of signature of the accounts negotiations are still ongoing as to the terms of a new lease. The accounts have been prepared on the basis that The Royal Masonic School for Girls has held over the terms of the old lease. The School has accrued a charge for rent, and other items of income and expenditure as detailed in note 26, under the terms of the held over lease. As the outcome of the lease negotiations has not been resolved, it is not possible to ascertain whether the balance of £253,582 due from the RMIG Endowment Trust is fully recoverable at the date of approval of these financial statements.

4 FEE INCOME

The School's activities are carried out within the UK.

The school's fee income comprised:

	2018 £	2017 £
Gross fees	15,104,666	14,361,369
Less: Discounts	(404,662)	(326,891)
Less: Scholarships and bursaries	(375,166)	(333,049)
	14,324,838	13,701,429

5 OTHER EDUCATIONAL INCOME

	2018 £	2017 £
Extras and disbursements	168,051	158,556
Registration fees	41,980	34,709
Other income	41,744	53,855
	251,775	247,120

6 OTHER INCOME

	2018 £	2017 £
Other trading income - Rent and lettings	177,642	185,495
Other income - Campaign for Excellence	436,209	270,947
Other income - sundry income	4,376	3,438
	618,227	459,880

Included within other incoming resources is £436,209 of restricted income for the Campaign for Excellence for the year ended 30 August 2018 and £270,947 for the year ended 30 August 2017.

The Royal Masonic School for Girls

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 August 2018

7 INVESTMENT INCOME

	2018 £	2017 £
Interest receivable	15,744	15,832
Dividend income	11,091	8,002
	<u>26,835</u>	<u>23,834</u>

Included within the above is £11,091 of restricted dividend income for the year ended 30 August 2018 and £8,002 for the year ended 30 August 2017.

8 DONATIONS AND GRANTS

	2018 £	2017 £
Donations and gifts	23,939	72,049
	<u>23,939</u>	<u>72,049</u>

Included within donations is an amount of £21,000 (2017: £29,884) which relates to restricted income.

9 COSTS OF RAISING FUNDS

	2018 £	2017 £
Campaign for Excellence costs - restricted expenditure	3,356	50,046
Other trading costs	1,564	-
Interest and other costs	8,080	-

10 CHARITABLE ACTIVITIES COSTS

	Staff costs £	Other £	Depreciation £	Total 2018 £
Teaching	7,117,756	551,469	-	7,669,224
Welfare	328,738	82,246	-	410,984
Housekeeping and catering	844,911	607,484	-	1,452,395
Premises and Estates	684,278	1,829,430	-	2,513,708
Finance and Administration	874,789	925,698	366,521	2,167,007
Governance	-	50,041	-	50,041
	<u>9,850,471</u>	<u>4,046,367</u>	<u>366,521</u>	<u>14,263,358</u>
	Staff costs £	Other £	Depreciation £	Total 2017 £
Teaching	6,997,684	426,276	-	7,423,960
Welfare	339,399	81,931	-	421,330
Housekeeping and catering	767,350	548,307	-	1,315,657
Premises and Estates	649,271	2,033,477	-	2,682,748
Finance and Administration	690,217	766,878	329,620	1,786,715
Governance	-	35,576	-	35,576
	<u>9,443,921</u>	<u>3,892,445</u>	<u>329,620</u>	<u>13,665,986</u>

Included within Education is £5,500 of restricted grant expenditure for the year ended 30 August 2018 and £5,500 for the year ended 30 August 2017. Included within Finance and Administration is restricted expenditure of £3,356 relating to the Campaign for Excellence for the year ended 30 August 2018 and £50,046 for the year ended 30 August 2017.

Other Governance Costs include:

	2018 £	2017 £
Auditors' remuneration		
- Audit Fees	13,404	12,750
- underprovision from previous year	1,966	1,966
- Accountancy Fees	2,350	2,350
- Other	2,280	2,280
Governance costs	<u>30,041</u>	<u>16,230</u>
	<u>50,041</u>	<u>35,576</u>

The Royal Masonic School for Girls

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 August 2018

11 FINANCE AND ADMINISTRATION

Finance and Administration Other includes:

	2018	2017
	£	£
IT and telecommunications costs	157,503	128,041
HR consultancy and payroll fees	125,101	164,150
Legal and professional fees	139,193	94,339
Other costs	503,900	380,348
	925,698	786,878

