

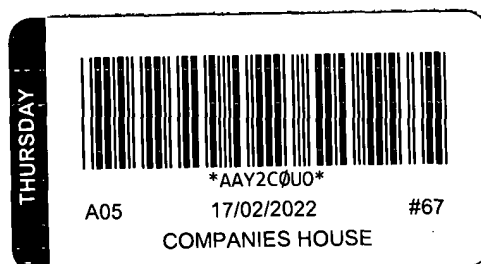
The Abbey School, Reading
(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

Year Ended

31 August 2021

Registered Number 0133676 (England and Wales)
Charity Number 309115



The Abbey School, Reading

Report and financial statements for the year ended 31 August 2021

Contents

Page:

1	Report from the Chair of the Governors
2	Governors, Council Members, Officers and Advisers
4	Annual Report by the Council (including Strategic Report)
15	Governors responsibilities
16	Independent Auditors Report
20	Consolidated statement of financial activities 2021
21	Consolidated statement of financial activities 2020
22	Consolidated and charity balance sheets
23	Consolidated statement of cash flows
24	Notes forming part of the financial statements

The Abbey School, Reading

Report of the Chair of the Governors for the year ended 31 August 2021

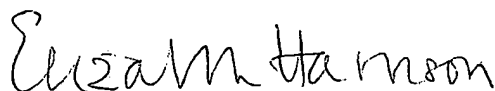
Arguably the most critical task that falls to School Governors is the appointment of the person they judge to be the right person to lead the school. In 2020 it fell to us to find and secure as our new Head someone who would not just continue the excellent work of Mrs Rachel Dent but who would be ready to guide the School to an even better future.

The decision to appoint Mr Will le Fleming was both easy and very challenging. Easy because he brought everything we were looking for in terms of his teaching and leadership experience, his imaginative approach to the development of our curriculum and all those other activities that make the education the Abbey offers so very special, and his engaging personal style. Challenging because he would be only the seventh Head of the Abbey School in our history and the first who was not an eminent female educationalist. The governors thought long and hard about whether the loss of a key female role model at the top of the School would send the wrong message to our students about where they might target their own ambitions. But we determined finally that what we needed was the person who was the best for the job now, and the job as it could develop, and that person was clearly Mr le Fleming. And I am delighted to report here that our choice has been justified in every possible way.

One of Mr le Fleming's earliest responsibilities was the appointment of our new Head at the Junior School, Mrs Nisha Kaura, and together they have navigated through what has surely been one of the most difficult years that schools have ever experienced. Not that our results suggest that. But we know it has been really tough for everyone - staff, students, families - this year. The Abbey community has been severely tested and has not been found wanting. Our students have continued to learn, in constrained face to face settings and online, and have delighted us with the results they have achieved. We want them to be able to approach everything they do with a sense of confidence, purpose and joy. And they have done so, with great resilience, despite continuously changing advice and circumstances. Our staff too, in teaching, administrative and support teams, have been wonderful. They have adapted to whatever circumstances have thrown at them; they have supported one another personally and professionally; they have continued to deliver first class experiences to our girls and outstanding individual support.

The school is fortunate to have a brilliant Governing Body. We have continued to meet regularly, more often than not via video link, with which we have become increasingly expert. I am very grateful to them for the time and the insight they bring to our deliberations. We have not set any of our ambitions for the School aside; we remain forward-looking and innovative. I am confident that the School's reputation will continue to be one of growing excellence, reflected in the rich student experience we offer across an enormous range of activities, subjects and undertakings, and the buildings, spaces and locations at our disposal.

The Annual Report provides the text and the numbers that describe this exceptional year. I commend it to you all.



Elizabeth Harrison
Chair of Governors

The Abbey School, Reading

Governors, Officers and Advisers for the year ended 31 August 2021

GOVERNORS

The Governors and their committees (represented by numbers) are as follows:

Mrs E A Harrison BA (Hons) MBA JP ^{1, 2, 3, 4, 5, 7}
Mrs J Butler FCA ^{1, 5}
Ms S Burgess BA MA ⁴
Mrs S Colebrook BSc PGCE ^{2, 8}
Mrs J L Cornell BA ^{2, 3, 4, 5} (resigned 6 December 2021)
Mr S Dimmick LLB ^{3, 5}
Mr M Emmanuel ^{1, 3}
Ms Robyn Field BA
Dr H Kemp BM BCh MSc PhD FRCA (appointed 22 March 2021)
Mr C O'Shea ¹ (appointed 28 September 2020)
Mr A Peach (appointed 22 March 2021)
Mr J Sheehan ^{3, 5, 6}
Mr C Singer BSc FIA ¹
Mrs E West LLB ^{2, 9}
Mr D N Williams BA MA PGCE ^{2, 4, 9}

Key:

1. Members of the Finance and General Purposes Committee
2. Members of the Leadership in Girls Education Committee
3. Members of the Estates Development Committee
4. Members of the Community Committee
5. Members of the Governance Committee
6. Lead Governor for Risk, Audit, and Compliance
7. Lead Governor for Human Resources
8. Lead Governor for Child Protection
9. Lead Governor for Early Years

Nominee members of the Council

The Bishop of Oxford
Vacancy

At the Annual General Meeting held on 6 December 2021 the appointments of Dr H Kemp and Mr A Peach were confirmed and the resignation of Mrs J Cornell was recognised.

The Governors are also Directors of the Company and Trustees of the Charity.

The Abbey School, Reading

**Governors, Officers and Advisers
for the year ended 31 August 2021 (continued)**

OFFICERS

The Executive Head	Mr Will le Fleming BA, MA (Cambridge)
Head of Junior School	Mrs Nisha Kaura BSc (Surrey), PGCW, Med (Buckingham)
Head of Finance and Resources	Mrs Nadine Doble BSC (Cardiff), ACMA
Head of External Relations	Mr Craig Andrew BA Hons (Rhodes), HDE MBA, LVO

ADDRESSES

Senior School	Junior School (Years 3-6)
17 Kendrick Road	30 Christchurch Road
Reading	Reading
RG1 5DZ	RG2 7AR
Junior School (Years 1 & 2)	Junior School (Nursery and reception)
12 Christchurch Gardens	2 Vicarage Road
Reading	Reading
RG2 7AH	RG2 7AJ

The School's registered office is 17 Kendrick Road, Reading, Berkshire, RG1 5DZ.

ADVISERS

Bankers:	HSBC UK Bank plc 26 Broad Street Reading RG1 2BU
Solicitors:	Blandy & Blandy LLP 1 Friar Street Reading RG1 1DA
Auditor:	BDO LLP Thames Tower, Station Road Reading RG1 1AZ
Investment advisers:	Charles Stanley & Company Ltd Dukes Bridge Chambers 1 Duke Street Reading RG1 4SA
Insurance brokers:	Marsh Brokers Ltd Schools Division Capital House 1-5 Perry Mount Road Haywards Heath, West Sussex RH16 3SY

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2021

The Governors of The Abbey School, Reading present their annual report for the year ended 31 August 2021 under the Companies Act 2006 and the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities Statement of Recommended Practice (SORP 2nd edition).

REFERENCE AND ADMINISTRATIVE INFORMATION

The Abbey School, Reading is a Company Limited by Guarantee and was registered on 31 January 1914. The Company registration number is 133676.

It is also a Charity, registration number 309115.

The Governors, Officers, Key Addresses and Advisers are set out on Pages 2 and 3.

The company has a wholly owned subsidiary, Abbey Commercial Enterprises Limited, the School's trading arm.

The school is an active member of the Headmasters and Headmistresses Conference (HMC), the Girls' Schools Association, the Independent Association of Prep Schools (IAPS), the Association of the Governing Bodies of Independent Schools and the Independent Schools' Bursars Association.

For the year 2020-2021 the Head was one of three local heads on the Headteachers' Engagement Group set up by the Berkshire West Safeguarding Children Partnership.

Volunteers

There is no shortage of volunteer support throughout the School, from parents assisting in reading classes in the Junior School, to helping out in the second-hand clothes shop, in the library and on school trips. Former pupils, Governors and other interested adults have also given freely of their time. All of this is very much valued by the School. Governors take this opportunity to say how much they appreciate the continuing and valuable support of volunteers to the School.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The School is governed by its Memorandum and Articles of Association, dated 4 December 2006 as amended by special resolution dated 6 December 2021.

Governing Body

The Governors are all Directors of the company and appoint new Governors either to fill a casual vacancy or by way of additions to the board. The total number of Governors shall be not less than twelve and not more than twenty-four. Of these, as far as is practicable, one Governor shall be the nominee of The Bishop of Oxford, one should be an alumna of the school and one a nominee of the parents of girls at the school. The nominee positions are ratified at a full Governors' meeting. Each Governor, other than the nominees, is elected for four years and retiring Governors can stand for re-election for one further term at the next Annual General Meeting.

