

Bishopsgate School Limited

(A Company Limited by Guarantee)

Incorporated in England and Wales No. 03303687

Registered Charity No. 1060511

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

For the year ended

31 August 2019

Bishopsgate School Limited

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for the year ended 31 August 2019

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Bishopsgate School Limited

REPORT OF THE GOVERNORS

for the year ended 31 August 2019

Governors	LS Buchanan B Breedon JA Carrol V Cresswell TFX Eddis MD Fisher DA Henderson-Williams ND Jamison C Marriott D Mills C Robertson S Sydenham SM Winson	Deputy Chair of Governors Chair of Governors Resigned July 2019
Headmaster:	R Williams	
Bursar & Clerk to Governors:	C Carver	
Company registered number:	03303687	
Charity registered number:	1060511	
Registered Office:	Bishopsgate School Englefield Green Egham Surrey TW20 0YJ	
Bankers:	Barclays Bank plc 71 High Street Staines Middlesex TW18 4PS	
Auditors:	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD	

Investment Managers:

Octopus Investments
33 Holborn
London
EC1N 2HT

CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Solicitors

Horne Engall & Freeman LLP
47 High Street
Egham
Surrey
TW20 9ES

BISHOPSGATE SCHOOL LIMITED

REPORT OF THE GOVERNORS (continued)

For the year ended 31 August 2019

GOVERNORS REPORT AND FINANCIAL STATEMENTS – YEAR ENDED 31 AUGUST 2019

The Governors, who are also directors for the purposes of company law, present their report and the financial statements of the charity for the year ended 31 August 2019.

REFERENCE AND ADMINISTRATIVE DETAILS

Reference and administrative details are shown in the schedule of members of the Board and professional advisers on page 5 of the financial statements.

GOVERNORS

The Governors who served the charity during the period were as follows:

LS Buchanan (Deputy Chair of Governors)
B Breedon
JA Carroll
V Cresswell
TFX Eddis (Chair of Governors)
MD Fisher
DA Henderson-Williams
ND Jamison (Deputy Chair of Governors) (resigned July 2019)
C Marriott
D Mills
C Robertson
S Sydenham
SM Winson

In accordance with the company's articles of association M Fisher retired by rotation and, being eligible, offered himself for re-appointment at the Annual General Meeting.

As vacancies occur, following the retirement of trustees, suitable potential trustees are identified, proposed and elected by the full board of trustees.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is a company limited by guarantee governed by its Memorandum and Articles of Association dated 17 January 1997. It is registered as a charity with the Charity Commission.

Organisational Structure

The organisation comprises a Board of Governors, responsible for the overall management and future development of the School, which meets three times a year. Four Committees, (Education; Property; Finance; and Health, Safety and Security) give detailed consideration to matters under their control and report to the Board. Within their powers, as laid down by the Board, the Headmaster and Bursar manage the day to day running of the School. The Headmaster and the Bursar attend all Board and Committee meetings.

Recruitment and Training of Governors

New Governors are appointed by the Board on the basis of recommendations from other Governors and taking account of the experience and skills required. The objective is to ensure that the Board has the range of skills required to conduct its business in an effective and competent manner. All governors are made aware from time to time of training opportunities, which in recent months has included Safeguarding and Prevent Training. New governors are

BISHOPSGATE SCHOOL LIMITED

REPORT OF THE GOVERNORS *(continued)*

For the year ended 31 August 2019

given the opportunity to spend time with the Headmaster and Bursar to ensure that they are well briefed on their duties and the issues faced by the School. Mr Jamison resigned from the Committee in July 2019 – the Chairman of the Board has identified a suitable replacement who will start on the Board in September 2019.

OBJECTIVES AND ACTIVITIES

Charitable Objects

The School provides quality educational services for day pupils, both boys and girls, from the age of three and up to the age of thirteen years.

Aims and Intended Impact

Within these objects the School's aim is to provide a first class education, through strong academic tuition while also developing wider sporting, artistic and social skills in all its pupils. This is intended to achieve the highest academic performance commensurate with cultivating well-rounded pupils who will become useful and responsible citizens. The School sets high expectations of work and behaviour, encouraging each child to make maximum effort so that he or she can fully exploit their individual potential.

Objectives for the Year

The main objective has been to deliver a school that is outstanding in every aspect and facet of School life.

In furtherance of that main objective the following actions will be pursued in the financial year:

- Provide an outstanding education and environment which optimises the opportunity for pupils to learn.
- Deliver a 'Learning without Limits' ethos throughout the School.
- Make the most of the data provided by the new tracking system on the School Management Information System.
- Communicate even more effectively to parents with regards to pupil progress.
- Improve communication of all academic matters and deadlines to teachers.
- Create an environment in which pupils are typically happy and fulfilled, and are part of a culture of openness with regards to wellbeing, but which also fosters a realistic approach towards a need to be resilient and independent.
- Bishopsgate should be seen by local IAPS and maintained schools as a centre of excellence for Continuing Professional Development.
- Invest in technology that improves the education of the pupils.
- Invest in technology that facilitates the general administration of the school, especially with regards to communication.
- Develop a rounded HR function, supporting not only recruitment and induction, but also staff wellbeing and strategic workforce planning.

