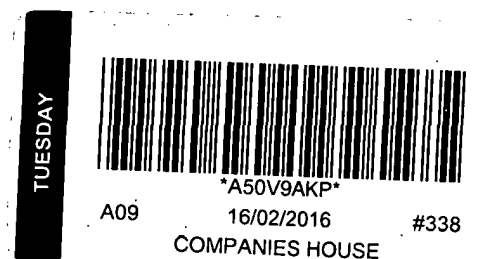


# Berkhamsted Schools Group

## REPORT AND FINANCIAL STATEMENTS

For the year ended  
31 July 2015



Registered Charity Number: 310630  
Registered Company Number: 622349

# Berkhamsted Schools Group

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# Berkhamsted Schools Group

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## WHO WE ARE

Berkhamsted Schools Group is a prestigious independent day and boarding school in Hertfordshire, originally founded in 1541 and celebrating 475 years of history and tradition in 2016. We are a school with an international outlook, recruiting overseas students into our Sixth Form and with a strategic aim to establish a presence in Asia, yet we are also firmly rooted in our local community.

Berkhamsted has an outstanding reputation based on the following key characteristics:

A **'diamond school'** - one of just a handful in the country, Berkhamsted offers co-educational tuition up to age 11 and single sex education from the age of 11 to 16 - at a time when we believe boys and girls benefit most from being taught separately in the classroom. Girls and boys come back together in a co-educational Sixth Form. We also have a girls-only Prep School, Heatherton, in Amersham.

A **broad education** - we develop outstanding, well-rounded young people through a broad education based not just on academic excellence, but also through activities outside the classroom, including sports, music, art and drama. We are proud to have produced excellence at a national and international level while maintaining very high levels of participation in extra-curricular activities by our pupils. We have one of the most outstanding outdoor education programmes at any school in the country, demonstrated by the high numbers of participants in the Duke of Edinburgh's Award at all levels, and the range of experiences offered through our Combined Cadet Force. Every pupil in senior school attends Bushcraft training and spends a night under canvas as part of the introduction to the Duke of Edinburgh's Award.

A **school that 'grows with you'** - we offer our pupils fantastic experiences and opportunities that stretch their abilities and develop their all-round potential at all stages throughout their formative years. Our students graduate with the qualifications and life skills needed to make a successful transition to the next stage of life, be that a top university, or the start of their career in the work place.

Outstanding **pastoral care** – we are predominantly a day school running on structures built up through a history of being a traditional boarding school. We have a vertical house system, run by Heads of House and their teams of tutors, who oversee and support each child's personal development.

A **large school** with a **small school** feel - we are based on four campuses in Berkhamsted, each structured to cater for the different age groups taught at those sites from Pre-Prep at the woodland setting of the Haresfoot campus to Sixth Form moving between Castle and Kings campuses as a taster of what lies ahead at university. Each school benefits from outstanding whole school facilities in close proximity, which smaller schools are unable to provide. Examples include our 500 seat Centenary Theatre, the Knox-Johnston Sports Centre and swimming pool and our high ropes course.

A school which **supports working parents** - we provide care at all stages of a child's school career so parents need never be concerned if you are delayed at the office, need to go on a business trip, or need to find activities for your child in the holidays. We provide wrap-around care at both ends of the day up to Prep School, flexi-boarding at the senior schools, and lay on a range of courses and activities during half terms and holidays through our BASECAMP Holiday Programme. We offer all year round nursery provision from five months to age three.

A key aim of the Berkhamsted Schools Group is to deliver teaching and learning excellence for the benefit of pupils across the Group. Investment in the continuous training, professional development and well-being of our staff is a priority; a recently awarded Investors in People Gold Award, the first attained by an independent school, is recognition of the commitment to this aim.

# Berkhamsted Schools Group

## GOVERNORS

The Board of Governors is appointed in accordance with the terms and conditions laid down in the Scheme of the Charity Commissioners for England and Wales sealed on 29th August 1996. Except as otherwise indicated, the Governors served throughout the year and were as follows:

	Appointed /Retired	(1)	(2)	(3)	(4)	(5)	(6)
Mr G.C. Laws (Chairman)	Appointed 17 March 2012	▪ (c)		▪		▪ (c)	▪
Mrs S. Turner (Vice Chairman)	Appointed 19 January 2011	▪		▪ (c)		▪	▪
Mr J.J. Apthorp	Appointed 26 November 2005		▪				
Mr D.J. Atkins	Appointed 1 September 2014		▪				
Dr Y.A. Burne OBE	Appointed 20 November 2004	▪			▪ (c)		
Mr P. A Burroughs	Retired 1 October 2014		▪				
Mrs B. W. Canham	Appointed 5 March 2011				▪		
Ms A.K. Fahy	Appointed 1 September 2014		▪				
Dr M.A. Fenton	Appointed 1 January 2014				▪		
Mrs E. Jeffrey	Appointed 30 June 2009			▪		▪	
Mr C. Nicholls	Appointed 1 September 2015				▪		
Mr A.H. Noël	Retired 1 September 2014		▪				
Mr S. Rolland	Appointed 19 January 2011			▪			
Mr M.A. Scicluna	Appointed 24 June 2008	▪	▪ (c)			▪	
Mrs S. Tidey	Appointed 19 January 2011				▪		
Mr N. Twogood	Appointed 1 September 2015		▪				

- (1) Chairman's Committee
- (2) Finance and Property Committee
- (3) Risk and Regulation Committee
- (4) Education Committee
- (5) Nominations Committee
- (6) Advisory Board
  
- (c) Chair

# Berkhamsted Schools Group

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## OFFICERS

The Principal	Mr M. S. Steed M.A.(Cantab), M.A. (Resigned 31 August 2015) Mr R. P. Backhouse M.A. (Cantab) (Appointed with effect from 1 January 2016)
Clerk to the Governors	Mr C. R. Westwood
Vice Principal (Education) Vice Principal (Business Operations)	Mr M. Bond B.A. (Acting Principal 1 September to 31 December 2015) Mr P.A. Nicholls MA (Cantab) FCA