Those who held office during the year are listed on Page 2.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2021 (continued)

Organisational management

The members of the Governing Body are legally responsible for the overall management and control of the School. The Governing Body meets at least three times a year. Much of the preparation for these meetings is undertaken by the Finance and General Purposes Committee (F&GP Committee) which meets before each Governors' meeting. The Chairman of the F&GP Committee is Mrs J Butler. The other principal committees are:

The Abbey Community Committee	chaired by Mrs J L Cornell,
Estates Development Committee	chaired by Mr M Emmanuel,
Governance Committee	chaired by Mr S Dimmick
Leadership in Girls Education Committee	chaired by Mrs S Colebrook,

In addition to these committees five Governors support the school by taking the lead on Risk, Audit and Compliance ('RAC'), Child Protection, Human Resources, Health & Safety, and Early Years.

Committee members and Lead Governors are listed on Page 2.

The day to day running of the School is delegated to the Head who is assisted in this by other members of the Executive Board: the Head of the Junior School, the Head of Finance and Resources, and the Head of External Relations. The Head and other members of the Executive Board attend meetings of the Governing Body and its Committees.

Recruitment and Training of Governors

The Governance Committee considers potential new Governors for eligibility, competence, specialist skills and availability. New Governors are given an induction into the workings of the School, including its policies and procedures, and are given a tailored induction pack. Training and bespoke courses are regularly offered to all Governors.

Corporate Governance

The governing body is mindful of the principles and recommended practice set out in the Charity Governance Code for larger charities, and believes that it applies, much evidenced in this annual report, the specified principles of organisational purpose, leadership, integrity, decision making, risk and control, board effectiveness, diversity, openness and accountability.

Risk Management

The Governing Body is responsible for ensuring that the risks faced by the Charity are properly assessed. It is aware of the importance of protecting the business as far as possible from operational and reputational damage, as well as from the risks of unpredictable crisis and disaster. Risks are examined each year when updating the Risk Register and in the process of strategic planning.

The generic key controls used by the School to manage risk include:

- Annual review of the Risk Register, in detail by the lead Governor on Risk Audit and Compliance, and reviewed by Council
- Formal agendas and minutes to support decisions on all Committee and Governing Body activities
- Terms of Reference for all Committees
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational and governance structure and lines of reporting
- Formal written policies
- Vetting procedures as required by law for the protection of vulnerable people
- Clear hierarchical authorisation and approval levels

The above structure formalises the risk management processes established for the Charity.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2021 (continued)

Risk Management (continued)

Through these processes, the Governors identify the major risks to which the Charity is exposed and review the systems and procedures established to manage them. Nevertheless, it is recognised that such systems can provide only reasonable but not absolute assurance that major risks have been adequately addressed and can be managed.

Pay policy for senior staff

The pay of senior staff is reviewed annually, and includes comparisons with other independent schools. Being located in the South East where there are significant costs in relation to housing The Abbey keeps abreast of pay and employment conditions elsewhere.

OBJECTIVES AND AIMS

Charitable Objectives

The objects of the School are set out in the Memorandum of Association. The main object is summarised as the running of a School to provide a general education which includes religious instruction in the doctrines and duties of the Church of England.

The Charity's Aims

As an educational charity for girls aged 3-18, The Abbey School exists to provide an outstanding, challenging and fulfilling education for girls that equips them to live with confidence, purpose and joy.

Working in partnership with families, the School supports each individual student to expand their horizons, discover their passions and fulfil their potential. The School offers academic excellence, extra-curricular opportunity and pastoral assurance within an environment prioritising kindness and fellowship.

The School's objective over 130 years of leadership, innovation and reform has been to provide a liberal, practical and general education:

Liberal in thought, tolerance, and generosity.

Practical in preparing students to face a changing world on their own terms, excited by opportunity, resolute towards uncertainty and committed to leadership and service.

General in the remarkable breadth and range of experience and encouragement to participate.

Key Objectives

The School's strategy sets out seven key objectives in three areas: student experience, community and future development. These objectives span the academic and all-round education of students; pastoral care; the strength and diversity of the community; connections with the wider world; an outward-looking perspective and innovative approach; and the highest standards in the maintenance of the School's estates, finance and compliance. All the objectives seek to bring about the charity's overall aim as specified above. A particular focus within the seven key objectives is on outreach, access to education via bursary support, and involvement in philanthropic and community initiatives to ensure the broadest possible public benefit both locally and further afield.

Measurement of Objectives

In furtherance of these objectives the Governors, as charity trustees, have complied with their duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's published general guidance concerning the operation of the public benefit requirement under that Act.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2021 (*continued*)

Strategic Report

The Head and the Executive Board continue to lead the School, and work with the Governing Body to create and pursue a new three-year strategic plan across all areas of the School's operations.

The School has reviewed its use of space and has in place a plan, still capable of being refined, for all of its diverse sites. This plan seeks to ensure their most effective use as well as the best possible contribution to the local area and community. It also takes into account key environmental priorities. Recent projects have included a major extension and development of the Junior School site and the sympathetic renovation of one of the School's signature spaces, Knell House, home to nursery and Reception.

Also part of the strategic plan, the School continuously looks to raise bursary funds to ensure that girls can continue in the future to enjoy an Abbey education whatever their financial circumstances.

ACHIEVEMENTS AND PERFORMANCE

Summary

The Abbey is one of the country's foremost independent girls' schools from 3-18. The School at present educates around 1,000 girls in a lively, vibrant learning environment. It has identified four qualities that help to define an Abbey education:

- Unrivalled breadth, depth and excellence of provision
- Excitement and delight in discovery
- Innovation and international outlook
- Exceptional individual attention and care from truly remarkable staff

At the heart of this is the focus on each individual student and celebrating and cherishing them for what they offer. The School supports each student to be motivated by the joy of what they do and the support of staff and peers to achieve more than they would have imagined possible.

In the Sixth Form the School offers two principal pathways: the A Level programme and the International Baccalaureate Diploma Programme. Results in both and in GCSEs were again outstanding. At GCSE around 90% of results were at 9-7 (A*-A). In A Levels the around 70% of results were at A*-A. In the IB Diploma the average student score was over 40 points from a maximum of 45 points against a global average of 33. Remarkably four students achieved the rare feat of a maximum score of 45. These results are outstanding in themselves but the chief source of pride is the resilience of students who achieved them despite the disruption and uncertainty caused by the Covid-19 pandemic.

All-round education and personal development share equal importance with academic success. The School offers eight principal streams of practical and creative activity: music, art, drama, sport, textile design, food technology, outdoor education and a wide range of club activities. All of these areas feature significant student leadership and the opportunity to learn skills that will help all students contribute to their communities. In addition, thriving Duke of Edinburgh, Abbey Award and Creativity, Activity and Service (CAS) programmes prepare students both for service and leadership in the wider world.

All these areas allow for individual excellence. Abbey students routinely achieve the highest levels in music examination and performance, play sport representatively for counties and nationally, and win awards for creative and research work. However, of equal importance is the opportunity they provide for participation for all. Entire cohorts participate in voluntary programmes and charity work and learn to collaborate and contribute. The School's core purpose is to develop confidence, purpose and joy in students and this places personal development at the heart of the education it offers. Students actively campaign in areas such as diversity, the environment, gender relations and equality. The desire to make a difference, the knowledge and skills to do so effectively, and the resilience and confidence to see things through are key elements in the leading educational experience the School provides.

The Abbey School, Reading

**Annual report by Council
for the year ended 31 August 2021 (*continued*)**

Beneficiaries of the School's charitable work - partnerships with local schools and the community

Under both the International Baccalaureate course which includes a 'Creativity, Activity and Service' component, and The Duke of Edinburgh's Award Scheme which includes a volunteering strand - 6 months of volunteering for Silver and 12 months for Gold – our girls have ample opportunity to support local schools and the local community. Once again, beneficiaries have included the Royal Berkshire Hospital and MacMillan Cancer Support amongst others.

A great deal of energy goes, likewise, into Reading Refugee Support. Many girls volunteer at our after-school refugee homework club. The children come to the Abbey twice a week (girls and boys) to receive support from our Upper Fifth and Sixth Form students, and while the children are working, their parents are offered refreshments and take the opportunity to socialise. This is a highly valued service that delivers real educational benefit for the pupils attending, children who often cannot receive the support they need at home due to language difficulties and the challenge of understanding the British curriculum. In order to ensure the continued success of the homework club, the Abbey makes a minibus available to transport the families to and from the school.

One of the members of our staff room helps out with university applications at the nearby Blessed Hugh Faringdon Catholic School.