BISHOPSGATE SCHOOL LIMITED

REPORT OF THE GOVERNORS *(continued)*

For the year ended 31 August 2019

- Ensure that the School is both compliant with Health and Safety Legislation, and that the School is in a strong position to respond in a crisis.
- Deliver School events in a manner that matches the School's ambition to be a leading prep school.
- Provide outstanding educational facilities which optimise the opportunity for pupils to learn and which match the ambition of the teaching staff and Leadership Team.

GOVERNORS' RESPONSIBILITIES STATEMENT

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

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and the income and expenditure of the charity for that period.

In preparing these financial statements, the Governors are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions and 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 Companies Act 2006. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

STRATEGIC REPORT

The company has chosen in accordance with Section 414C(11) of the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 to set out within the Strategic Report the Company's Strategic Report Information Required by Schedule 7 of the Large and Medium Sized Companies and Groups (Accounts and Reports) Regulation 2008. This includes information that would have been included in the business review and details of the principal risks and uncertainties.

BISHOPSGATE SCHOOL LIMITED

REPORT OF THE GOVERNORS *(continued)*

For the year ended 31 August 2019

AUDITOR

Moore Kingston Smith LLP are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as each trustee is aware, there is no relevant audit information of which the charity's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the charity's auditor is aware of that information.

Registered office:
Bishopsgate Road
Englefield Green
Egham
Surrey
TW20 0YJ

Signed by order of the Governors



CMB Carver
Charity Secretary

BISHOPSGATE SCHOOL LIMITED

REPORT OF THE GOVERNORS (continued)

For the year ended 31 August 2019

ACHIEVEMENTS AND PERFORMANCE

The School continues to provide high quality education. In the year ending 31 August 2019, all leavers were placed in a school of their choice at the end of the academic year. Academic results were strong, results in Common Entrance Examinations excellent, and the number of scholarships awarded to students remained robust. The School remains extremely popular and demand for places at the School continues to be strong, with good numbers enrolled at the commencement of both the 2019 and 2020 academic years.

There has been a small turnover of teaching staff in the past year, and those recruited continue to be of a high standard, with Teaching Assistants continuing to be employed in all classes throughout the Lower and Middle Schools. The School now has a dedicated Science and Design Technology Technician and there continues to be two gap year students recruited to assist in the classroom and on the sports field. The School has adjusted the framework of the administration team, combining the Marketing and Registration functions.

Over recent years, and during a period of a sustained increase in pupil numbers, major developments of the school's infrastructure have taken place: the development of the Vickers Hall in the 1990s, through to the construction of the Jubilee Building (Upper School) and Windsor Building (Lower and Middle School) in the early 2000's, to the many improvements completed in recent years. These have included the refurbishment of the Library and Music House, the creation of a Performing Arts Studio, and the development of a first floor extension of the Windsor Building that allowed the creation of five new teaching classrooms and a Design & Technology Studio.

In 2014, the School completed the development of a four-lane 25 metre swimming pool to enhance existing sports and educational facilities at the school. In 2014, the School built an extension to the Dining Room which significantly enhanced the facilities for the children and, in the same year, a major refurbishment of the Science and IT Classrooms was undertaken. Other enhancements made during this period were the re-laying of a new surface on the all-weather courts, a refurbishment of the Performing Arts Studio, the construction of new cricket nets, and a significant refurbishment of the School kitchen. In 2016, an extension to the Music House was completed, and new classrooms were formed as part of an extension to the Windsor Building. Additionally, the School continued to improve and update current facilities, with recent refurbishments in the fabric of Main Building.

All these upgrades and improvements have assisted in the physical transformation of the school in the last ten years. Governors and the School's Senior Team continue to strive to ensure that the facilities available to children attending Bishopsgate School are of the highest possible quality. As such, the current Strategic Plan sets out the School's objectives, spanning a three-year period, for further school improvement. New upgrades are currently being planned by Governors to continue to maintain the School at the leading edge of educational provision, the new facilities being planned in the strategic short term include the development of a new sports hall; the delivery of a new science laboratory; the delivery of a new multi-purpose classroom with a focus on food technology; and an artificial hockey pitch.

The educational needs of children constantly change. The older buildings and facilities continue to need regular refurbishment, and changes in curriculum and inspection regulations necessitate the constant monitoring, review and development of all aspects of the School's operation. The School's strategic medium focus is a project to improve the Performing Arts facilities for children attending Bishopsgate School. Significant financial resources will also be assigned to ensure that the classrooms, educational facilities and IT resourcing and infrastructure are of the highest possible quality.