## ADDRESS

6 Chesham Road  
Berkhamsted  
Hertfordshire HP4 3AA  
Telephone: 01442 358005

## ADVISERS

<b>Bankers</b>	Nat West Bank Berkhamsted Branch P.O. Box 202 199 High Street Berkhamsted Herts HP4 1BH	CAF Bank P.O. Box 289 West Malling Kent ME19 4TA
<b>Solicitors</b>	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS	Trethowans LLP The Director General's House 15 Rockstone Place Southampton SO15 2EP
	Matthew Arnold and Baldwin 21 Station Road Watford Hertfordshire WD17 1HT	
<b>Auditors</b>	Crowe Clark Whitehill LLP St. Bride's House 10 Salisbury Square London EC4Y 8EH	
<b>Investment Advisors</b>	Brewin Dolphin 12 Smithfield Street London EC1A 9BD	
<b>Insurance Brokers</b>	Aon UK Limited 8 Devonshire Square London EC2M 4PL	
<b>Property Advisers</b>	F K Howard John Clare House 69 The Avenue Northampton NN1 5BT	Gerald Eve LLP 72 Welbeck Street London W1G 0AY

# Berkhamsted Schools Group

## CHAIRMAN'S REPORT

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### CHAIRMAN'S REPORT

The students at Berkhamsted School have had another outstanding year, as evidenced by the academic, sporting and other achievements detailed elsewhere in this report. The reputation of the school grows and we have waiting lists for entry into many of our years. Our aim is to be a community school with outstanding staff and infrastructure that compares to the best in the country. Berkhamsted School now takes children from five months in our Nursery all the way through to eighteen. We want to be world class in everything we do – not for the accolade but to give the young people here the best chance to develop and succeed in whatever they want to do. We do not just select pupils purely on academic skills – we offer an all-round education challenging our students and giving them real skills to help in later life.

Moving on to infrastructure developments we completed the new classroom block at Haresfoot last summer, and plans are in place to install a high ropes course and climbing tower on the site. Haresfoot is already being used for a multitude of outdoor activities for the whole school, including having year groups of up to 180 students camped on site. Such activities help our students to learn a multitude of outdoor and life skills, including resilience, independence, management and leadership.

We have now started the work on our new pavilion at Chesham Road fields. We will then have finished all major development work in our core strategy with investment on all sites within the school. We believe we have facilities to compare with the best in the country and to bring the best out of the pupils.

Next year Berkhamsted School celebrates its 475 anniversary next year. With over 450 staff, 1,800 students from 5 months to 18 years and in excess of 100 acres of land in the town we recognise our need to contribute to the local community. Our students have committed thousands of hours of their time, with nearly 2,000 hours by the sixth form alone. Whether its visiting a senior citizens' home, a hospice, reading with pupils at local primary schools, or working with disabled adults and children, Berkhamstedians' time and effort makes a difference to the lives of so many in our community. We also open our facilities up to the community and the Knox-Johnston Sports Centre is very well used outside of school hours. We support the people of the area providing wrap around care, including holiday schools, to help working parents.

Our contribution to the community goes well beyond the activities listed above. We commissioned Oxford Economics to look at the economic impact of the School in Berkhamsted and Dacorum using 2014 data. This survey concluded we support 740 jobs in Dacorum, a £21m gross value added contribution to local suppliers, and generate £4.5m in tax receipts annually. These tax receipts are the equivalent to the wages of 174 nurses, or 155 fire officers. In addition the survey estimated we save UK taxpayers £10.6m relating to over 1,700 pupils who are entitled to but have not taken state school places.

Our Principal Mr Mark Steed, retired at the end of this academic year after seven highly successful years at Berkhamsted. His vision backed with determination and energy has transformed this school in so many ways, through curriculum developments such as our new Mini-MBA with Ashridge Hult Management College, the mergers with Heatherton and Haresfoot schools, and the investment in infrastructure projects to enhance our teaching and learning facilities. Under his leadership the school has now built an enviable reputation in the sector, including as a leader in the use of information technology in education. In Michaelmas term 2015 Mr Michael Bond will become Acting Principal, before the new Principal, Mr Richard Backhouse, joins us in January 2016.

Gavin Laws  
Chairman of Governors

# Berkhamsted Schools Group

## DIRECTORS' REPORT

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### **DIRECTORS' REPORT**

#### **CONSTITUTION AND OBJECTS**

Berkhamsted Grammar School was founded on 14 October 1541 and re-founded by Act of Parliament in 1549 and is regulated by a scheme made under the Endowed Schools Act on 13 May 1887 and subsequent amendments. Berkhamsted Girls Grammar School was constituted by the above scheme on 13 May 1887. The administration and management of these two charities and other subsidiary charities were amalgamated by a scheme dated 14 August 1975 approved by the Charity Commissioners for England and Wales.

With effect from 1 August 2011, the School merged with Heatherton House, a Prep School for Girls in Chesham. As part of the merger process, Berkhamsted School changed its name to Berkhamsted Schools Group and became an incorporated charity. The registered charity number is 310630 and the registered company number is 622349.

The Charity has two wholly owned non-charitable subsidiaries, Berkhamsted School Enterprises Limited and Berkhamsted Day Nursery Ltd. The School actively supports the provision of the highest standards of education in the Independent Sector and co-operates with many local charities, schools and organisations to widen public access to the education and facilities it provides for the public benefit.

The School's objects and principal activity, as set out in the Articles of Association, last amended on 2013 is to promote the education (including social and physical training) of boys and girls for the public benefit and in particular to conduct and maintain day or day and boarding schools in or near Berkhamsted, at which religious education in accordance with the principles of the Church of England is provided.

#### **GOVERNANCE AND MANAGEMENT**

##### **Governing Body**

There is one Governing Body for all the schools in the Group. Details of the Governing Body, together with the School's officers and principal advisors, are given on pages 3-4.

The Governing Body is self-appointing, with each Governor term being three years. Each Governor is limited to a maximum of three terms, unless elected to become the Chairman or Vice Chairman, in which case further terms are permissible.

##### **Recruitment and Training of Governors**

The Charity's Governors are appointed at a meeting of the Governing Body on the basis of recommendations made by the Nominations Committee, taking into account eligibility, personal competence, specialist skills and availability.