12 STAFF COSTS

	2018	2017
	£	£
Wages and salaries	8,031,548	7,665,866
Redundancy and settlement costs	13,151	28,123
Social security costs	803,658	762,677
Other pension costs	981,020	979,541
Other staff costs	21,094	7,714
	9,850,471	9,443,921

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

	2018	2017
	No.	No.
Teaching	138	134
Teaching Support	39	27
Bursarial Support	130	124
	307	285

The number of employees whose emoluments amounted to over £60,000 in the year was as follows:

	2018	2017
	No.	No.
£60,000 - £70,000	4	5
£70,001 - £80,000	1	3
£80,001 - £90,000	2	1
£120,001 - £129,999	1	-
	8	9

Pension contributions for the year amounted to £97,041 (2017: £95,574) for the above employees.

The Royal Masonic School for Girls

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 August 2018

13 GOVERNORS REMUNERATION AND BENEFITS

There were no Governors' remuneration or other benefits for the year ended 30 August 2018 nor for the year ended 30 August 2017.

Travel and training expenses of £3,809 (2017: £5,071 for 11 governors) for 3 governors were paid by the charity during the year.

Key management personnel include the Governors and the senior executives which are made up of the heads, bursars and Heads of Departments. The total cost to the school of employing key management personnel was £1,051,272 (2017: £763,820).

Three members of the key management personnel are also provided with free accommodation in order to enable them to undertake specific duties for the school.

14 PENSIONS

The School contributes to a group personal money purchase scheme with a public quoted company, for non-academic staff. Contributions of £275,247 (2017: £248,645) were made by the School in 2018. At the year end £24,049 (2017: £21,933) was accrued in respect of contributions to the scheme.

The School also participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,145,896 (2017: £1,239,868) and at the year-end £103,793 (2017: £100,378) was accrued in respect of contributions to this scheme.

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

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

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

Certain former members of staff have been provided with discretionary payments up until the point at which they will receive the state pension. Contributions of £20,676 (2017: £24,108) were made by the School in 2018. No liability is recognised in respect of future contributions since the payments are on a discretionary basis.

Certain other staff have pension rights provided by the non-contributory RMTGB Staff Pension Scheme of which the School is an Associated firm. An actuarial valuation of the Scheme dated 13 March 2013 was made as at 31 December 2012 by Lane Clark & Peacock LLP who certified at that date a scheme deficit of £900,000. The School is only responsible for a minority part of this deficit. The trustees of this Pension Fund advised the Governors that employer annual contributions would need to commence at 20% of in-service members' basic salaries. As a result a contribution was made to the RMTGB Staff Pension Scheme of £nil (2017: £nil). An approximate funding update issued on 31 July 2013 estimated that the pension fund had reverted to a surplus of approximately £800,000 as at that date. This conclusion is dependent on and sensitive to the data, methodology and assumptions adopted by Lane Clark & Peacock LLP.

The School is unable to identify its share of the underlying assets and liabilities because of the costs and time involved in obtaining this information. Please see Note 28 in relation to change in circumstances for this pension scheme.

The results and assumptions of the most recent valuation of the scheme are as follows:

Valuation date	31-Dec-14
Valuation method	Scheme funding legislation
Value of assets	£19,300,000
Value of liabilities	£18,900,000
Funding level for accrued benefits	100.00%
Investments return on future contributions per annum	4.90%
Pension increases per annum	3.10%
Pre-retirement discount rate	4.40%
Post-retirement discount rate	2.40%
Rate of price inflation	3.20%

After the year-end date, an agreement was signed to buy out the liability of the RMTGB pension scheme. See note 28 for further details.

The Royal Masonic School for Girls

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 August 2018

15 NET INCOME FOR THE YEAR

	2018 £	2017 £
Net income is stated after charging:		
Depreciation of tangible fixed assets	366,521	329,620
Operating lease rentals – other	81,580	81,580
Auditor's remuneration		
Audit services for the school- current year	13,404	12,750
Audit services for the school- prior year underprovision	1,966	1,966
Audit services - other	4,630	4,630
Non-audit services	12,318	12,318

16 TANGIBLE FIXED ASSETS

	Long Leasehold Property £	Improvements to property £	Plant & Equipment £	Total £
Cost:				
At 1 September 2017	1	923,937	1,591,597	2,515,535
Additions	-	44,370	315,412	359,782
At 30 August 2018	1	968,307	1,907,009	2,875,317
Depreciation:				
At 1 September 2017	-	266,642	1,301,532	1,568,174
Charge for year	-	96,831	270,090	366,921
At 30 August 2018	-	363,473	1,571,622	1,935,095
Net book value:				
At 30 August 2018	1	604,834	335,388	940,222
At 1 September 2017	1	657,295	290,066	947,361

The long leasehold property relates to the school buildings that are leased from the RMIG Endowment Trust. See note 3 for further details.