Governors consider that the fabric of Bishopsgate School should be seen as a market leader without an excess in approach and style that implies a frivolous use of fee income. The new sports hall, science laboratory, food technology classroom, artificial playing surface and the proposed Performing Arts developments are seen as an opportunity to make the most

BISHOPSGATE SCHOOL LIMITED

REPORT OF THE GOVERNORS *(continued)*

For the year ended 31 August 2019

efficient use of the whole site, whilst also setting a strong lead when compared to the local comparator schools.

On the matter of the cost of educating a child in Independent Education, there has been significant work undertaken which confirms that the numbers able to afford private education is significantly reducing year on year. Governors at Bishopsgate will ensure that the correct balance is found between affordability of educating a child against ensuring that the quality of facilities and education remains at the highest level.

The School is acutely aware of the need to remain at the forefront on matters of IT, and a recent innovation has been the provision of a personal Chromebook to all pupils in Years 5 to 8. Pupils in Years 3 and 4 have access to sufficient Chromebooks for every member of a class whilst they learn how to use them. In addition, there are iPad trolleys providing access to this learning aid for every child from Lower School through to Year 8.

Whilst securing entry to a chosen senior school will always remain the priority for staff and Governors at Bishopsgate, the School will continue to strive for much more than simply preparing children for examinations. Focusing on cramming children with the necessary knowledge to pass tests neglects the development of the skills, capacities and creativity that children at Bishopsgate are going to need in later life.

The School continues to provide 5% (£285,353) of its income towards Bursary assistance to support those in financial need, and the Board are actively reviewing the support provided to eligible parents and guardians. Opportunity is also provided to other clubs and organisations to use the facilities of the School free of charge for a range of educational and coaching purposes. The Headmaster has worked with North Runnymede partnership, a group of local maintained schools, looking at how Bishopsgate can support disadvantaged children to better access education. He is now looking at building a stronger and more meaningful relationship with a local primary school for whom the School now provides a Governor.

FINANCIAL REVIEW

Overall the School's financial position is very sound. Net fee income after bursaries of £4,573,052 was the primary source of revenue. This covered operating costs of £4,388,788 which were expended on teaching (£2,685,982); welfare (£246,696); premises (£854,174); administration costs (£558,700) and governance (£43,236).

The surplus for the year has contributed to the building of cash reserves, which is viewed as important in the current financial climate.

Reserves Policy

The Board considers that free reserves amounting to a term's income (approximately £1,400,000) would be practicable and achievable in order to cover the risks and uncertainties of operating as an independent educational establishment. This has been achieved.

The policy is continuing to build up cash out of annual operating surpluses to fund the necessary capital expenditure to continue equipping the School with the up-to-date facilities needed to maintain and, indeed, improve on the standard of educational service.

Investment Policy

Governors use a suitably qualified Investment Manager when sufficient funds have been accrued in the School's bank accounts to warrant a long-term approach to investment. The objectives of the School's investment policy are to ensure the creation of sufficient income and capital growth to enable funds to be used for the education of children at Bishopsgate. Governors will invest prudently and conservatively in a diversified range of funds: a low risk will be adopted in the management of the Fund's assets, with a portfolio mix agreed by Governors

BISHOPSGATE SCHOOL LIMITED

REPORT OF THE GOVERNORS *(continued)*

For the year ended 31 August 2019

of the Finance Committee.

The School has placed the Bishopsgate investments in medium to long term CAF and CCLA investments to protect the value of its capital and obtain a better return. The funds have performed soundly in the last year, and the Board are confident that the School can expect a positive return on the money invested over the anticipated lifetime of the investment. The valuation of these invested funds as at 31 August 2019 was £2,773,589.

Pension Scheme and Salaries

All eligible non-teaching staff are auto-enrolled onto a Work Save Pension Scheme run by Legal & General and all eligible staff have remained in the scheme. Teaching staff are automatically enrolled into the Teachers' Pension Scheme and all current teachers have stayed in the scheme.

Governors review the pay and remuneration of all staff on an annual basis, taking into account any decisions on National Pay Awards, as well as many other factors. The arrangements for the setting of pay for the Head and Bursar is considered by Governors at the Main Board meeting in the Lent Term.

FUTURE PLANS

Future plans will be directed by the Strategic Plan. Plans for the forthcoming Academic Year include:

- Continued review and improvements to the School Curriculum. These improvements should ensure an exciting curriculum that fosters independence and a lifelong love of learning.
- Continue to fully immerse the ethos of the Pre Senior Baccalaureate into the curriculum.
- Continue to review and, where necessary, improve the provision for ICT and the IT Infrastructure. This will include provision of new switching, servers, cabling, and routers as well as the delivery of new pupil IT.
- Enhance the Lower School outdoor play area.
- Deliver an Outdoor Learning facility for the School to enhance the School curriculum.
- Move forward the plans for the installation of a sports hall on Vickers Hall sports pitch.
- Move forward the installation of a new artificial sports surface on the Vickers Hall sports pitch.
- Undertake work on a future upgrade to the Vickers Hall to further enhance the teaching and performing of Music and Drama.
- Enhance the Science and Food Technology facilities at the school.