New Governors are inducted into the workings of the School and of the Charity including Strategy, Policies and Procedures, at an induction meeting organised by the Clerk to the Governors. Trustee training is carried out by using seminars either organised nationally or arranged internally.

##### **Organisational Management**

The School Governors, as the Trustees of the Charity, are legally responsible for the overall management and control of the School and normally meet once a term plus two additional meetings; one at the start of the academic year, and one in Lent Term to review strategy.

# Berkhamsted Schools Group

## DIRECTORS' REPORT

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The main Committees are:

- The Finance and Property Committee, whose responsibility is to plan and oversee delivery of the Board's strategies in relation to all financial and property matters. The Committee meets before each full meeting of the Governing Body.
- The Education Committee to plan and oversee the delivery of all academic, co-curricular and pastoral education
- The Risk and Regulatory Committee, which has responsibility for the implementation, ongoing management and review of performance in practice of the Group's regulatory, statutory and general policies. It also acts to ensure that major risks for the Group are actively managed, and an appropriate balance struck between controls to mitigate risk and the costs (financial or non-financial) associated with doing so.
- The Chairman's Committee, comprising the Chair and Vice-Chair of Governors, the Chairs of the other principal Committees, the Principal and the Vice Principals. The function of this Committee is to review strategic issues prior to consideration by the full Governing Body.
- The Nominations Committee, which has responsibility for overseeing Governor and Executive appointments.

The day-to-day management of the School is delegated to the Principal and Vice Principal (Business Operations) who, together with the Vice Principal (Education) and the Heads of the respective schools in the group and the Human Resources Director form the Executive, supported by the Senior Management Team which include the Deputy Heads and key education and operations roles.

### **Employment Policy**

The School is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests.

The School has a Disability policy and an Equal Opportunities policy, which is compliant with the Equality Act 2010, and has regard to the guidance issued by the Equality and Human Rights Commission "What equality law means for you as an education provider: schools". The policy states that the School will maintain and drive a positive culture towards inclusion of disabled people in all the activities of the School, and will not knowingly discriminate against any disabled person, including in matters of employment such as admissions, training and career development.



# Berkhamsted Schools Group

## STRATEGIC REPORT

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### STRATEGIC REPORT

#### AIMS, OBJECTIVES AND ACTIVITIES

##### Aims

The School's aim for the public benefit is to be the first choice independent school in the area for families seeking educational excellence.

The governors are mindful of the long-standing need to provide public benefit and of the requirements of the Charities Act 2011. In this connection the Board has monitored closely the guidance of public benefit produced by the Charity Commission together with its supplemental guidance on fee-charging.

##### Primary Objectives

The primary objectives of the School to fulfil these aims are:

- To place pupils at the heart of a strong, supportive school community;
- To nurture pupils' enjoyment of learning, engendering a spirit of enquiry and intellectual independence; encouraging the pursuit of excellence within a disciplined and stimulating learning environment;
- To equip our students with the skills and qualifications they need to meet their aspirations in preparation for higher education, the world of employment and adult life;
- To immerse pupils in a diverse co-curricular programme for acquiring broader skills and interests which promote self-esteem and a sense of well-being;
- To encourage independence, responsibility, leadership and a commitment to service;
- To foster moral and spiritual values through the Christian tradition of the School, placing emphasis on integrity, tolerance and respect for others;
- To provide financial support to enable children whose parents are unable to afford the full fees to benefit from a Berkhamsted education;
- To ensure that the School has a motivated and effective teaching and support staff, which has the best possible resources.
- To maintain and improve a sustainable structure and infrastructure for the School that will ensure flexibility and financial stability for the foreseeable future.
- To improve how the School presents itself to the outside world in order to grow the School's reputation and to ensure high demand for the foreseeable future.
- To deliver effective and sustainable governance and leadership that will secure the future success of the School.

The aims and objectives set for the School's subsidiaries are to facilitate the achievement of the School's aims and objectives as above.

# Berkhamsted Schools Group

## STRATEGIC REPORT

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### STRATEGIES TO ACHIEVE PRIMARY OBJECTIVES

The Group has selected six areas of focus, which will not only help us to meet our primary aims and objectives, but move us to a position where we are recognised to be world class. It must be noted that this list does not preclude our pursuit of excellence in all areas.

#### *Teaching and Learning*

In recent years, Berkhamsted has played a significant part in the development of the HMC and GSA *Independent Schools Qualification in Academic Management* (ISQAM) and hosts the annual *Teaching, Learning and Assessment at Berkhamsted* (TLAB) conference. Building Learning Power, a whole school approach to teaching and learning, is also being rolled out across the group, to provide a core focus on dispositions within the four learning types (emotional, social, cognitive and strategic). We will continue to work with schools in both the independent and maintained sectors, universities and teacher training institutions to share best practice so that Berkhamsted becomes a centre of excellence for teaching and learning.

#### *ICT in Education*

Berkhamsted has been at the forefront of the development of ICT provision in independent schools for the past five years. It is seen as a leader in ICT strategy and in the technical, network provision. There are many innovative aspects of Berkhamsted's ICT provision, in particular the use of the Google Apps suite in teaching and learning and the use of screencasting. Berkhamsted has hosted many ICT conferences and has many requests for people to visit to learn from what we do.

#### *Outdoor Education*

Very few schools in the South East have strong Outdoor Education – this is seen as a market differentiator. The School has a long and distinguished Duke of Edinburgh Award programme and Combined Cadet Force (CCF). Today pupils from Stepping Stones through to Y13 have extensive opportunities to have a range of outdoor education experiences both at school and around the country/world: these are residential from Year 3. The Pre-Prep site will be developed as an Outdoor Education centre for the Group, which, time, will also become a commercial part of the School's operation.

#### *Business Education and Skills*

Berkhamsted is a business community: many of our parents are business professionals, most of our pupils go on to be business professionals. Berkhamsted School is well placed to be a leader in Business Education and Skills. It will achieve this by closing the gap between academic education and the world of work. We are able to give our pupils an understanding of how business works and experience of the workplace outside of the main curriculum. By developing links with Ashridge Hult Management College, parents and Old Berkhamstedians were able to offer Business skills courses (including the Mini- MBA) and enterprise opportunities to enable pupils to develop the skills required for the modern workplace. Our International School project will give pupils a taste of international culture and diversity that will prepare them for careers in a global market.