17 INVESTMENTS

	Shares in group undertakings £	Listed investments £	2018 £	2017 £
Cost/ valuation at 1 September	999	150,487	151,487	151,949
Additions	-	-	-	-
Disposals	-	-	-	(609)
Gains arising from movements in valuations	-	(7,060)	(7,060)	147
Cost/ valuation at 31 August	999	143,427	144,427	151,487
Cash	-	3,483	3,483	5,074
	999	146,910	147,909	156,561

The company holds 100% of the voting equity of RMS Management Limited, a company incorporated in England & Wales. The company was dormant throughout the year to 30 August 2018 and 30 August 2017.

At 30 August 2018, RMS Management Limited had an aggregate capital and reserves balance of £1,000 (2017: £1,000).

The Royal Masonic School for Girls

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 August 2018

18 STOCK

	2018 £	2017 £
General Stock	12,299	12,605
	<u>12,299</u>	<u>12,605</u>

19 DEBTORS

	2018 £	2017 £
Fees and extras	313,898	274,229
Less provision for doubtful debts	(83,748)	(84,172)
Other debtors	9,608	28,872
Prepayments and accrued income	164,779	445,132
Amount due from RMIG Trust	253,582	728,597
	<u>658,119</u>	<u>1,392,658</u>

Included in other debtors is an amount of £nil (2017: £9,179) gross £296,667 (2017: £309,179) due from the administrators of Kaupthing Singer and Friedlander. The School had maintained for several years funds with Kaupthing Singer and Friedlander Limited. Consequently on that company entering into administration, it was unable to cover its funds in the normal manner. To date the School has received 85.15p in the £1 from the administrators. The administrators currently estimate that the expected total distributions should be in the range of 85p - 86.5p in the £1. The administrators stress that this estimate could be lower or higher if there are significant issues which impact either future realisations or the level of claims from creditors and thus the estimate is indicative and cannot be relied upon.

Until further information is available, it is not possible to state the expected final outcome. However the Governors of the School considered it prudent to maintain a provision of £300,000 as it is seen as unlikely that the full amount will be recovered.

It is not possible to ascertain whether the above balance due from the RMIG Endowment Trust is fully recoverable at the date of approval of these financial statements. Further details are provided in note 3 to the financial statements.

20 CREDITORS

Amounts falling due within one year:	2018 £	2017 £
Trade creditors	505,622	556,645
Taxation and social security costs	207,315	201,363
Fees in advance	1,853,020	1,650,387
Other creditors	220,559	209,642
Accruals	268,622	564,080
RMTGB Loan	144,000	
Amount due to group undertaking	1,000	2,120
	<u>3,200,138</u>	<u>3,184,237</u>

The Royal Masonic School for Girls

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 August 2018

21 CREDITORS DUE AFTER ONE YEAR

Amounts falling due after more than one year:	2018 £	2017 £
RMTGB Loan	1,024,345	-
School fee deposits	1,114,858	1,025,966
Fees in advance	240,538	219,984
	2,379,741	1,245,950
Deferred income is made up of:	2018 £	2017 £
Brought forward	1,870,371	1,972,838
Released in year	(1,650,387)	(1,120,820)
Received in year	1,873,574	1,018,353
	2,093,558	1,870,371

Deferred income relates to schools fees received in advance for the following and future terms.

The RMTGB loan is repayable in equal monthly instalments until July 2027. Interest accrues at the Bank of England base rate.