Other beneficiaries of the School's charitable work - charity donations and other input

In a year with school attendance significantly affected by Covid, there were fewer opportunities for fundraising events and activities. Pupils and staff at the Abbey school remain keen to be involved in supporting outside charities, and in addition to much valued volunteer contributions, we collected and made donations of over £5,000 to a range of charities chosen by the girls which included Jeans for Genes, the British Asian Trust, and Ufulu.

Community Use of facilities

The Abbey School supports its charitable objects within the community by making its facilities available for public benefit. We share our facilities, including the halls, the all-weather sports pitches, the gymnasium and the indoor swimming pool with local schools and community groups. Amongst the beneficiaries during the year were:

- Swim England Synchro Assessments
- Reading University Water Polo Team
- GB Paralympic Rowing Team - capsized drills
- Reading Lacrosse Club
- Berkshire Junior Chess
- Reading Bowling Club
- Reading Korean School
- Parenthesis Choir
- West Forest Sinfonia
- Berkshire Maestros
- School of the Arts
- Stagecoach Reading East
- Reading School
- Woodley Netball Club
- RABBLE Theatre
- Bulmershe Gymnastics Club

The Abbey School, Reading

Annual report by Council
for the year ended 31 August 2021 (continued)

Energy and Carbon Reporting

	31 August 2021	31 August 2020
Energy consumption in KWh	3,847,073	3,170,816
Associated emissions in tonnes CO ₂ e	744.63	643.01
Intensity ratio - tonnes	0.74	0.67

Measures taken to improve energy efficiency include:

- Extensive deployment of LED light fittings
- Installation of various low energy convector heating systems
- Chemical and power cleansing of all heating service pipework and radiators

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol - Corporate Standard and have used the 2021 UK Government's Conversion Factors for Company Reporting.

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

Engagement with employees

The School is committed to regular and transparent sharing of information with all staff and to providing opportunities for collaborative consultation. Regular online and in-person briefings and meetings are held and information is also widely disseminated via email and via collaborative discussion tools such as Jamboards. The School intranet contains news, policies, and other information, accessible to all staff. Important updates affecting employees are often shared in advance to allow for feedback and improvement before final decisions are confirmed. During the year the School produced a new three-year strategy, created in consultation with many staff, and shared with all employees for input and comment before its confirmation by Governors. With regard to disability the school's active policy is to promote equal opportunities and oppose discrimination on the grounds of disability.

Engagement with suppliers, the parent body, and other business relationships

We recognise the need to maintain and foster good relationships with our suppliers, the parent body, and others, and we monitor closely our dialogues with all of them. Our key business managers have all been in post for a number of years and have developed strong and positive relationships with those with whom we deal. Payments due to us are by and large collected efficiently and, when necessary, with sensitivity, and we pay staff and suppliers promptly and accurately, with supporting information always provided for clarity. On matters of schooling we engage positively with our students and their parents through a variety of activities and communications. Many of these processes are two-way: we listen carefully to the voices of our highly articulate pupils and the valued feedback and opinions of their parents. During the course of the year we announced our intention to create a new parent organisation, The Abbey Parents' Society (TAPS), to improve our sense of a shared community still further.

Promoting the success of the school

The Governors and the school's executives seek successful outcomes from all of the activities they pursue. In determining the most appropriate way of achieving the desired results, their decisions take account of the interests of, and the impact on, students, the parent body, staff, suppliers, the environment, the local community, and all others likely to be affected. We strive continually not only to maintain but also to enhance our hard-won reputation for integrity and high standards of both conduct and achievement.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2021 (continued)

Financial Assistance

The School has a policy on financial assistance, including bursaries of up to 100%, and this is advertised on its website, and at open days. The Bursary Fund was established over 30 years ago with the specific aim of generating funds in order to offer places to pupils who would otherwise not have access to education at the school. The value of the fund is £1million and will be maintained at this figure.

Academic scholarships worth 10% of tuition fees are offered (which can be supplemented with a means-tested Bursary). Specialist scholarships are offered at the point of entry to the Senior School and, as noted above, there are further opportunities for students to win scholarships in all disciplines as they make progress through the School.

The Head has the authority to award additional scholarships to very able pupils. Parents who cannot afford to pay the fees in full or in part can apply for a means-tested Abbey School Financial Bursary. The Abbey School Scholarship and Bursary policy allows up to a total of 6% of the current level of annual gross fee income for these awards. All awards are tenable subject to satisfactory attendance, conduct and progress.

Temporary financial assistance may be available to parents who find themselves with short term financial difficulties. This is means-tested and offered at the discretion of the Head.

Wider access to Schooling was achieved in 2020/21 with a total of £281,181 (2019/20 - £309,117) awarded in scholarships, grants, prizes and other awards. 51 hardship cases received financial support amounting to £464,364 (2019/20 - 53, £484,497) towards fees, equivalent to 25 full senior fee places.

40% of the pupils of the senior School (2019/2020 - 40%) received some form of financial assistance with their fees. This figure does not include staff discounts.

Staff fee discounts and benefits

A fee discount of up to 30% is offered to staff with daughters at the School. In 2020/2021 31 members of staff received this discount at a value of £133,000 (in 2019/2020, 28 members of staff at a total value of £124,000).

A salary sacrifice scheme for School fees remained in place for such members of staff until April 2021 when it ceased in accordance with HMRC regulations.

Other pupil benefits

The Childcare Vouchers Scheme is available, as is a 5% third sibling discount.

Income from investments

Income from investments is reinvested, while operating surplus is used to maintain the scholarship and bursary funds, including temporary financial assistance. The investment fund is available to support the bursary fund when required.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2021 (continued)

FINANCIAL REVIEW

Financial Results

The consolidated Statement of Financial Activities on page 20 shows the Net Movement in Funds for 2021 as a surplus of £632,045 (2020 - £128,743).

The School had a surplus for the year of £646,300 (2019/2020 - £149,764). The surplus before depreciation and interest is 12.9% (2020 - 10.4%).

The Balance Sheet on page 22 shows Net Current Liabilities of £2,117,395 (2020 - £3,121,673). During the year, as planned, the School took a £2m bank loan to fund its ongoing programme of planned capital investment. Of this amount £1.7m falls due after more than one year.

In the opinion of the Governors the market value of the land and buildings of the School is not less than the book value in the accounts.

Investment policy and performance

The overall investment objectives of the School are to create sufficient funds through income and capital in order to enable the School to carry out its purposes consistently, year by year, and with due and proper consideration for future needs. They include the maintenance of and, if possible, enhancement of the value of the invested funds while they are retained.

The School's investment performance is measured regularly against a benchmark, currently named the MSCI PIMFA Private Investor Balanced Index. For this year our total return of 19.3% was slightly higher than the Index, which was 18.0%.

The School's investments are managed by Charles Stanley and Company Limited under the supervision of Governors. At 31 August 2021 investments, of which the majority were UK listed equities, with a market value of £1,745,910 (2020 - £1,463,595), represented designated funds. Their market value at 31 August 2021, reflecting recovery in the global market following depression caused by Covid-19, contributed to a net investment gain of £267,174 (2020, a loss of £46,536).

The Governors are authorised by the Memorandum of Association to invest monies not immediately required for the School's purposes in investments, securities or property as may be thought fit. This will be reviewed closely in the light of the fluctuations caused by Covid-19.

Reserves Policy

The Governors' policy is to build up funds out of annual operating surpluses, subject to the prior demands of further capital expenditure to equip the School with the up to date facilities needed to maintain the standard of educational services currently provided.

The Governors aim to maintain general reserves equivalent to at least 3 months of operating expenditure for the school. Excluding the designated Bursary Reserve of £1m, general reserves at 31 August 2021 were £15.5 m, which represents over 11 months of unrestricted operating expenditure. These reserves ensure the school can fulfil and complete its charitable obligations and commitments.

Notes 22 and 23 show the allocation of the reserves between those designated for specific purposes and those available for the day to day requirements of the School.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2021 (*continued*)

Fundraising Policy

In the financial year the School did not actively fundraise from the public or run legacy campaigns or undertake similar fundraising activities directly or indirectly. Any donations received have been unsolicited, and the School has no plans to actively fundraise from the public for the foreseeable future.

GOING CONCERN

The Governors review the School's financial performance and plans at each Council meeting (usually 4 per year) along with our principal financial risks. In March, and again in June and September, they were satisfied that the School had sufficient resources to continue operating for the foreseeable future, and the accounts for the year ended 31 August 2021 have been prepared in the knowledge that the School is a financially viable organisation.