#### *Early Years*

Berkhamsted is a centre of excellence for Early Years Education, hosting national Early Years' conferences and is seen as a beacon of best practice. We have a most innovative curriculum and some of the best facilities in the country. The new teaching facilities at the Pre-Prep in their wonderful woodland setting enable the school to provide the very best in Early Years Education.

# Berkhamsted Schools Group

## STRATEGIC REPORT

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### *Sport*

Berkhamsted has a distinguished sporting heritage for both boys' and girls' sport. We aim to be one of the top sporting schools in England. We aim to be:

- In the top four schools nationally at Lacrosse, with Regional and National Representatives.
- In the top 18 schools nationally at Netball
- In the top 12 schools nationally at Rugby, with Regional and National Representatives.
- The best Fives school in the country for boys and girls, with National Championship titles.

Furthermore, we aim to have some of the highest participation rates in school sport for a large school – this will be seen in the number of teams that we are able to field each weekend and in the proportion of pupils in each year group who represent the school at sport.

### **FUTURE PLANS**

The Group's current Strategic Plan was agreed by Governors in January 2015 and is subject to annual review by Governors. Future plans to underpin the Group's primary aims and objectives (for which not all funding has yet to be identified) include:

- Attracting and retaining the best teachers by:
  - Ensuring there is sufficient residential accommodation available in our portfolio
  - Adopting a pay strategy that in the medium term will allow us to retain and attract the best teachers
- Optimising the Group's current and future playing fields (particularly at Chesham Road and the 20 acres of land on our Haresfoot site)
- Opening an international school, probably in Asia

### **ACHIEVEMENTS AND PERFORMANCE**

#### **Review of achievements and performance for the year**

The School has again had an outstanding year. The School averaged 1,825 pupils (1,735 in 2013–14), of whom 1,726 (2013-14 1,688) were day pupils. Demand for places is high, allowing for comprehensive planning for future improvements and developments.

2015 saw our best ever performance in public examinations, particularly at GCSE. At A Level over 80% of grades were at A\*/A/B level, 68.8% were at A\*/A and 38.7% at A\*. 17.8% of pupils achieved straight A/A\* grades.

99.4% of students achieved the 5 A\* – C benchmark at GCSE including Maths and English. 35 of our students were awarded 8 or more A\*/A grades, and 46% achieved 8 A/A\* passes. 38.7 % of all GCSEs were attained at A\* grade, and 68.8% at A/A\*.

Our five year performance trend for GCSEs and A Levels is shown in the tables below:

GCSE Results Table

	A*	A*-A	A*-B	A*-E
2015	38.7%	68.8%	90.5%	100%
2014	36.6%	69.8%	91.0%	98.4%
2013	34.0%	67.8%	92.1%	98.5%
2012	31.8%	63.9%	90.6%	99.8%
2011	32.8%	68.8%	91.5%	99.7%

# Berkhamsted Schools Group

## STRATEGIC REPORT

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A2 Results Table

	A*	A*-A	A*-B	A-E
2015	15.82%	46.9%	80.2%	99.8%
2014	18.0%	49.6%	81.2%	99.8%
2013	14.6%	53.4%	81.2%	100.0%
2012	17.0%	48.0%	82.0%	99.6%
2011	19.0%	52.0%	86.0%	100.0%

In Sport, 75 Berkhamsted pupils have competed at county level, 33 at regional level and 13 at national level in five different sports. Particular highlights were our 1<sup>st</sup> XV rugby team, who had an outstanding unbeaten season, and our U13 girls, who became both lacrosse and netball national champions. But Berkhamsted sport is not just about the elite performers, it is also about taking part. For example, over 95% of boys and 88% of girls in Year 7 represented the school at Sport this year, which has seen us continue to field more school teams at C, D and E level.

585 practical and theory Music and Drama examinations have been taken during the year with many Distinctions among the results received to date. The main school production this year was a blockbuster performance of Les Miserables by Years 11 to 13.

The Duke of Edinburgh's Award enrolment continues to be high with over 400 pupils from the School on the Award, making ours one of the largest school programmes. Over 25% of Year 13 students have completed their Gold award before leaving school. We also have one of the most established Cadet Forces in the country.

The expectation that our students give something back to the local community has seen the equivalent of 38 full time weeks' worth of help to local schools and charitable organisations through the Year 13 Community Service programme and the efforts of pupils, staff and the broader school community has resulted in over £26,000 raised for charity this year.

### **PUBLIC BENEFIT**

#### **Scholarships and Bursaries**

The Governors are committed to broadening access to the School by offering means-tested bursaries to eligible parents/guardians. Scholarships and Bursaries totalling £711k (2014: £747k) were made from unrestricted funds, where the policy is to assist in hardship cases where the pupil's education and future prospects would otherwise be at risk. They are available to both:

- new pupils to the School where a place has been offered, but parents/guardians are unable to fund the tuition fees, and
- existing pupils where a change in parents/guardians' circumstances has resulted in difficulty in meeting tuition fees and may result in a pupil being withdrawn part way through a stage of education.

The School has plans to raise the level of bursary funding from its current level through an increased programme of activity to reach out to potential pupils of the local community, who might be eligible and who would benefit from financial assistance towards fees. Bursary funding has fallen from £440k in 2013/14 to £414k in 2014/15.

Scholarships are awarded on merit to pupils who Governors wish to attract to the School because of the contribution that they are able to make to school life, be that academic, musical, sporting, creative or leadership. Scholarships are usually worth 10% of the school fees. Bursaries may be available as a "top up". The means-tested Incent scholarships, offering up to 100% tuition fees, are

# Berkhamsted Schools Group

## STRATEGIC REPORT

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made available to pupils from state sector schools only, to widen access to the School. Financial assistance may also be provided, where appropriate, for uniform and sports kit, travel to and from School and for extra-curricular activities and lessons.

The combined scholarships and bursaries made from both unrestricted and restricted funds in 2014 totalled £768k (2014: £800k).