Public Benefit

The Governors continue to monitor the development of best practice in this area. The Governors will continue to monitor the issue of public benefit and seek opportunities for the School to develop this aspect of its activities and use of resources.

BISHOPSGATE SCHOOL LIMITED

REPORT OF THE GOVERNORS *(continued)*

For the year ended 31 August 2019

The Governors have taken account of Charity Commission guidance on providing Public Benefit and are confident that the School provides high quality education in line with its Charitable Objectives and access is widened through the School's bursary scheme. The School makes many of its facilities available for community use and offers work experience placements for secondary school students. Many of the facilities (swimming pool, sports hall, Forest School and grounds) are used by external groups, and there are strong links between the Headmaster and Runnymede Group of local maintained schools

A number of bursaries and scholarships have been awarded in the last year to pupils who might not otherwise have been able to benefit from a Bishopsgate education. Currently, 42 children are provided with a reduction in the cost of school fees, and the school also provides the use of its classrooms and facilities to many local schools, clubs and societies in the form of the use of the sports facilities, school minibuses, halls and classrooms.

The School also continues to provide regular support to many charities, with significant funds being donated in the Financial Year to the Macmillan Cancer Charity, White Lodge Centre for Children with Special Needs and Little Roos High Dependency Unit at St Peter's Hospital Chertsey.

RISK MANAGEMENT

The Governing Board is responsible for the management of the risks faced by the School. They have given consideration to the major risks to which the charity is exposed and established systems and procedures to manage those risks.

A Risk Register is maintained by the School, and reviewed and updated on a regular basis. Amongst the many areas of risk considered by Governors are the loss of key staff and high staff turnover; loss of significant numbers of pupils; employment issues; issues relating to Health, Safety and the Environment; Disaster Planning; Information Technology; Cash flow and Financial risks, including the School's fee structure, borrowings and fraud; and external factors, including public perception and adverse publicity, relationships with parents, demographic considerations, Government Policy and economic considerations, and compliance with regulations.

The key controls used to manage risk include:

- An annual review of the significant business risks faced by the School.
- Terms of Reference for each Committee (revised when appropriate).
- Formal agendas for all Committee and Board activity.
- Comprehensive budget and management accounting.
- An established organisational structure and lines of reporting.
- Clear financial authorisation and levels.
- Vetting and reporting procedures as required by law for the protection of children.
- Regular review and testing by an independent consultant of the main Health and Safety risks.

It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed. Governors understand the challenges facing the Independent Schools sector in a time of economic and political uncertainty. Factors affecting the sector are continuously reviewed and considered, but the overall aim is to ensure that the

BISHOPSGATE SCHOOL LIMITED

REPORT OF THE GOVERNORS (*continued*)

For the year ended 31 August 2019

School remains at the forefront of prep school education, whilst adopting a fee structure that is fair and competitive.

Signed by order of the Governors



CMB Carver
Charity Secretary

Approved by the Governors on 11.000.19.

BISHOPSGATE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS BISHOPSGATE SCHOOL LIMITED

Opinion

We have audited the financial statements of Bishopsgate School Limited ('the company') for the year ended 31 August 2019 which comprise of 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 Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2019 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.

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

BISHOPSGATE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS BISHOPSGATE SCHOOL LIMITED

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 trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- trustees' annual report have 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, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

BISHOPSGATE SCHOOL LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS BISHOPSGATE SCHOOL LIMITED

- 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.

Moore Kingston Smith LLP

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

Devonshire House
60 Goswell Road
London
EC1M 7AD

11th November 2019

Bishopsgate School Limited

STATEMENT OF FINANCIAL ACTIVITIES

(including the income and expenditure statement)

for the year ended 31 August 2019

	Notes	Unrestricted funds £	Total 2019 £	Total 2018 £
INCOME FROM:				
Charitable Activities				
School fees	3	4,573,052	4,573,052	4,146,766
Other educational income	4	70,661	70,661	89,765
Other income				
Other trading income	5	133,288	133,288	134,499
Investments				
Investment Income	6	10,372	10,372	3,218
Voluntary sources				
Grants and donations	7	2,251	2,251	-
Total income and endowments		4,789,624	4,789,624	4,374,248
EXPENDITURE ON:				
Costs of raising funds				
Interest and other costs	8	1,419	1,419	1,413
Charitable activities				
Education	8	4,388,788	4,388,788	4,077,376
Total expenditure	8	4,390,207	4,390,207	4,078,789
Net operating income/(expenditure)		399,417	399,417	295,459
Net gains on investments	14	214,323	214,323	122,123
Net income/(expenditure)		613,740	613,740	417,582
Transfer between funds		-	-	-
Net movement in funds		613,740	613,740	417,582
Fund balances brought forward		8,899,941	8,899,941	8,482,359
Fund balances carried forward	21, 22	9,513,681	9,513,681	8,899,941

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.