22 FINANCIAL INSTRUMENTS

	2018 £	2017 £
Carrying amount of financial assets		
Financial assets that are equity instruments measured at cost less impairment	1,000	1,000
Financial assets measured at fair value through profit and loss	144,427	151,487
Debt instruments at amortised cost	992,211	992,211
Carrying amount of financial liabilities		
Measured at amortised cost	1,301,843	1,301,843
Income and gains from:		
Financial assets measured at fair value through profit and loss	7,060	147

23 STATEMENT OF FUNDS

	At 1 September 2017 £	Income £	Expenditure £	Transfer Between Funds £	Gains/ (losses) £	At 30 August 2018 £
Unrestricted funds:						
General reserve	2,344,154	15,097,940	(15,678,369)	(310,627)	-	1,453,098
Campaign for Excellence Designated Fund	-	-	-	320,627	-	320,627
	2,344,154	15,097,940	(15,678,369)	10,000	-	1,773,725
Restricted funds:						
Campaign for excellence	494,021	115,582	(63,453)	-	-	546,150
Benjamin Thomas Iggulden Income Scholarship Fund	114,529	11,091	(5,500)	-	(7,080)	113,060
Cadogan Scholarship Fund	29,884	21,000	(36,682)	-	-	14,202
Other	12,857	-	-	(10,000)	-	2,857
	651,291	147,673	(105,635)	(10,000)	(7,060)	676,269
Endowment fund						
Benjamin Thomas Iggulden Income Scholarship Fund	55,240	-	-	-	-	55,240
	3,050,685	15,245,613	(15,784,004)	-	(7,060)	2,505,234

The Royal Masonic School for Girls

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 August 2018

23 STATEMENT OF FUNDS (continued)

Restricted funds

The permanent endowment fund relates to the Benjamin Thomas Iggulden Scholarship Fund, which was set up in 1994 to provide scholarships for students at the school. The fund is invested currently in cash deposits and listed investments.

Unrealised and realised gains and losses are taken to the Endowment Fund. The balance of the fund is held in the general bank account and is separately stated in the balance sheet.

Restricted funds includes funds of £866,777 (2017: £494,791) relating to the net balance held of donations made to the 'Campaign for Excellence' fund. This major fundraising campaign was launched in 2013 to help fund an ambitious but essential programme of capital development at the School to provide the best possible facilities for RMS pupils. The first project, the All Weather Pitch, was completed in 2015, with future projects to include Performing Arts Centre and Studio Theatre, the Creative Arts Faculty and Design and Technology Centre.

24 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	Restricted funds £	Endowment fund £	2018 Total £
Tangible fixed assets	940,222	-	-	940,222
Investments	-	92,669	55,240	147,909
Current assets	6,413,382	583,600	12,901	7,009,883
Current liabilities	(3,200,138)	-	-	(3,200,138)
Long term liabilities	(2,379,741)	-	-	(2,379,741)
Total net assets	1,773,725	676,269	68,141	2,518,135
	Unrestricted funds £	Restricted funds £	Endowment fund £	2017 Total £
Tangible fixed assets	947,361	-	-	947,361
Investments	6,500	107,722	42,339	156,561
Current assets	5,820,480	543,569	12,901	6,376,950
Current liabilities	(3,184,237)	-	-	(3,184,237)
Long term liabilities	(1,245,950)	-	-	(1,245,950)
Total net assets	2,344,154	651,291	55,240	3,050,685

25 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2018, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2018 Land & Buildings	2018 Office equipment	2017 Land & Buildings	2017 Office equipment
Due within one year	1,067,100	91,934	1,067,100	83,202
Due between two and five years	-	251,652	-	245,445
Due in over 5 years	-	184	-	1,380
	1,067,100	343,770	1,067,100	330,027

Included in the above in land and buildings is one year's expected rentals based on the held over lease for the school buildings from RMIG Endowment Trust. For further information see note 3.

The Royal Masonic School for Girls

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 August 2018

26 RELATED PARTIES DISCLOSURES

Three of the School's Governors were also unpaid directors of the RMIG Endowment Management Limited, the RMIG Endowment Recreation Limited and the RMIG Endowment Trust.

The school is currently negotiating a revised lease agreement with the Trust which had not yet been finalised at the time these accounts had been signed. The transactions listed below represent disclosures required under related party transactions.

During the year, income of £300,546 (2017: £228,042) and costs of £308,963 (2017: £282,661) in respect of the sports hall and income of £244,815 (2017: £228,042) and costs of £180,623 (199,648) in respect of lettings was received/ incurred on behalf of the RMIG Endowment Trust. Repairs and maintenance costs of £700,401 (2017: £983,445) were incurred by the School and recharged to the Trust in accordance with the held over lease.

At the balance sheet date, a total amount of £253,582 (2017: £714,337) was due to the School from the RMIG Endowment Trust. As the outcome of the lease negotiations has not been resolved, it is not possible to ascertain whether the balance due from the RMIG Endowment Trust is fully recoverable at the date of approval of these financial statements.