### **Partnerships with other schools in the community**

The School seeks to share its expertise and perspectives with colleagues from state schools. This has involved exchanging teaching experience for newly qualified teachers and trainees and providing INSET advice for state school teachers/moderators. Our sports staff have organised tournaments for local and other state schools and the annual Oxbridge Information Evening is open to local state schools.

Our pupils are involved in activities including community service, visiting the local Hospice, helping in charity shops and visiting the elderly, hosting a Christmas party, as well as assisting in local primary schools. In 2014-15, we also launched our Consultancy Project, in conjunction with the Careers Service at Oxford University, which saw two groups of students acting as consultants for Dacorum Borough Council and Sunnyside Rural Trust. We are now working with Oxford University Careers Service to promote this scheme to other schools.

The Knox-Johnston Sports Centre is open to the public and priority is given to local children's groups and clubs.

The School is a co-sponsor with the London Diocese for Schools of Wren Academy in Barnet, providing two Governors for the Board. The School continues to offer extensive help and advice to both the senior team and to subject Heads of Department at Wren Academy.

## **FINANCIAL REVIEW**

### **Results for the Year**

The Consolidated Statement of Financial Activities on Page 17 shows net incoming resources before transfers for the year of £1,737k (2014: £1,490k).

The School's wholly owned subsidiaries both made material financial surpluses for the benefit of the School and its objectives - Berkhamsted School Enterprises Limited which operates the commercial activities of Berkhamsted School, and Berkhamsted Day Nursery Limited, which provides care to babies and children under 3 years old and wrap-around care for Prep and Pre-Prep pupils.

### **Fundraising Performance**

The Foundation Office continues to progress a number of initiatives to develop the necessary infrastructure to increase awareness amongst the School's constituent communities to provide additional resources through The Berkhamstedian Foundation. £438k (2014 £286k) was raised during the year, with monies allocated to a number of Bursary and Scholarship Funds and School projects. A campaign to raise money for a new pavilion extension at Chesham Playing Fields continues, with £705k raised for the project by year end, and construction started in Michaelmas Term 2015. The Governors would like to thank all of the donors for their generosity and support for the School.

# Berkhamsted Schools Group

## STRATEGIC REPORT

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### **Investment policy, objectives and performance**

#### *Investment policy and objective*

The Governing Body aims to maximise the overall return on the portfolio consistent with a degree of risk acceptable to it. Funds are invested in a broad range of global equities, bonds and other forms of investment, mostly managed by Brewin Dolphin.

The overall investment objective for total return for funds invested with Brewin Dolphin can be quantified as inflation plus 3%. The Charity's investment performance of its managed investment funding is monitored as a standing item by the Finance Committee. During the year, investments held with Brewin Dolphin grew from £1,697k in 2014 to £1,716k in 2015, representing 1.1% growth after income.

### **Reserves level and policy**

The School's reserves policy is to maintain sufficient unrestricted income reserves to enable it to meet its short-term financial obligations in the event of an unexpected revenue shortfall.

Notes 15 and 16 to the financial statements sets out an analysis of the School's endowment, restricted and unrestricted funds and their attributable assets. These assets are sufficient to meet the charity's obligations on a fund by fund basis.

It is the School's policy to build up funds to meet planned improvements and additions to the School's resources by means of annual operating surpluses and judicious management of investment assets. In recent years the School has invested heavily in new facilities and, as a result, at the year end had no free reserves. The Governors have reviewed the School's cash flow forecasts and are satisfied that they are adequate for the purpose of meeting its working capital requirements.

### **RISK MANAGEMENT**

Governors are responsible for the management of the risks faced by the School. Detailed consideration of risk has been formally delegated by Governors to the Risk and Regulatory Committee, assisted by the Principal, Vice Principal (Business Operations) and other members of the School's Senior Management Team.

Through the above risk management processes, the Governors are satisfied that major risks are identified and, as far as practicable, adequately mitigated. It is recognised that systems can only provide reasonable, but not absolute, assurance that major risks have been adequately managed. The current key risks are considered to be those which would materially impact the brand and reputation of the Group. These are listed below, and should these occur it is likely they would generate significant media interest:

- A major business interruption causing partial or total closure of the School for some time.
- A major accident involving death serious injury, possibly as a result of contributory negligence.
- A major scandal involving child protection issues.

Key controls used by the Governors to identify, assess and mitigate risks during the year include:

- Formal programme of risk assessments and steps taken to mitigate those risks reported to Governors' meetings.
- Comprehensive strategic planning, budgeting and management accounting.
- Established organisational structure and lines of reporting.
- Formal written policies, including clear authorisation and approval levels.
- Vetting procedures as required by law for the protection of the vulnerable.

# Berkhamsted Schools Group

## STRATEGIC REPORT

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### AUDITOR

Crowe Clark Whitehill LLP has indicated its willingness to be re-appointed as statutory auditor.

Insofar as each of the Governors of the school at the date of approval of this report is aware there is no relevant audit information (information needed by the School's auditor in connection with preparing the audit report) of which the School's auditor is unaware. Each Governor has taken all of the steps that he/she should have taken as a governor in order to make himself/herself aware of any relevant audit information and to establish that the School's auditor is aware of that information.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board of Governors on 28 November 2015, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



MR G.C. LAWS  
Chairman of Governors

28 November 2015

# Berkhamsted Schools Group

## GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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The Governors are responsible for preparing the Governors' Report, the Strategic Report and the financial statements in accordance with applicable law and regulations.

Charity law requires the Governors to prepare financial statements for each financial year in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under charity law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charity and of its net incoming resources for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue to operate.

The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the charity's transactions and disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 1993. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.



# Berkhamsted Schools Group

## INDEPENDENT AUDITOR'S REPORT

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### **Independent Auditor's Report to the Members of Berkhamsted Schools Group**

We have audited the financial statements of Berkhamsted Schools Group for the year ended 31 July 2015 which comprise the Group Statement of Financial Activities, the Group and Company Balance Sheets, the Group Cash Flow Statement and the related notes numbered 1 to 20.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of trustees and auditor**

As explained more fully in the Statement of Trustees' Responsibilities, the trustees (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the charitable company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the trustees; and the overall presentation of the financial statements.