Bishopsgate School Limited

BALANCE SHEET

as at 31 August 2019

	Notes	2019 £	2018 £
FIXED ASSETS			
Tangible assets	12	5,468,499	5,410,866
Intangible assets	13	41,395	30,127
Investments	14	<u>2,773,589</u>	<u>2,059,266</u>
		8,283,483	7,500,259
CURRENT ASSETS			
Debtors	15	149,011	88,013
Cash at bank and in hand		<u>1,886,079</u>	<u>1,912,266</u>
		2,035,090	2,000,279
CREDITORS: Amounts falling due within one year	16	(608,417)	(426,452)
NET CURRENT ASSETS		<u>1,426,673</u>	<u>1,573,827</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		9,710,156	9,074,086
CREDITORS: Amounts falling due after more than one year	17	(196,475)	(174,145)
NET ASSETS		<u><u>9,513,681</u></u>	<u><u>8,899,941</u></u>
FUNDS			
Unrestricted funds – general	19	<u>9,513,681</u>	<u>8,899,941</u>
		<u><u>9,513,681</u></u>	<u><u>8,899,941</u></u>

Approved and authorised for issue by the Board of Governors on 11 Nov 19 and signed on their behalf by:



TFX Eddis
Chairman of the Board of Governors



V Cresswell
Chairman of the Finance Committee

The accompanying notes form part of these financial statements.
Company Number: 03303687

Bishopsgate School Limited

CASHFLOW STATEMENT

for the year ended 31 August 2019

CASH FLOW STATEMENT	Notes	2019 £	2018 £
Net cash inflow from operating activities	25	917,776	523,287
Cash flows from investing activities:			
Bank interest received		10,372	3,218
Interest element of finance lease rental payments		(1,419)	(1,413)
Payments to acquire fixed assets		(432,577)	(225,229)
Payments to acquire investments		(500,000)	-
Net cash outflow from investing activities		<u>(923,624)</u>	<u>(223,424)</u>
Financing:			
Loans repaid		(20,339)	26,145
Net cash outflow from financing activities		<u>(20,339)</u>	<u>26,145</u>
Increase/(decrease) in cash		(26,187)	326,008
Cash and cash equivalents at beginning of the reporting period		<u>1,912,266</u>	<u>1,586,258</u>
Cash and cash equivalents at end of the reporting period		<u><u>1,886,079</u></u>	<u><u>1,912,266</u></u>

Bishopsgate School Limited

ACCOUNTING POLICIES

for the year ended 31 August 2019

1 ACCOUNTING POLICIES

Bishopsgate School Limited is a company limited by guarantee with registered number 03303687, incorporated and domiciled in England and Wales. Its registered office is Bishopsgate School Englefield Green, Egham, Surrey, TW20 0YJ.

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The Charitable Company is a public benefit entity for the purposes of FRS 102 and therefore the Charity also prepared its financial statements in accordance with 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), the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the charity. 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 principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 GOING CONCERN

The Governors believe that the school has adequate resources to continue operation for at least twelve months from the date of approval of these financial statements and for the foreseeable future. The accounts are therefore prepared on the going concern basis.

1.3 COMPANY LIMITED BY GUARANTEE

The company is limited by guarantee, the guarantors at the present time being the Governors, to the extent of £1 each.

1.4 FEES RECEIVABLE AND SIMILAR INCOME

All income is recognised once the company has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the company; this is normally upon notification of the interest paid or payable by the Bank.

1.5 DONATIONS

Donations received for the general purposes of the school are included as unrestricted funds. Donations restricted by the wishes of the donor or the terms of an appeal are taken to restricted funds. Gifts in kind are included in income and the corresponding asset included in fixed asset additions or charged against the statement of financial activities as appropriate.

1.6 EXPENDITURE

Expenditure is allocated to expense headings, which aggregate all costs relating to the category either on a direct cost basis, or apportioned according to time spent. The irrecoverable element of VAT is included with the item of expense to which it relates.

All costs associated with the provision of education are allocated to Charitable Expenditure. Only the costs directly associated with, or incurred solely in, Raising Funds are allocated to this category. For example, the costs of kitchen and domestic staff who are employed on a short term basis during the school holidays are allocated to the Cost of Raising Funds whereas the costs of the permanent staff are allocated to Charitable Expenditure because they would have to be paid in any event. Likewise, only premises costs that are incurred because of, or to support, the letting activities are allocated to the Costs of Raising Funds.