The effect of Covid-19 was most recently assessed by the Governors' Finance and General Purposes Committee in October and again in November 2021, reviewing our ongoing forecasts and projections to ensure that the School remains financially viable. With regard to the next accounting period, the year ending 31 August 2022, the most significant areas that are likely to affect the School's net assets are, much as they were last year, our ability to maintain firstly pupil numbers and secondly the continuing provision of education, whether on site or remotely or, more probably, with a mixture of the two. The key elements here are our level of income and control of costs.

Looking to our ongoing and future activities, the Governors take encouragement from the Covid-19 related experiences of Summer 2020 and the academic year 2020-2021. We have built firmly on the foundations we laid early on, demonstrating innovation, improvisation, dynamism and, as we noted last year, great resilience, with our success due to the hard work and dedication of teachers, pupils, their parents, and our IT and other support departments. We shall continue to pursue our ambitions, not least our future building plans, while ensuring that the School's financial resources and cash flow are not put under too great stress.

These resources depend naturally on our pupil numbers which fell in the year 2019-2020, but rose in the year just ended, and for the current year have remained firm with in fact a slight increase. We have seen an encouraging level of interest from prospective joiners, but we also recognise there will be falls when older year groups with higher numbers depart and younger year groups with lower numbers join.

The School has a strong asset base and generates a positive cash flow from its operations, and the Governors will continue to monitor and review financial and operating plans with the School's executive team to maintain a robust financial footing as we move forward. We are of the opinion that the charity will continue to have sufficient resources to meet its liabilities as they fall due and as such we remain satisfied that The Abbey School can continue operating for the foreseeable future and our accounts have been prepared in the knowledge that the School is a financially viable organisation.

The Abbey School, Reading

**Annual report by Council
for the year ended 31 August 2021 (*continued*)**

OTHER RISKS AND UNCERTAINTIES

An unexpected fall in pupil numbers would represent a significant risk to the School, and could result in inappropriate investment decisions being made as a result of over-optimistic financial planning. Our regular review of current and projected pupil numbers provides a check that our budgets for future years are realistic. Any significant reduction in numbers would prompt immediate review action.

The full economic impact of the UK government's decision to withdraw from membership of the European Union is as yet unknown. Economic uncertainty is a significant factor for parents considering education in the Independent School Sector and the Governing Body, through the Risk, Audit and Compliance Committee will continue to monitor this potential risk, and all committees, as a standing item, will consider the impact of Brexit on their area of responsibility.

Beyond Covid-19, other aspects of Health and Safety represent a significant area for risk management. The risks range from fire and other damage to infrastructure to personal risks (most notably when away from the campus on trips and expeditions). There is a regular risk audit, and continuity plans are in place to ensure the school continues to function effectively in the event of a major incident such as fire or flood.

The Governing Body is satisfied that for all major risks identified for the group, appropriate controls have been put in place and maintained to mitigate those risks adequately. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

FUTURE OBJECTIVES

The Governors and the Executive Board look forward positively to the challenges that lie ahead, and remain committed to keeping The Abbey at the forefront of education. Our three-year strategic plan lays out seven key goals:

Experience

Academic education: we seek to provide excellence and curriculum breadth, valuing and celebrating each individual's personal best endeavour and prioritising curiosity and the love of learning. We aim to ensure outstanding results supporting access to competitive outcomes and encourage ambition, range and individuality in the next stage of our students' education.

All-round education: we seek the widest range of activities and greatest opportunity for student leadership in the co-curriculum, *stretching the most able and encouraging the participation of all.*

Pastoral care: we seek to help students build resilience and positive mental health, understanding how to look after themselves and others, and to provide the right support quickly when it is needed based on knowing and valuing each student as individuals.

Community

People: we seek to develop and celebrate the experience of learning and working at The Abbey to ensure continued strong numbers of diverse and talented applications from staff and students, supported by a far-reaching bursary programme. We recognise that our strength as a school is founded on the generous and whole-hearted commitment of remarkable students and staff.

Connections: we seek to promote an inclusive sense of common purpose and belonging across our own community of students, staff, families and alumnae and to make connections both locally and globally. We encourage meaningful participation in philanthropic and wider community initiatives to bring mutual benefit and enrichment to as wide an audience as possible.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2021 (continued)

FUTURE OBJECTIVES (continued)

Future

Outward-looking perspective and innovation: we seek to foster an international outlook that champions diversity and encourages engagement with the world. We look to play an active part in the wider educational arena and commit to a culture of open self-evaluation driving innovation and improvement.

Estates, finance and compliance: we seek to maintain and develop our estate, our finances and our bursary programme sustainably, with confidence and good sense and to ensure financial good health based on appreciation for the support and commitment of our families. We look to meet and exceed compliance standards in all areas of our operations.

The plan sets out 23 targets to achieve these goals. These include the establishment of a Governors' Futures Working Group to inform planning and strategic direction over a longer time scale. We remain committed to the highest standards in educational innovation and to the widest possible access and wider benefit from our education. We seek to equip girls to face the future on their own terms, driven above all by courage, honesty and kindness. We believe this will allow them to live the fullest possible lives and to make the greatest contribution to their communities and to society as a whole.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors Report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the School's auditor are unaware; and
- that Governor has taken all steps that ought to have been taken as a Governor in order to be aware of any relevant audit information needed by the School's auditors in connection with preparing their report and to establish that the School's auditors are aware of that information.

AUDITOR

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of BDO LLP as auditors to the company will be put to a Special General Meeting.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of The Abbey School at a Special General Meeting on 6 December 2021, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf.

By order of the Governors



E A Harrison
Chair of Governors

Date:

6 December 2021

The Abbey School, Reading

Governors' responsibilities for the year ended 31 August 2021

STATEMENT OF RESPONSIBILITIES OF COUNCIL

The Governors (who are also directors of The Abbey School for the purposes of company law and trustees for the purpose of charity law) are responsible for preparing the Governors' Annual Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Governors to prepare financial statements for each financial year. 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 charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group 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 estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Abbey School, Reading

Report of the Independent Auditor to the Governors of The Abbey School, Reading

Opinion on the financial statements

In our opinion, the financial statements:

- give a true and fair view of the state of the Group's and of the Parent Charitable Company's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources;
- 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.

We have audited the financial statements of The Abbey School ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities (incorporating income and expenditure accounts), Consolidated and Charity Balance Sheets, Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice)¹.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We remain independent of the Group and Parent 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.

Conclusions related to going concern

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Group and the Parent Charitable Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

The Abbey School, Reading

Report of the Independent Auditor to the Governors of The Abbey School, Reading (continued)

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Other Companies Act 2006 reporting

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

- the information given in the Annual Report by the Council, which includes the Directors' Report and the Strategic report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic report and the Directors' Report, which are included in the Annual Report by the Council, have been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic report or the Annual Report by the Council.

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

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

Responsibilities of Governors

As explained more fully in the Governors' responsibilities statement, the Governors (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 Governors determines 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 Governors are responsible for assessing the Group's and the Parent 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 Governors either intend to liquidate the Group or the Parent Charitable Company or to cease operations, or have no realistic alternative but to do so.

The Abbey School, Reading

Report of the Independent Auditor to the Governors of The Abbey School, Reading (continued)

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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

Extent to which the audit was capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Group, the Parent Charitable Company and the industry in which it operates, we identified that the principal laws and regulation that directly affect the financial statements to be the Companies Act 2006, the Charities Act 2011, Charities SORP and relevant Tax legislation. We assessed the extent of compliance with these laws and regulations as part of our procedures on the related financial statement items.

In addition the Group and Parent Charitable Company is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or litigation. We identified the following areas as those most likely to have such an effect: Employment Law, Data Protection and Health and Safety Legislation. Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Governors and other management and inspection of regulatory and legal correspondence if any.

Audit procedures capable of detecting irregularities including fraud performed by the engagement team included:

- Performing analytical procedures to identify unusual or unexpected relationships that may indicate risks of material misstatement due to fraud. Areas of identified risk are then tested substantively;
- Discussion with management, including consideration of known or suspected instances of non-compliance with laws and regulations and fraud;
- Reading minutes of meetings of those charged with governance to identify any actual or potential frauds or any potential weaknesses in internal control which could result in fraud susceptibility;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Carrying out detailed testing, on a sample basis, of transactions and balances agreeing to appropriate documentary evidence;
- In addressing the risk of fraud in income recognition we considered management's incentives and opportunities for fraudulent manipulation of the financial statements and designed specific audit tests to respond to this risk, in particular tests to address the completeness of income risk; and
- In addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments.