In addition, we read all the financial and non-financial information in the Strategic report and the Trustees' Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 July 2015 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Strategic report and the Trustees Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

# Berkhamsted Schools Group

## INDEPENDENT AUDITOR'S REPORT

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

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

- the parent charitable company has not kept adequate accounting records; or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



**Mike Hicks**

Senior Statutory Auditor

For and on behalf of

**Crowe Clark Whitehill LLP**

Statutory Auditor

**London**

Date 16.12.15

Berkhamsted Schools Group  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
(Incorporating an Income And Expenditure Account)

	Notes	Unrestricted Funds		Restricted Funds	Endowment and Building	Year Ended July 2015	Year Ended July 2014
		School £'000	Designated £'000	£0'000	Funds £'000	Total £'000	Total £'000
<b>INCOMING RESOURCES</b>							
<b>Income from Charitable Resources</b>							
School fees	1	26,746	-	-	-	26,746	24,630
Registration fees		73	-	-	-	73	74
Income from lettings	2	68	-	-	-	68	125
<b>Income from Generated Funds</b>							
Activities for Generating Funds;							
Fundraising donations		-	1	437	-	438	286
Trading income	3	1,164	-	-	-	1,164	1,026
Investment income		-	-	48	-	48	58
Bank interest		-	-	4	-	4	6
<b>Other Incoming Resources</b>	4	357	-	-	-	357	465
<b>Total Incoming Resources</b>		28,408	1	489	-	28,898	26,670
<b>RESOURCES EXPENDED</b>							
<b>Charitable Activities:</b>							
Schools and Grant making		25,004	455	303	69	25,831	23,904
<b>Cost of Generating Funds:</b>							
Fundraising for voluntary resources		124	-	-	-	124	164
Trading expenditure	3	1,098	-	-	-	1,098	1,037
<b>Governance costs</b>	7	108	-	-	-	108	75
<b>Total resources expended</b>	6	26,334	455	303	69	27,161	25,180
<b>Net incoming/(outgoing) resources before transfers</b>		2,074	(454)	186	(69)	1,737	1,490
Transfers between funds	8	(2,074)	2,074	(1,832)	1,832	-	-
<b>Net incoming resources</b>		-	1,620	(1,646)	1,763	1,737	1,490
Gain on investments:							
Unrealised	10	-	-	16	3	19	46
<b>Net movement in funds</b>		-	1,620	(1,630)	1,766	1,756	1,536
Balances brought forward at 1 August 2014		-	20,094	2,704	6,196	28,994	27,458
Balances carried forward at 31 July 2015		-	21,714	1,074	7,962	30,7450	28,994

**Berkhamsted Schools Group**  
**CONSOLIDATED AND SCHOOL BALANCE SHEETS**  
for the year ended 31 July 2015

	Notes	Group		School	
		2015 £'000	2014 £'000	2015 £'000	2014 £'000
<b>FIXED ASSETS</b>					
Land and buildings	9	33,860	31,952	33,860	31,952
Other tangible assets	9	1,433	1,557	1,433	1,557
Intangible fixed assets		2	4	-	-
Investments	10	3,162	3,011	3,162	3,011
		<u>38,457</u>	<u>36,524</u>	<u>38,455</u>	<u>36,520</u>
<b>CURRENT ASSETS</b>					
Stock	11	31	31	31	31
Debtors	12	640	711	607	696
Cash at bank and in hand		333	269	138	168
		<u>1,004</u>	<u>1,011</u>	<u>776</u>	<u>895</u>
CREDITORS: Amounts falling due within one year	13	(5,104)	(4,610)	(4,937)	(4,487)
<b>NET CURRENT LIABILITIES</b>		<u>(4,100)</u>	<u>(3,599)</u>	<u>(4,161)</u>	<u>(3,592)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>34,357</b>	<b>32,925</b>	<b>34,294</b>	<b>32,928</b>
CREDITORS: Amounts falling due after one year	14	(3,608)	(3,931)	(3,608)	(3,931)
<b>NET ASSETS</b>		<u>30,749</u>	<u>28,994</u>	<u>30,686</u>	<u>28,997</u>
<b>ENDOWMENT AND BUILDING FUNDS</b>	16a	7,962	6,196	7,962	6,196
<b>RESTRICTED FUNDS</b>	16b	1,074	2,704	1,074	2,704
<b>UNRESTRICTED FUNDS</b>					
Designated funds	16c	21,713	20,094	21,650	20,096
Retained income	16d	-	-	-	-
<b>TOTAL FUNDS</b>		<u>30,749</u>	<u>28,994</u>	<u>30,686</u>	<u>28,997</u>

The financial statements were approved and authorised for issue by the Board of Governors on 28 November 2015 and are signed on their behalf by;

  
MR G.C. LAWS (Chairman)

  
Mr M SCICLUNA

**Berkhamsted Schools Group**  
**CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 July 2015

	<b>Notes</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Net cash flow from operating activities	A	3,185	2,910
Returns on investments and servicing of finance	B	52	63
Capital expenditure	B	(2,852)	(2,685)
		<hr/>	<hr/>
Net cash inflow/(outflow) before financing		385	292
Financing	C	(167)	(167)
		<hr/>	<hr/>
INCREASE IN CASH IN THE PERIOD		228	125
		<hr/>	<hr/>

RECONCILIATION OF NET CASH FLOW TO MOVEMENT IN NET DEBT

	<b>Notes</b>	<b>2015 £'000</b>	<b>2014 £'000</b>
Increase/(Decrease) in cash in the period		228	125
Bank loan drawn, net of capital repayments		167	167
		<hr/>	<hr/>
CHANGE IN NET DEBT		395	292
NET DEBT AT 1 AUGUST 2014		(3,138)	(3,430)
		<hr/>	<hr/>
NET DEBT AT 31 JULY 2015	D	(2,743)	(3,138)
		<hr/>	<hr/>