Governance costs comprise the costs of running the Trust, including strategic planning for its future development, external audit, and all other costs of complying with constitutional and statutory requirements.

Bishopsgate School Limited

ACCOUNTING POLICIES

for the year ended 31 August 2019

1.7 FUND ACCOUNTING

All funds are unrestricted funds; which are available for use at the discretion of the trustees in furtherance of the general objectives of the charity.

Designated funds are unrestricted funds earmarked by the governors for particular purposes.

Restricted funds are subjected to restrictions on their expenditure imposed by the donor.

1.8 FIXED ASSETS AND DEPRECIATION

All fixed assets are used in direct furtherance of the school's objectives. Fixed assets are included in these financial statements at their original cost less depreciation and accumulated impairment losses provided to date.

Assets that cost less than £1,000 are not capitalised and are written off in the year of purchase.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the costs less estimated residual value of each asset, by equal annual instalments, over their expected useful lives which are considered to be:

Leasehold property	20 - 99
Leasehold classrooms	33 years
Plant & equipment	4 years
Software	4 years

1.9 PENSIONS

The School contributes to the Teacher's Pension Defined Benefit Scheme at rates set by the Scheme Actuary and advised to the School by the Scheme Administrator. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the Charity. In accordance with FRS102 the Scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised as due by the Scheme Administrator.

The School also contributes to an auto-enrolment Work Save Pension Scheme run by Legal & General for all eligible non-teaching staff. This is a defined contribution scheme and the School's liability is restricted to the amount of contributions made.

1.10 LEASES

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

1.11 INVESTMENTS

Investments are valued in the balance sheet at their mid-market value at the balance sheet date. Investment management costs are accounted for as incidental costs of the acquisition or disposal where transaction-based, while investment income management costs are charged as expenditure out of the relevant income funds. Gains and losses are shown in the statement of financial activities.

1.12 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. There are 2 bank accounts in the name of the school.

Bishopsgate School Limited

ACCOUNTING POLICIES

for the year ended 31 August 2019

1.13 FINANCIAL INSTRUMENTS

The company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments. Financial instruments are recognised in the company's balance sheet 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.

With the exceptions of prepayments and deferred income all other debtor and creditor balances are considered to be basic financial instruments under FRS 102. See notes 14, 15 and 16 for the debtor and creditor notes.

1.14 TAXATION

The company is a registered charity and is exempt from taxation as afforded by Section 505 ICTA 1988.

1.15 EMPLOYEE BENEFITS

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

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.

In the opinion of the board of governors, 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.

Critical judgements

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. See note 15 for the carrying amount of the property, plant and equipment and note 1.10 for the useful economic lives for each class of asset.

Recoverable value of fee debtors

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 ageing profile of debtors and historical experience. See note 15 for the net carrying amount of the debtors and associated impairment provision.

Bishopsgate School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

3 FEE INCOME

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

The school's fee income comprised:

	2019 £	2018 £
Gross fees	4,858,405	4,431,933
Less: Discounts, scholarships and bursaries	(285,353)	(285,167)
	<u>4,573,052</u>	<u>4,146,766</u>

4 OTHER EDUCATIONAL INCOME

	2019 £	2018 £
Extras and disbursements	27,691	76,010
Registration fees	8,400	8,100
Other income	34,570	5,655
	<u>70,661</u>	<u>89,765</u>

5 OTHER TRADING INCOME

	2019 £	2018 £
Rent and lettings	35,629	31,023
Other income	97,659	103,476
	<u>133,288</u>	<u>134,499</u>

6 INVESTMENT INCOME

	2019 £	2018 £
Interest received	10,372	3,218
	<u>10,372</u>	<u>3,218</u>

7 DONATIONS AND GRANTS

	2019 £	2018 £
Donations and gifts	2,251	-
	<u>2,251</u>	<u>-</u>

Bishopsgate School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

8 EXPENDITURE

(a) Costs of Raising Funds	Staff costs (note 9)	Other	Depreciation	Total 2019
	£	£	£	£
Loan interest	-	1,419	-	1,419
Total Costs of Raising Funds	-	1,419	-	1,419
	Staff costs (note 8)	Other	Depreciation	Total 2019
	£	£	£	£
Teaching	2,414,667	271,315	-	2,685,982
Welfare	-	246,696	-	246,696
Premises and Estates	71,843	473,169	309,162	854,174
Administration	322,182	161,665	74,853	558,700
Governance	29,604	13,632	-	43,236
	2,838,296	1,166,477	384,015	4,388,788
	2,838,296	1,167,896	384,015	4,390,207