27 CONTROL

The company is limited by guarantee and all present members are Governors. Every member of the company undertakes to contribute to the assets of the company in the event of the same being wound up while he is a member, or within one year after he ceases to be a member, for the payment of the debts and liabilities of the company contracted before he ceases to be a member, such amount as may be required not exceeding £1.

28 LONG TERM AGREEMENT

The school signed an agreement on 31 March 2016 entering into an unsecured loan agreement with RMTGB. The Loan has been undertaken to allow the school to buy out its liability relating to the RMTGB Staff Pension scheme. The loan shall be repaid in monthly instalments with the current rate of interest charged at the Bank of England rate. As at the 30 August 2018 the loan had been triggered and as a result the monthly pension payments since 31st March 2016 have been set off against the full loan liability. See note 30 for details on the pension scheme buyout.

29 NOTES TO THE CASHFLOW STATEMENT

	2018 £	2017 £
Reconciliation of operating result to net cash inflow from operating activities		
Net movement in funds	(545,451)	788,427
Gains on investments	7,060	(147)
Depreciation	366,921	329,620
Bank interest received	(15,744)	(15,832)
Dividends received	(11,091)	(8,002)
Increase/(Decrease) in creditors	1,149,692	(139,815)
(Increase)/Decrease in debtors	734,539	543,936
(Increase)/Decrease in stocks	306	(3,493)
	1,686,232	1,494,694

30 PENSION SCHEME BUYOUT

During the year the RMTGB pension scheme was sold, the schools portion of the costs of that sale was £1,507,645. The RMTGB loaned this amount to the school at the point of sale. This loan is repayable at the rate of £144K per annum which equivalent to the rate of additional contributions required prior to the Sale of the scheme. See Note 28 and note 14.

The Royal Masonic School for Girls

SCHEDULES OF DETAILED EXPENDITURE

for the year ended 30 August 2018

	2018 £	2017 £
Costs of raising funds		
Campaign for excellence	3,356	50,046
Teaching Costs		
Salaries	5,702,058	5,610,213
National Insurance	590,480	584,412
Pension Costs	819,615	801,450
Other Staff Costs	5,603	1,609
School transport	91,248	32,722
Trip expenditure	29,748	35,652
Classroom expenditure	295,396	257,713
Activities	55,630	53,278
Miscellaneous	82,808	42,848
Other Teaching	(3,362)	4,063
	7,669,224	7,423,960
Welfare Costs		
Salaries	282,723	293,493
National Insurance	25,278	25,983
Pension Costs	19,133	19,393
Other Staff Costs	1,604	530
Other Welfare	82,246	81,931
	410,984	421,330
Housekeeping and Catering Costs		
Salaries	714,537	678,287
National Insurance	64,325	42,040
Pension Costs	60,534	45,715
Other Staff Costs	5,515	1,308
Catering Costs	607,484	548,307
	1,452,395	1,315,657
Premises and Estates Costs		
Salaries	621,860	548,244
National Insurance	50,518	55,766
Pension Costs	8,951	42,991
Other Staff Costs	2,948	2,270
Repairs and Maintenance	159,887	208,303
Grounds	132,098	51,138
Rent and Rates	1,319,334	1,310,372
Utilities	114,055	364,169
Insurance	88,474	81,099
Motor expenses	17,146	18,396
	2,613,708	2,682,748

The Royal Masonic School for Girls

SCHEDULES OF DETAILED EXPENDITURE

for the year ended 30 August 2018

	2018 £	2017 £
Finance and Administration Costs		
Salaries	710,370	535,629
National Insurance	73,057	54,476
Pension Costs	72,787	69,992
Redundancy Costs	13,151	28,123
Other Staff Costs	5,424	1,997
Other Staff Related Costs	5,869	17,080
Subscriptions	10,567	22,422
Staff travel	8,093	8,404
IT support	133,213	104,712
Postage and stationery	139,411	120,431
Telephones	24,290	23,329
Marketing and advertising	189,367	97,352
Inspection costs	9,836	8,036
Bad debts	54,000	46,000
Depreciation	366,521	329,620
Recruitment Costs	55,258	71,738
Human resources costs	69,843	92,412
Legal and Professional Fees	139,193	94,339
Other Administration Costs	79,423	52,407
Bank charges and interest	7,333	8,216
	2,167,007	1,786,715
Governance Costs		
Audit	20,000	19,346
Other Governance	30,041	16,230
	50,041	35,576