**Berkhamsted Schools Group**  
**NOTES TO THE CONSOLIDATED CASH FLOW STATEMENT**  
for the year ended 31 July 2015

		<b>2015</b>	<b>2014</b>
		£'000	£'000
<b>A</b>	<b>Reconciliation of operating profit to net cash inflow from operating activities</b>		
	Net incoming resources	1,737	1,490
	Investment income	(48)	(57)
	Bank interest received	(4)	(6)
	Depreciation charges	932	922
	Decrease/(increase) in stock	-	(4)
	Decrease/(increase) in debtors	71	48
	(Decrease)/increase in creditors < 1 year	653	(187)
	(Decrease)/increase in creditors > 1 year	(156)	704
	<b>Net cash inflow from operating activities</b>	<b>3,185</b>	<b>2,912</b>
<b>B</b>	<b>Returns on investments and servicing of finance</b>		
	Bank interest received	4	6
	Investment income received	48	57
	<b>Net cash inflow from returns on investments and servicing of finance</b>	<b>52</b>	<b>63</b>
	<b>Capital expenditure</b>		
	Payments to acquire tangible fixed assets	(2,720)	(2,468)
	Increase /(Decrease) in cash in investment portfolio	(132)	(217)
	<b>Net cash outflow from capital expenditure</b>	<b>(2,852)</b>	<b>(2,685)</b>
<b>C</b>	<b>Financing</b>		
	Bank loan drawn	0	0
	Bank loan repayments	(167)	(167)
		(167)	(167)
<b>D</b>	<b>Net debt</b>		
	Cash at bank and in hand	333	270
	Overdraft	(1,187)	(1,352)
	Bank loan	(1,889)	(2,056)
		(2,743)	(3,138)

# Berkhamsted Schools Group

## STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 July 2015

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### **BASIS OF FINANCIAL STATEMENTS**

The financial statements of the School are prepared in accordance with the Companies Act 2006 and the Statement of Recommended Practice "Accounting by Charities" issued in March 2005 and with applicable accounting standards. They are drawn up on the historical accounting basis except that investments held as fixed assets are carried at market value.

### **GOING CONCERN**

After making enquiries, the Governors have a reasonable expectation that the charity has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities on page 15.

### **CONSOLIDATION**

Berkhamsted School Enterprises Limited and Berkhamsted Day Nursery Limited are wholly owned subsidiary undertakings of Berkhamsted Schools Group. Accordingly, the net assets of the subsidiary have consolidated statement of financial activities and cash flow statement have been produced. Advantage has been taken of the exemption available to not prepare a Statement of Financial Activities for the School, as set out in the SORP Paragraph 397 and section 408 of the Charities Act 2006. The net incoming resources of the School alone were £2,076k (2014: £1,799k).

### **FEES RECEIVABLE**

Fees receivable comprises tuition and boarding fees charged to pupils, after deducting scholarships, concessions and bursaries provided by the School.

### **ENDOWMENT AND BUILDING FUNDS**

The Endowment and Building Funds represents the Charity's endowed assets comprising land and buildings and certain investments (as referred to in the Charity's Scheme dated 29th August 1996) together with all subsequent additions to buildings. All strategic building projects from 2004 were funded from general reserves and in recognition of this, these costs have been separately identified within a designated unrestricted fund.

### **TANGIBLE FIXED ASSETS**

Land and Buildings are carried in the balance sheet at their cost as the Governors consider it is not appropriate to apply a current value to such property. The cost of new buildings is added to fixed assets as it is incurred. The School seeks to maintain its properties in a good condition. The costs incurred in doing so, which can include major building modernisation and improvement, are written off as incurred. The cost of land and buildings represents expenditure since 1866. Foundation land and buildings bequeathed on trust for retention in perpetuity have not been valued.

The School capitalises strategic development projects (which are typically greater than £100,000) and motor vehicles; minor items of School equipment and furniture are written off in the year of purchase.

### **DEPRECIATION**

Depreciation is calculated by reference to the cost of fixed assets using a straight line basis at rates considered appropriate having regard to the expected lives of the fixed assets.

The annual rates of depreciation in use are:-

Buildings	1-2%
Furniture & Equipment	15% - 20%
Motor Vehicles	20% - 25%

The Governors have considered the value of buildings and continue to deem the depreciation policy appropriate.

# Berkhamsted Schools Group

## STATEMENT OF ACCOUNTING POLICIES

for the year ended 31 July 2015

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### **INTANGIBLE FIXED ASSETS**

Intangible fixed assets relate to goodwill arising on the acquisition of the day nursery in 2012 which is being amortised on a straight line basis over 5 years.

### **INVESTMENTS**

Investments held as fixed assets are stated in the balance sheet at their open market value as at the balance sheet date. Any resulting unrealised gain or loss is taken to the fund to which it relates.

### **STOCK**

Stock is accounted for at the lower of cost and net realisable value.

### **VALUE ADDED TAX**

The School is not able to recover value added tax in respect of its expenditure in relation to the provision of education. Such expenditure is included in the category to which it relates inclusive of any Value Added Tax.

### **PENSION ARRANGEMENTS**

For teachers the School contributes to the Teachers' Pension Scheme at rates set by the scheme actuary and advised to the School by the scheme administrator. The School is unable to identify its share of the Scheme Funds and therefore the Scheme has been accounted for as a defined contribution scheme. For non-teaching staff the School contributes to defined contribution pension schemes.

For the Teachers Pension Scheme and for defined contribution schemes the amount charged to the Statement of Financial Activities in respect of pension costs and other post retirement benefits are the contributions payable in the year. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments in the balance sheet. The School also sets aside funds to meet unfunded pension obligations for certain former members of staff.

### **OPERATING LEASES**

The annual rentals on 'operating leases' are charged to the profit and loss account on a straight line basis over the lease term.

### **RESOURCES EXPENDED**

Expenditure is accounted for on an accruals basis, and has been analysed between the costs of generating funds, charitable activities and governance. Items of expenditure, which involve more than one cost category, have been apportioned on a reasonable and consistent basis for the cost category concerned, normally in connection with the ratio of staff time.

### **GOVERNANCE COSTS**

These include the costs attributable to the School's compliance with constitutional and statutory requirements, including external audit, Governors' indemnity insurance, and an appropriate proportion of senior management time.