The Abbey School, Reading

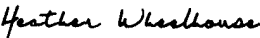
Report of the Independent Auditor to the Governors of The Abbey School, Reading (*continued*)

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's ("FRC's") website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

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

DocuSigned by:

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Heather Wheelhouse (Senior Statutory Auditor)
for and on behalf of BDO LLP, statutory auditor
Reading, UK

Date: 10 December 2021

BDO LLP is a limited liability partnership registered in England & Wales (with number OC305127)

The Abbey School, Reading

Consolidated Statement of Financial Activities (incorporating an Income & Expenditure Account) for the year ended 31 August 2021

		Unrestricted funds		Restricted funds	Total 2021	Total 2020
	Note	General funds	Designated funds			
		£	£	£	£	£
INCOME FROM:						
Government grants	4c	89,864	-	-	89,864	429,809
Charitable activities						
School fees	4a	16,362,449	-	-	16,362,449	15,602,258
Ancillary income	7	614,787	-	-	614,787	835,415
Other trading activities						
Trading income	14	61,116	-	-	61,116	73,216
Non-ancillary income	5	178,168	-	-	178,168	90,489
Investments	6	-	31,843	-	31,843	33,213
Donations		26,888	-	17,044	43,932	57,575
Total income		17,333,272	31,843	17,044	17,382,159	17,121,975
EXPENDITURE ON:						
Charitable activities	8	16,492,037	464,364	7,544	16,963,945	16,910,847
Raising funds	9	26,854	16,703	-	43,557	28,221
Trading costs	14	9,786	-	-	9,786	7,628
Total expenditure		16,528,677	481,067	7,544	17,017,288	16,946,696
Net income before gains and transfers		804,595	(449,224)	9,500	364,871	175,279
Net gain on investments	14	-	267,174	-	267,174	(46,536)
Transfers between funds	22	(182,050)	182,050	-	-	-
Net movement in funds		622,545	-	9,500	632,045	128,743
Total funds brought forward	22	14,850,697	1,000,000	28,706	15,879,403	15,750,660
Total funds carried forward	22	15,473,242	1,000,000	38,206	16,511,448	15,879,403

All amounts relate to continuing activities. All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 24 to 43 form part of these accounts.

The Abbey School, Reading

Consolidated Statement of Financial Activities (incorporating an Income & Expenditure Account) for the year ended 31 August 2020

		Unrestricted funds		Restricted funds	Total 2020	Total 2019
	Note	General funds £	Designated funds £	£	£	£
INCOME FROM:						
Government grants	4c	429,809	-	-	429,809	-
Charitable activities						
School fees	4a	15,602,258	-	-	15,602,258	16,568,432
Ancillary income	7	835,415	-	-	835,415	1,019,559
Other trading activities						
Trading income	14	73,216	-	-	73,216	91,403
Non-ancillary income	5	90,489	-	-	90,489	26,228
Investments	6	-	33,213	-	33,213	38,493
Donations		21,283	-	36,292	57,575	36,437
Total income		17,052,470	33,213	36,292	17,121,975	17,780,552
EXPENDITURE ON:						
Charitable activities	8	16,418,191	485,070	7,586	16,910,847	17,149,400
Raising funds	9	11,788	16,433	-	28,221	44,697
Trading costs	14	7,628	-	-	7,628	23,794
Total expenditure		16,437,607	501,503	7,586	16,946,696	17,217,891
Net income/ (expenditure) before gains/(losses) and transfers		614,863	(468,290)	28,706	175,279	562,661
Net (loss)/gain on investments	14	-	(46,536)	-	(46,536)	39,743
Transfers between funds	22	(514,826)	514,826	-	-	-
Net movement in funds		100,037	-	28,706	128,743	602,404
Total funds brought forward	22	14,750,660	1,000,000	-	15,750,660	15,148,256
Total funds carried forward	22	14,850,697	1,000,000	28,706	15,879,403	15,750,660

All amounts relate to continuing activities.

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

The notes on pages 24 to 43 form part of these accounts.

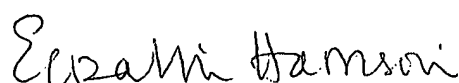
The Abbey School, Reading

Balance sheets at 31 August 2021

Company number 0133676	Note	Group 2021 £	Group 2020 £	School 2021 £	School 2020 £
Fixed assets					
Tangible assets	13	18,630,363	19,374,674	18,630,363	19,374,674
Investments	14	1,745,910	1,463,595	1,745,912	1,463,597
		<u>20,376,273</u>	<u>20,838,269</u>	<u>20,376,275</u>	<u>20,838,271</u>
Current assets					
Debtors	15	375,339	401,071	392,423	417,228
Cash at bank and in hand	28	690,564	400,792	630,882	328,383
		<u>1,065,903</u>	<u>801,863</u>	<u>1,023,305</u>	<u>745,611</u>
Creditors: amounts falling due within one year	16	(3,183,298)	(3,923,536)	(3,173,035)	(3,913,874)
Net current liabilities		<u>(2,117,395)</u>	<u>(3,121,673)</u>	<u>(2,149,730)</u>	<u>(3,168,263)</u>
Total assets less current liabilities		<u>18,258,878</u>	<u>17,716,596</u>	<u>18,226,545</u>	<u>17,670,008</u>
Creditors: amounts falling due after more than one year	17	(1,747,430)	(1,837,193)	(1,747,430)	(1,837,193)
Net assets	23	<u>16,511,448</u>	<u>15,879,403</u>	<u>16,479,115</u>	<u>15,832,815</u>
Funds					
General funds	22	15,473,242	14,850,697	15,440,909	14,804,109
Designated funds	22	1,000,000	1,000,000	1,000,000	1,000,000
		<u>16,473,242</u>	<u>15,850,697</u>	<u>16,440,909</u>	<u>15,804,109</u>
Restricted funds	22	<u>38,206</u>	<u>28,706</u>	<u>38,206</u>	<u>28,706</u>
Total	22	<u>16,511,448</u>	<u>15,879,403</u>	<u>16,479,115</u>	<u>15,832,815</u>

The charitable company has taken advantage of section 408 of the Companies Act 2006 not to publish its own statement of financial activities. The parent company's net surplus for the year was £646,300 (2020 - £149,764 net income).

The financial statements were approved and authorised for issue by the Board of Governors of The Abbey School, Reading on 6 December 2021 and signed on their behalf by:



E A Harrison
Chair of Governors



J Butler

The notes on pages 24 to 43 form part of these accounts.

The Abbey School, Reading

Consolidated statement of cash flows for the year ended 31 August 2021

	Note	Group 2021 £	Group 2020 £
Cash flows from operating activities			
Net cash provided by operating activities	27	2,273,010	483,552
Cash flows from investing activities			
Dividends and interest on investment portfolio		31,843	33,213
Purchase of tangible fixed assets		(694,548)	(1,404,348)
Purchase of investments		(260,528)	(247,752)
Receipts from sale of investments		157,051	250,248
Net cash used in investing activities		(766,182)	(1,368,639)
Cash flows from financing activities			
Receipt of new bank loan		2,000,000	2,000,000
Repayment of borrowing		(2,073,633)	-
Interest paid		(56,338)	(36,009)
Net cash (used in)/provided by financing activities		(129,971)	1,963,991
Increase in cash and cash equivalents in the year		1,376,857	1,078,904
Cash and cash equivalents at the beginning of the year		(1,308,575)	(2,387,479)
Total cash and cash equivalents at the end of the year	28	68,282	(1,308,575)

The notes on pages 24 to 43 form part of these accounts.

The Abbey School, Reading

Notes forming part of the financial statements for the year ended 31 August 2021

1 Company information

The Abbey School is a charitable company limited by guarantee (registered number 0133676 and charity number 309115), incorporated in England and Wales under the Companies Act 2006 and the Charities Act 2011. The address of the registered office is given within the Governors, Officers and Advisors section on page 3.

2 Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (The Charities SORP 2nd Edition effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and 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 £.

The Charity meets the definition of a public benefit entity under FRS 102.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied consistently:

Basis of consolidation

The group accounts consolidate the accounts of The Abbey School, Reading and its subsidiary undertaking, Abbey Commercial Enterprises Limited on a line by line basis. The accounts are made up to 31 August 2021. No separate statement of financial activities or income and expenditure has been presented for the charitable company alone as permitted by the Companies Act 2006 and the 2015 Charities SORP.

The results of the subsidiary undertaking for the year are disclosed in note 14 of the accounts.

FRS102 allows qualifying entities certain disclosure exemptions. The charity, only, has taken advantage of the exemptions for the following disclosure requirement:

- Section 7 "Statement of Cash Flows" - presentation of an entity only Statement of Cash Flow and related notes and disclosures; and
- from the financial instruments disclosures, required under FRS 102 para 11.40 to 11.48A and para 12.26 to 12.29, as the information is provided in the Group financial disclosures.