Costs of Raising Funds	Staff costs (note 9)	Other	Depreciation	Total 2018
	£	£	£	£
Loan interest	-	1,413	-	1,413
Total Costs of Raising Funds	-	1,413	-	1,413
	Staff costs (note 9)	Other	Depreciation	Total 2018
	£	£	£	£
Teaching	2,247,632	274,303	-	2,521,935
Welfare	-	246,609	-	246,609
Premises and Estates	71,848	438,572	305,968	816,388
Administration	248,605	143,713	55,442	447,760
Governance	31,544	13,140	-	44,684
	2,599,629	1,116,337	361,410	4,077,376
	2,599,629	1,117,750	361,410	4,078,789

Other Governance Costs include:

	2019	2018
	£	£
Auditors' remuneration		
- Audit Fees	10,476	10,074
- Accountancy Fees	3,156	3,036

Bishopsgate School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

	2019	2018
	£	£
(c) Administration Costs		
Salaries	255,059	201,516
National Insurance	25,795	19,582
Pension Costs	19,510	16,889
Redundancy Costs	12,500	-
Other Staff Costs	4,880	8,188
Staff Training	4,438	2,430
Subscriptions	13,315	12,029
Staff travel	19,177	15,116
IT support	21,352	39,866
Postage and stationery	19,858	16,450
Telephones	17,373	6,884
Marketing and advertising	17,267	13,869
Bad debts	4,580	3,527
Depreciation	74,853	55,442
Legal and Professional Fees	13,063	7,757
Other Administration Costs	35,680	28,215
	558,700	447,760

9 STAFF COSTS

	2019	2018
	£	£
Wages and salaries	2,278,034	2,098,317
Redundancy and settlement costs	12,500	-
Social security costs	221,630	203,612
Other pension costs	309,018	279,076
Other staff costs	17,114	18,624
	2,838,296	2,599,629

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

	2019	2018
	No.	No.
Teaching	67	63
Premises	3	3
Support	8	7
	78	73

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

	2019	2018
	No.	No.
£70,001 - £80,000	-	1
£100,001 - £110,00	1	1
	1	2

Key management personnel include the Governors and the senior executives which are made up of the heads and the bursars. The total pay and benefits received by key management personnel were £241,883 (2018: £221,253).

Bishopsgate School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

10 GOVERNORS REMUNERATION AND BENEFITS

There were no Governors' remuneration or other benefits for the year ended 31 August 2019 nor for the year ended 31 August 2018.

No Governors were reimbursed any expenditure during the year (2018: £nil).

11 NET INCOME FOR THE YEAR

	2019 £	2018 £
Net income is stated after charging:		
Depreciation of tangible fixed assets	384,015	361,410
Operating lease rentals – other	-	37,705
Auditor's remuneration		
Audit services for the school- current year	10,476	10,104
Non-audit services	3,156	3,036

12 TANGIBLE FIXED ASSETS

	Assets under Construction £	Leasehold Property £	Plant & Equipment £	Leasehold Classrooms £	Total £
Cost:					
At 1 September 2018	41,337	4,021,584	987,968	4,278,339	9,329,228
Additions	207,853	53,513	129,204	42,007	432,577
At 31 August 2019	249,190	4,075,097	1,117,172	4,320,346	9,761,805
Depreciation:					
At 1 September 2018	-	1,487,281	873,033	1,558,048	3,918,362
Charge for year	-	162,273	65,782	146,889	374,944
At 31 August 2019	-	1,649,554	938,815	1,704,937	4,293,306
Net book value:					
At 31 August 2019	249,190	2,425,543	178,357	2,615,409	5,468,499
At 1 September 2018	41,337	2,534,303	114,935	2,720,291	5,410,866

Bishopsgate School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

13 INTANGIBLE FIXED ASSETS

	Website & Software £	Total £
Cost:		
At 1 September 2018	34,109	34,109
Additions	20,339	20,339
At 31 August 2019	<u>54,448</u>	<u>54,448</u>
Amortisation:		
At 1 September 2018	3,982	3,982
Charge for year	9,071	9,071
At 31 August 2019	<u>13,053</u>	<u>13,053</u>
Net book value:		
At 31 August 2019	<u>41,395</u>	<u>41,395</u>
At 1 September 2018	<u>30,127</u>	<u>30,127</u>

14 INVESTMENTS

	Listed investments £	2019 £	2018 £
Cost/valuation At 1 September 2018	2,059,266	2,059,266	1,937,143
Additions	500,000	500,000	-
Gains/(Losses) arising from movements in valuations	214,323	214,323	122,123
Cost/valuation At 31 August 2019	<u>2,773,589</u>	<u>2,773,589</u>	<u>2,059,266</u>
Material Investments			
CAF Investment Fund	936,688	936,688	915,108
COIF Charities Investment	1,836,901	1,836,901	1,144,158
	<u>2,773,589</u>	<u>2,773,589</u>	<u>2,059,266</u>
Historical Cost	<u>2,100,775</u>	<u>2,100,775</u>	<u>1,600,775</u>

Bishopsgate School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

15 DEBTORS

	2019 £	2018 £
Fees and extras	86,043	39,121
Less provision for doubtful debts	(15,000)	(15,000)
Other debtors	13,072	313
Prepayments and accrued income	64,896	63,579
	<u>149,011</u>	<u>88,013</u>

16 CREDITORS

Amounts falling due within one year:	2019 £	2018 £
Trade creditors	96,425	24,766
Taxation and social security costs	54,446	55,281
Fee Deposits	38,525	29,605
Fees in advance	244,839	224,638
Other creditors	139,646	47,100
Accruals	34,536	45,062
	<u>608,417</u>	<u>426,452</u>

Deferred income:	2019 £	2018 £
Brought forwards	224,638	229,472
Released in year	(224,638)	(229,472)
Received in year	244,839	224,638
	<u>244,839</u>	<u>224,638</u>

Deferred income relates to schools fees received in advance for the following term.

17 CREDITORS DUE AFTER ONE YEAR

	2019 £	2018 £
Amounts falling due after more than one year:		
School fee deposits	196,475	174,145
	<u>196,475</u>	<u>174,145</u>

Bishopsgate School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

18 FINANCIAL INSTRUMENTS

	2019	2018
	£	£
Carrying amount of financial assets		
Financial assets measured at fair value through profit and loss	2,773,589	2,059,266
Debt instruments at amortised cost	104,414	42,318
Carrying amount of financial liabilities		
Measured at amortised cost	505,607	320,678

19 STATEMENT OF FUNDS

	At 1 September 2018 £	Income £	Expenditure £	Gains/ (losses) £	At 31 August 2019 £
Unrestricted funds:					
General reserve	8,899,941	4,789,624	(4,390,207)	214,323	9,513,681
Total funds	8,899,941	4,789,624	(4,390,207)	214,323	9,513,681

	At 1 September 2017 £	Income £	Expenditure £	Gains/ (losses) £	At 31 August 2018 £
Unrestricted funds:					
General reserve	8,482,359	4,374,248	(4,078,789)	122,123	8,899,941
Total funds	8,482,359	4,374,248	(4,078,789)	122,123	8,899,941

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted funds £	2019 Total £
Tangible fixed assets	5,509,894	5,509,894
Investments	2,773,589	2,773,589
Current assets	2,035,090	2,035,090
Current liabilities	(608,417)	(608,417)
Long term liabilities	(196,475)	(196,475)
Total net assets	9,513,681	9,513,681
	Unrestricted funds £	2018 Total £
Tangible fixed assets	5,440,993	5,440,993
Investments	2,059,266	2,059,266
Current assets	2,000,279	2,000,279
Current liabilities	(426,452)	(426,452)
Long term liabilities	(174,145)	(174,145)
Total net assets	8,899,941	8,899,941

Bishopsgate School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

21 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2019, the company had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2019 Land & Buildings	2019 Plant & Equipment	2018 Land & Buildings	2018 Office equipment
Due within one year	25,300	8,458	23,600	8,583
Due between two and five years	73,900	11,012	94,400	16,758
Due after more than five years	7,083	-	7,183	-
	<u>106,283</u>	<u>19,470</u>	<u>125,183</u>	<u>25,341</u>

22 RELATED PARTIES

Two (2018: One) members of the senior management team received discounts on schools fees totalling £17,303 (2018: £19,370) for Two (2018: Two) children attending the school.

23 MEMBERS LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

24 CAPITAL COMMITMENTS

The company had capital commitments contracted for but not provided for in these financial statements of £3,574,219 (2018: £Nil).

25 NOTES TO THE CASHFLOW STATEMENT

	2019 £	2018 £
Reconciliation of operating result to net cash inflow from operating activities		
Net movement in funds	613,740	417,582
Gains on investments	(214,323)	(122,123)
Depreciation	374,944	357,428
Amortisation	9,071	3,982
Bank interest received	(10,372)	(3,218)
Interest payable	1,419	1,413
Increase/(Decrease) in creditors	204,295	(132,449)
(Increase)/Decrease in debtors	(60,998)	672
	<u>917,776</u>	<u>523,287</u>

Bishopsgate School Limited

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2019

26 PENSIONS

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £283,286 (2018: £257,864) and at the year-end £35,388 (2018 - £34,284) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). 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 by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

The 31 March 2016 Valuation Report was prepared in accordance with the benefits set out in the scheme regulations and under the approach specified in the Directions, as they applied at 5 March 2019. However, the assumptions were considered and set by the Department for Education prior to the ruling in the 'McCloud/Sargeant case'. This case has required the courts to consider cases regarding the implementation of the 2015 reforms to Public Service Pensions including the Teachers' Pensions.

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards.

In view of the above rulings and decisions the assumptions used in the 31 March 2016 Actuarial Valuation may become inappropriate. In this scenario, a valuation prepared in accordance with revised benefits and suitably revised assumptions would yield different results than those contained in the Actuarial Valuation.

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