The Abbey School, Reading

Notes forming part of the financial statements for the year ended 31 August 2021 (continued)

2 Accounting policies (continued)

Going concern

The Governors note that the group has net current liabilities of £2,117,395 (2020 - £3,121,673) at the balance sheet date. They have considered the current year's positive net movement in funds, the projected gross operating surplus and cash flow projections for future years. These indicate that within, and without exceeding, the arrangements established with their bankers the school will be able to meet its liabilities as they fall due. The school has agreed and drawn down from the bank a term loan.

The Governors have no reason to believe that the current banking facilities will not be continued when they are reviewed in May 2022. They confirm that there is no material uncertainty as to the future of the school, and accordingly they continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of Governors' responsibilities.

Fund accounting

General funds are unrestricted funds that are available for use at the discretion of the Governors in furtherance of the general objectives of the charitable company and have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. Details of these reserves, as applicable to the charity, are set out in note 22.

Restricted funds are funds where specific conditions imposed by the donor would restrict the use of unspent funds or where the terms of the appeal restrict the use of the funds.

Investment income and gains are allocated to the appropriate fund.

Incoming resources

All incoming resources are included in the statement of financial activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised as income in the period in which it becomes receivable and the related expense is incurred.

Fees and similar income

Fees receivable, charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, bursaries and other remissions granted by the school. Means tested bursaries which provide financial assistance to parents, are treated as expenditure from the designated fund within the statement of financial activities.

Fees received for education to be provided in future years are carried forward as advance fee scheme payments and fees received in advance in the balance sheet. These fees are released to the statement of financial activities over the period in which the school provides the services in future years.

Donations

Donations received for the general purposes of the School are credited to unrestricted funds. Donations subject to specific wishes of the donors are credited to the relevant restricted fund.

The Abbey School, Reading

Notes forming part of the financial statements for the year ended 31 August 2021 (continued)

2 Accounting policies (continued)

Resources expended

Resources expended are accounted for on an accrual basis. Resources expended are allocated to specific activities without the need for apportionment. The irrecoverable element of VAT is included within the item of expense to which it relates.

Expenditure in respect of the other support costs of the School includes recruitment costs and general office costs including governance costs.

Scholarships and bursaries

Scholarships and bursaries are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional. Such scholarships and bursaries are recognised as expenditure when the conditions attached are fulfilled. Temporary financial assistance is charged to the statement of financial activities in the year in which it is granted.

Tangible fixed assets and depreciation

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Subsequent costs of repair, renovation and replacement expenditure are written off as incurred in the consolidated statement of financial activities, unless it is probable that such costs will generate future economic benefits. Depreciation is provided on all tangible fixed assets, except land which is considered to be of negligible value, in order to write off their cost over their useful lives at the following annual rates.

Straight line basis

Freehold buildings	2%	per annum on cost
Freehold improvements	10%	per annum on cost
Motor Vehicles	25%	per annum on cost
Equipment:		
Computer equipment	33%	per annum on cost
Other equipment	10%	per annum on cost

Items costing less than £1,000 are written off as an expense as acquired.

Investments

Investments are stated at market value with the gain or loss recognised in the statement of financial activities.

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

Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities on a straight line basis over the period in which the cost is incurred.

Financial Instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. The group 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.

The Abbey School, Reading

Notes forming part of the financial statements for the year ended 31 August 2021 (*continued*)

2 Accounting policies (*continued*)

Pension Schemes

The charitable company left the Teachers' Pension Scheme in on 31 August 2020.

The charitable company contributes into separate defined contribution schemes for teaching and non-teaching staff for which the contributions are charged in the statement of financial activities in the year in which they are payable.

Advance fee scheme

Amounts received under the school's former Advance Fee Scheme contracts for education not yet utilised to settle school fees were recorded as current liabilities where the education will be provided 12 months from the reporting date and as long-term liabilities where the education was to be provided in subsequent years.

Parents' deposits

The Governors have reviewed the contract terms under which pupil fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2021 have been included within current liabilities. The prior year pupil fee deposits balance has been similarly represented.

3 Critical accounting estimates and areas of judgement

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustments to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Significant estimates included within the financial statements include provision for fee debtors, which require a judgement by management regarding the likelihood of recovery. Management review and assess fee debtors on an individual basis and provide for fee debtors as appropriate.

Depreciation is another key estimate in the accounts which requires management judgement over the useful life of the assets. The policy has been set out in the notes above.

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2021 (continued)

4a School fees

	Unrestricted 2021 £	Unrestricted 2020 £
School fees receivable consist of:		
Gross fees	17,140,408	17,493,062
Less: Scholarships and other awards	(888,347)	(922,023)
Less: Summer term (Covid-19) discount	(353,976)	(1,453,278)
	<hr/>	<hr/>
Net fees receivable	15,898,085	15,117,761
Add: Bursaries paid out of designated funds	464,364	484,497
	<hr/>	<hr/>
	16,362,449	15,602,258
	<hr/>	<hr/>

4b Grants and awards

In addition to the scholarships and other awards noted above, the School provided means-tested bursaries to provide financial assistance to parents.

The total awards are as follows:

	Unrestricted 2021 £	Unrestricted 2020 £
Revenue account (scholarships)	423,983	437,526
Designated funds (means-tested bursaries)	464,364	484,497
	<hr/>	<hr/>
Total grants and awards	888,347	922,023
	<hr/>	<hr/>

4c Income from government grants

	Unrestricted 2021 £	Unrestricted 2020 £
Government furlough scheme	89,864	429,809
	<hr/>	<hr/>

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2021 (continued)

5 Non ancillary income

	Unrestricted 2021 £	Unrestricted 2020 £
Property rentals	34,738	32,300
HM Court and Tribunals Service income	130,485	51,660
Miscellaneous income	12,945	6,529
	<u>178,168</u>	<u>90,489</u>

6 Income from investments

	Unrestricted 2021 £	Unrestricted 2020 £
UK listed investments	<u>31,843</u>	<u>33,213</u>

Income from investments was designated in the current and previous financial year.

7 Ancillary income

	Unrestricted 2021 £	Unrestricted 2020 £
After school care	31,624	64,049
Trips income	74,141	252,791
Fees for extra-curricular courses and examinations	393,657	437,835
Fees in lieu of notice	44,920	7,404
Registration fees	48,217	30,884
Tuck shop income	-	10,816
Miscellaneous income	22,228	31,636
	<u>614,787</u>	<u>835,415</u>

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2021 (continued)

8 Expenditure on charitable activities

	Staff costs £	Other £	Depreciation £	Total 2021 £
Charitable activities				
Teaching costs	8,297,504	406,151	235,729	8,939,384
Welfare costs	73,859	968,943	-	1,042,802
Premises costs	920,267	1,686,378	1,197,298	3,803,943
Support costs	1,625,472	895,967	5,832	2,527,271
Trip costs and other travel	-	126,258	-	126,258
Grants, awards and prizes	-	464,364	-	464,364
Governance costs	-	29,730	-	29,730
Finance costs	-	60,451	-	60,451
Movement in bad debt provision	-	(30,258)	-	(30,258)
	10,917,102	4,607,984	1,438,859	16,963,945

Total expenditure on charitable activities was £16,963,945 (2020 - £16,910,847) of this £7,544 (2020 - £7,586) was restricted, £464,364 (2020 - £485,070) was designated and £16,492,037 (2020 - £16,418,191) was unrestricted.

	Staff costs £	Other £	Depreciation £	Total 2020 £
Charitable activities				
Teaching costs	8,805,483	490,595	279,962	9,576,040
Welfare costs	62,664	822,841	-	885,505
Premises costs	849,932	1,111,661	1,193,779	3,202,191
Support costs	1,564,221	776,666	4,980	2,345,867
Trip costs and other travel	-	284,162	-	284,162
Grants, awards and prizes	-	485,070	-	485,070
Governance costs	-	24,106	-	24,106
Finance costs	-	78,073	-	78,073
Provision for bad debts	-	76,652	-	76,652
	11,282,300	4,149,826	1,478,721	16,910,847

9 Expenditure on raising funds

	2021 £	2020 £
Portfolio management costs	16,703	16,433
Non-ancillary costs	26,854	11,788
	43,557	28,221

Total expenditure on raising funds was £43,557 (2020 - £28,221) of this £16,703 (2020 - £16,433) related to designated funds and £26,854 (2020 - £11,788) related to unrestricted funds.

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2021 (*continued*)

10 Staff costs

	2021 £	2020 £
Wages and salaries	8,967,835	8,779,419
Social security	836,368	835,750
Pension contributions	967,260	1,518,891
Other non-payroll staff costs	145,639	148,240
	<u>10,917,102</u>	<u>11,282,300</u>

The number of employees whose emoluments (excluding pension contributions) exceeded £60,000 was:

	2021 Number	2020 Number
£60,000 - £70,000	2	3
£70,000 - £80,000	2	2
£80,000 - £90,000	5	3
£90,001 - £100,000	1	2
£140,000 - £150,000	-	1
£150,000 - £160,000	1	-
	<u>11</u>	<u>11</u>

The total employer contributions in the year towards pension scheme contributions for the above 11 (2020 - 11) staff members were £112,073 (2020 - £149,482).

During the year, severance pay was awarded to 15 employees with payments for compensation and pay in lieu of notice totalling £32,338 (2020 - 2 employees, £31,002). All of this had been paid by the reporting date (2020 – all).

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2021 (continued)

10 Staff costs (continued)

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

	2021 Number	2020 Number
Teaching	239	261
Welfare	26	28
Premises	18	18
Support	45	46
	<hr/>	<hr/>
	328	353
	<hr/>	<hr/>

The split between part time and full time staff was as follows:

	2021 Number Full time	2021 Number Part time	2020 Number Full time	2020 Number Part time
Teaching	110	129	109	152
Welfare	7	20	5	23
Premises	14	4	15	3
Support	26	18	26	20
	<hr/>	<hr/>	<hr/>	<hr/>
	157	171	155	198
	<hr/>	<hr/>	<hr/>	<hr/>

Aggregate employee costs of the officers of the school, as identified on page 3, including salary, benefits, pension contributions and national insurance) in the year totalled £510,588 (2020 - £620,383).

The governors received no remuneration or other benefit for the year (2020 - £Nil). One governor was reimbursed £295 relating to retirement gift expenses in the year (2020 - £Nil).

The employer's liability insurance of the charitable company includes indemnity insurance for the governors.

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2021 (continued)

11 Net Income

	2021 £	2020 £
Net income includes:		
Operating lease charges	32,647	57,894
Depreciation	1,438,859	1,479,511
Auditors' remuneration – excluding VAT		
- Audit fees	24,000	22,320
- Other	3,500	4,260
- Taxation – compliance services to the subsidiary	1,650	1,525

12 Taxation

The charitable company is a registered charity, and as such is entitled to tax exemptions on income and gains, properly applied for its charitable purposes.

13 Tangible assets – Group and School

	Freehold property and improvements £	Motor vehicles £	Equipment £	Total £
Cost				
At 1 September 2020	27,622,835	23,338	4,093,078	31,739,251
Additions	449,284	-	245,264	694,548
At 31 August 2021	28,072,119	23,338	4,338,342	32,433,799
Depreciation				
At 1 September 2020	9,115,491	15,638	3,233,448	12,364,577
Charge for year	1,075,170	3,300	360,389	1,438,859
At 31 August 2021	10,190,661	18,938	3,593,837	13,803,436
Net book value				
At 31 August 2021	17,881,458	4,400	744,505	18,630,363
At 31 August 2020	18,507,344	7,700	859,630	19,374,674

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2021 (*continued*)

14 Fixed asset investments

	Group 2021 £	Group 2020 £	School 2021 £	School 2020 £
Listed investments (see below)	1,745,910	1,463,595	1,745,910	1,463,595
Abbey Commercial Enterprises Limited (see below)	-	-	2	2
	<u>1,745,910</u>	<u>1,463,595</u>	<u>1,745,912</u>	<u>1,463,597</u>

Subsidiary undertaking

The Abbey School owns 100% of the ordinary share capital of Abbey Commercial Enterprises Limited (company number 06334617). This company was incorporated in England and Wales and was established to carry out the non-educational activities associated with the School.

Trading results extracted from its audited financial statements are shown below:

	2021 £	2020 £
Turnover	61,116	73,216
Administration expenses	(9,786)	(7,628)
Management charge from the Abbey School	(19,000)	(19,000)
	<u>32,330</u>	<u>46,588</u>
Profit on ordinary activities before taxation	32,330	46,588
Tax on profit on ordinary activities	-	-
	<u>32,330</u>	<u>46,588</u>
Profit on ordinary activities after taxation	32,330	46,588
	<u>32,330</u>	<u>46,590</u>
Net assets	32,330	46,590

All activities have been consolidated on a line by line basis in the SOFA. Any taxable net profit is gifted to the charity. The total expenses include a management charge paid by Abbey Commercial Enterprises of £19,000 (2020 - £19,000), which is eliminated on consolidation. At the year end the balance outstanding was a debtor in The Abbey School of £19,000 (2020 - £23,874).

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2021 (*continued*)

14 Fixed asset investments (*continued*)

Listed investments

	2021 Market value £	2020 Market value £
At 1 September	1,337,306	1,386,338
Additions	260,528	247,752
Disposals	(157,051)	(250,248)
Unrealised gain/(loss) on revaluation for the year	267,174	(46,536)
	<hr/>	<hr/>
At 31 August	1,707,957	1,337,306
Cash held by investment manager	37,953	126,289
	<hr/>	<hr/>
Total	1,745,910	1,463,595
	<hr/>	<hr/>
Historical cost of investments	1,257,752	1,292,761
	<hr/>	<hr/>

Investments which comprise more than 5% of the market value of investments are:

	Market value £	Cost £
Aberdeen Standard Fund Managers Ltd	94,439	77,773
	<hr/>	<hr/>

15 Debtors

	Group 2021 £	Group 2020 £	School 2021 £	School 2020 £
Trade debtors	41,691	61,590	39,775	53,873
Amounts due from own subsidiary	-	-	19,000	23,874
Other debtors	4,500	46,762	4,500	46,762
Prepayments	329,148	292,719	329,148	292,719
	<hr/>	<hr/>	<hr/>	<hr/>
	375,339	401,071	392,423	417,228
	<hr/>	<hr/>	<hr/>	<hr/>

Amounts due from owned subsidiary are interest free and repayable on demand.

The Abbey School, Reading

Notes forming part of the financial statements for the year ended 31 August 2021 (*continued*)

16 Creditors: amounts falling due within less than one year

	Group 2021 £	Group 2020 £	School 2021 £	School 2020 £
Bank overdraft	622,282	1,709,367	622,282	1,709,367
Bank loan (see note 18)	200,000	200,000	200,000	200,000
Trade creditors	486,399	322,123	486,399	322,123
Deposits held	658,551	648,868	658,551	648,868
Other taxes and social security costs	229,485	407,197	224,870	403,412
Other creditors	221,151	89,246	221,151	89,246
Accruals	346,252	121,785	340,604	115,908
Advance fee scheme payments (see note 19)	16,530	42,577	16,530	42,577
Fees received in advance	402,648	382,373	402,648	382,373
	<u>3,183,298</u>	<u>3,923,536</u>	<u>3,173,035</u>	<u>3,913,874</u>

At the end of 2021, there was a bank overdraft with HSBC, which was secured by legal charges over two freehold properties.

Fees received in advance relates to fees for the next academic year which some parents pay in advance. Deposits held relate to acceptance deposits which are considered as owed within one year given that only one terms notice is required to be given by pupils.

17 Creditors: amounts falling due after more than one year

	Group 2021 £	Group 2020 £	School 2021 £	School 2020 £
Bank loan (see note 18)	1,726,367	1,800,000	1,726,367	1,800,000
Fees received in advance	4,533	-	4,533	-
Advance fee scheme payments (see note 19)	16,530	37,193	16,530	37,193
	<u>1,747,430</u>	<u>1,837,193</u>	<u>1,747,430</u>	<u>1,837,193</u>

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2021 (continued)

18 Bank loan

Group and School

The loan is repayable as follows:

	2021 £	2020 £
Within 1 year	200,000	200,000
Within 2 to 5 years	800,000	800,000
More than 5 years	926,367	1,000,000
Total due in more than one year	1,726,367	1,800,000
Total balance repayable at the year end	1,926,367	2,000,000

Bank loan with HSBC is secured by a charge over the School's property.

19 Advance fee scheme

Group and School

Parents historically have deposited a lump sum with the School as an advance on future fees. This option is no longer available to parents. Each arrangement is in respect of an agreed amount to be credited against future fee bills for an agreed number of terms. The unused balance of the advance is repayable on request. It is intended that the advance fees will be applied as follows:

	2021 £	2020 £
Within 1 year	16,530	42,577
Within 2 to 5 years	16,530	37,193
	33,060	79,770

The figures for advanced fee payments are included within the balance sheet for school fees paid in advance (notes 16 and 17). The balance represents the accrued liability under these arrangements. Movements during the year were:

	£	£
Balance at 1 September 2020	79,770	156,660
Amounts utilised in the payment of fees	(46,710)	(76,890)
Balance at 31 August 2021	33,060	79,770

The Abbey School, Reading

Notes forming part of the financial statements for the year ended 31 August 2021 (continued)

20 Operating lease commitments

At 31 August 2021 the group had total future minimum lease payments under non-cancellable operating leases as follows:

	2021 £	2020 £
Due within one year	35,153	53,503
Due between one and five years	43,941	4,391
	<u>79,094</u>	<u>57,895</u>

21 Capital commitments

At 31 August 2021 the School had the following capital commitments:

	2021 £	2020 £
Contracts for future capital expenditure not provided in the financial statements	<u>11,583</u>	<u>91,100</u>

22 Funds

Group – current year

	Balance at 1 September 2020	Income	Expenditure	Gains and (losses)	Transfers	At 31 August 2021
Unrestricted funds						
General unrestricted	14,850,697	17,333,272	(16,528,677)	-	(182,050)	15,473,242
Designated – The Bursary Fund	1,000,000	31,843	(481,067)	267,174	182,050	1,000,000
	<u>15,850,697</u>	<u>17,365,115</u>	<u>(17,009,744)</u>	<u>267,174</u>	<u>-</u>	<u>16,473,242</u>
Total Unrestricted funds	15,850,697	17,365,115	(17,009,744)	267,174	-	16,473,242
	<u>15,850,697</u>	<u>17,365,115</u>	<u>(17,009,744)</u>	<u>267,174</u>	<u>-</u>	<u>16,473,242</u>
Restricted funds	28,706	17,044	(7,544)	-	-	38,206
	<u>28,706</u>	<u>17,044</u>	<u>(7,544)</u>	<u>-</u>	<u>-</u>	<u>38,206</u>
Total funds	15,879,403	17,382,159	(17,017,288)	267,174	-	16,511,448
	<u>15,879,403</u>	<u>17,382,159</u>	<u>(17,017,288)</u>	<u>267,174</u>	<u>-</u>	<u>16,511,448</u>

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2021 (continued)

22 Funds (continued)

School – current year

	Balance at 1 September 2020	Income	Expenditure	Gains and (losses)	Transfers	At 31 August 2021
Unrestricted funds						
General unrestricted	14,804,109	17,337,741	(16,518,891)	-	(182,050)	15,440,909
Designated – The Bursary Fund	1,000,000	31,843	(481,067)	267,174	182,050	1,000,000
Total Unrestricted funds	15,804,109	17,369,584	(16,999,958)	267,174	-	16,440,909
Restricted funds	28,706	17,044	(7,544)	-	-	38,206
Total funds	15,832,815	17,386,628	(17,007,502)	267,174	-	16,479,115

Income from The Bursary Fund is used to offer financial assistance to individual pupils when necessary.

The Governors have decided to make an annual transfer from the unrestricted funds so that a balance of £1 million remains earmarked for use on bursaries within this fund.

Restricted funds are those received for specific purposes including donations received for building appeals, various teaching departments and fixed assets. Once the restriction has been fulfilled than a transfer from restricted to unrestricted funds is made.

Group – prior year

	Balance at 1 September 2019	Income	Expenditure	Transfers	Gains and (losses)	At 31 August 2020
Unrestricted funds						
General unrestricted	14,750,660	17,052,470	(16,437,607)	(514,826)	-	14,850,697
Designated – The Bursary Fund	1,000,000	33,213	(501,503)	514,826	(46,536)	1,000,000
Total Unrestricted funds	15,750,660	17,085,683	(16,939,110)	-	(46,536)	15,850,697
Restricted funds	-	36,292	(7,586)	-	-	28,706
Total funds	15,750,660	17,121,975	(16,946,696)	-	(46,536)	15,879,403

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2021 (continued)

22 Funds (continued)

School – prior year

	Balance at 1 September 2019	Income	Expenditure	Transfers	Gains and (losses)	At 31 August 2020
Unrestricted funds						
General unrestricted	14,683,051	17,065,863	(16,429,979)	(514,826)	-	14,804,109
Designated – The Bursary Fund	1,000,000	33,213	(501,503)	514,826	(46,536)	1,000,000
Total Unrestricted funds	15,683,051	17,099,076	(16,931,482)	-	(46,536)	15,804,109
Restricted funds	-	36,292	(7,586)	-	-	28,706
Total funds	15,683,051	17,135,368	(16,939,068)	-	(46,536)	15,832,815

23 Analysis of net assets between funds

Group

	Fixed assets £	Investments £	Net current liabilities £	Long term liabilities £	2021 Total £
Funds 2021					
General fund	18,630,363	-	(1,409,691)	(1,747,430)	15,473,242
Designated funds	-	1,745,910	(745,910)	-	1,000,000
Restricted fund	-	-	38,206	-	38,206
	18,630,363	1,745,910	(2,117,395)	(1,747,430)	16,511,448
	Fixed assets £	Investments £	Net current liabilities £	Long term liabilities £	2020 Total £
Funds 2020					
Revenue account	19,374,674	-	(2,686,784)	(1,837,193)	14,850,697
Designated funds	-	1,463,595	(463,595)	-	1,000,000
Restricted funds	-	-	28,706	-	28,706
	19,374,674	1,463,595	(3,121,673)	(1,837,193)	15,879,403

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2021 (*continued*)

23 Analysis of net assets between funds

School

	Fixed assets £	Investments £	Net current liabilities £	Long term liabilities £	2021 Total £
Funds 2021					
General account	18,630,363	-	(1,442,024)	(1,747,430)	15,440,909
Designated funds	-	1,745,912	(745,912)	-	1,000,000
Restricted funds	-	-	38,206	-	38,206
	<u>18,630,363</u>	<u>1,745,912</u>	<u>(2,149,730)</u>	<u>(1,747,430)</u>	<u>16,479,115</u>
	Fixed assets £	Investments £	Net current liabilities £	Long term liabilities £	2020 Total £
Funds 2020					
General account	19,374,674	-	(2,733,372)	(1,837,193)	14,804,109
Designated funds	-	1,463,597	(463,597)	-	1,000,000
Restricted funds	-	-	28,706	-	28,706
	<u>19,374,674</u>	<u>1,463,597</u>	<u>(3,168,263)</u>	<u>(1,837,193)</u>	<u>15,832,815</u>

24 Related party transactions

Transactions with Governors

Owing to the nature of the school's operations and the composition of its governing body being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations with which a Governor may have an interest. All transactions involving these organisations are in accordance with the school's normal procedures.

Mr M Emmanuel is a director at French Horn Hotel Limited. During the year, the School was invoiced £899 (2020 - £3,378) by French Horn Hotel Limited for a function in the year. At the year end, a balance of £Nil (2020 - £Nil) was owed to French Horn Hotel Limited.

The Abbey School, Reading

Notes forming part of the financial statements for the year ended 31 August 2021 (*continued*)

25 Pensions

a) Teachers' Pension Scheme

The school withdrew from the Teachers' Pension ("TPS") Scheme at 31 August 2020. During the year ending 31 August 2020 the school made contributions of £1,240,800.

b) Other schemes

The Company makes contributions for teaching and non-teaching staff. £968,353 (2020 - £278,091) was payable for the year. Contributions totalling £142,452 (2020 - £25,268) were unpaid at the year end and are included within creditors.

26 Financial instruments

Group	2021 £	2020 £
Financial assets measured at fair value	1,745,910	1,463,595

Included within financial instruments held at fair value is investments.

27 Reconciliation of net income to net cash flow from operating activities

	Note	Group 2021 £	Group 2020 £
Net income for the reporting period (as per the statement of financial activities)		632,045	128,743
Adjustments for:			
Depreciation	13	1,438,859	1,479,511
Gains/ losses on investments	14	(267,174)	46,536
Dividends and interest	6	(31,843)	(33,213)
Interest payable		56,338	36,009
Decrease in debtors		25,732	16,187
Decrease/(increase) in creditors		330,717	(1,171,078)
Increase/(decrease) of cash at investment manager		88,336	(19,143)
Net cash provided by operating activities		2,273,010	483,552

28 Analysis of cash and cash equivalents

	Group 2021 £	Group 2020 £	School 2021 £	School 2020 £
Bank balances included in cash at bank and in hand	690,564	400,792	630,882	328,383
Bank overdrafts	(622,282)	(1,709,367)	(622,282)	(1,709,367)
	68,282	(1,308,575)	8,600	(1,380,984)

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2021 (*continued*)

29 Analysis of net debt

	At 1 September 2020 £	Cash flows £	Non-cash flows £	At 31 August 2021 £
Cash balances	400,792	289,772	-	690,564
Overdraft	(1,709,367)	1,087,085	-	(622,282)
Bank loans due in under one year	(200,000)	-	-	(200,000)
Bank loans due in more than one year	(1,800,000)	73,633	-	(1,726,367)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Debt	(3,308,575)	1,450,490	-	(1,858,085)
	<hr/>	<hr/>	<hr/>	<hr/>