**Berkhamsted Schools Group**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2015

1	<b>SCHOOL FEES</b>	2015 £'000	2014 £'000						
	Fees receivable consist of;								
	Gross fees	28,524	26,348						
	Less; Bursaries, Grants and Allowances	(1,835)	(1,771)						
	Add back; Scholarships paid for by Restricted funds	57	53						
		<hr/>	<hr/>						
		26,746	24,630						
		<hr/>	<hr/>						
2	<b>INCOME FROM LETTINGS</b>								
	Hire and lettings income (net of related maintenance and other costs)	68	125						
		<hr/>	<hr/>						
3	<b>TRADING INCOME AND EXPENDITURE</b>								
		<b>Group</b>	<b>School</b>	<b>BSEL</b>	<b>BDNL</b>				
		2015 £'000	2014 £'000	2015 £'000	2014 £'000	2015 £'000	2014 £'000		
	Membership fees	120	113	-	-	120	113	-	-
	Hire of facilities	122	73	-	-	122	73	-	-
	Classes and admissions	108	55	-	-	108	55	-	-
	Other income	13	9	-	-	13	9	-	-
	Nursery care	659	670	-	-	-	-	659	670
	Base Camp	142	106	-	14	142	92	--	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Cost of sales and other operating expenditure	1,164 (1,098)	1,026 (1,037)	-	14 (76)	505 (459)	342 (326)	659 (639)	670 (635)
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
		66	(11)	-	(62)	46	16	20	35
	Gift aid donation	-	16	46	-	(46)	(16)	-	-
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	Retained income	66	5	46	(62)	-	-	20	35
		<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

**Berkhamsted Schools Group**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2015

**4 OTHER INCOMING RESOURCES**

	2015 £'000	2014 £'000
Other income	7	54
Extra curricular lessons	350	411
	<u>357</u>	<u>465</u>

**5 EXPENDITURE**

	2015 £'000	2014 £'000
Resources expended include:		
Auditors remuneration; for audit	28	28
for other services	16	8
Operating lease payments – plant and machinery	67	96
	<u>          </u>	<u>          </u>
Total staff costs comprise:		
Wages and salaries	14,605	14,070
Social security costs	1,204	1,135
Pension contributions	1,619	1,513
	<u>17,428</u>	<u>16,718</u>

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

	2015		2014	
	Full time	Part time	Full time	Part Time
Teaching and Educational Support	240	142	233	124
Maintenance and Domestic	31	46	30	45
Administrative and Sport Centre	34	14	34	19
	<u>305</u>	<u>202</u>	<u>297</u>	<u>188</u>

One Governor received payment for services related to the introduction of a mini-MBA into the Sixth Form curriculum. No other Governors or persons connected with them received any remuneration or other benefits from the School or any connected organisation other than the reimbursement of expenses totalling £1.4k (2014: 0.6k) to three Governors, incurred wholly in respect of their duties as Governors.

**Berkhamsted Schools Group**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2015

**5 EXPENDITURE (continued)**

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

	2015	2014
£150,001 - £160,001	1	-
£140,001 - £150,000	-	1
£100,001 - £110,000	1	-
£80,001 - £90,000	1	2
£70,001 - £80,000	3	1
£60,001 - £70,000	10	10
	<u>16</u>	<u>14</u>

Contributions were made to the Teachers' Pension Scheme of £139k (2014 £139k), which is a defined benefit scheme for 13 higher paid employees and contributions of £26k (2014 £28k) were made to a defined contribution scheme for 3 higher paid employees.

**6 ANALYSIS OF TOTAL RESOURCES EXPENDED**

	Staff Costs £'000	Depreciation £'000	Other Costs £'000	<b>Total 2015 £'000</b>	Total 2014 £'000
Schools and grantmaking:					
Teaching	13,716	268	3,240	<b>17,224</b>	16,419
Welfare	155	-	1,781	<b>1,936</b>	1,804
Premises and administration	2,156	-	1,695	<b>3,851</b>	3,630
Repairs, maintenance and improvement of buildings and facilities	525	-	1,630	<b>2,156</b>	2,646
Building depreciation	-	664	-	<b>664</b>	(595)
	<u>16,553</u>	<u>932</u>	<u>8,346</u>	<b>25,831</b>	23,904
Fundraising for voluntary Resources	102	-	22	<b>124</b>	164
Trading expenditure	735	-	363	<b>1,098</b>	1,037
Governance costs	38	-	70	<b>108</b>	75
	<u>17,428</u>	<u>932</u>	<u>8,801</u>	<b>27,161</b>	25,180
<i>2014</i>	<i>16,718</i>	<i>(922)</i>	<i>9,383</i>	<i>25,179</i>	

**Berkhamsted Schools Group**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2015

**7 GOVERNANCE COSTS - SCHOOL**

	2015 £'000	2014 £'000
Management time	37	34
Audit fee	28	28
Governors expenses and fees	1	1
Governors Indemnity insurance	4	4
Legal and professional fees	38	8
	<u>108</u>	<u>75</u>

**8 TRANSFERS**

	Unrestricted Funds		Restricted Funds	Endowment and Capital Funds
	School £'000	Designated £'000	£'000	£'000
Transfer to Designated Land and Buildings Fund	(2,074)	2,074	-	-
Transfer of Scholarship and Prize Fund	-	-	(1,832)	1,832
	<u>(2,074)</u>	<u>2,074</u>	<u>(1,832)</u>	<u>1,832</u>

The above transfers have been made in order to meet the School's reserve policies.

A transfer of £2,074k has been made from the School's net incoming resources for the year to the Designated Land and Buildings Fund, which represents the investment in the year in various capital projects.

A transfer of £1,832k has been made from Restricted Funds to Endowment and Capital Funds following advice from the School's solicitors that the Scholarship and prize fund should be treated as a permanent endowment.

**Berkhamsted Schools Group**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2015

**9 TANGIBLE FIXED ASSETS - SCHOOL**

	Land and Buildings £'000	Furniture and Equipment £'000	Motor Vehicles £'000	Total £'000
Cost				
1 August 2014	35,761	3,403	387	39,551
Transfers	146	(146)	-	-
Additions	2,459	259	2	2,720
31 July 2015	38,366	3,516	389	42,271
Depreciation				
1 August 2014	3,809	1,935	298	6,042
Transfers	33	(30)	1	4
Charged in the year	664	240	28	932
31 July 2015	4,506	2,145	327	6,978
Net book value				
31 July 2015	33,860	1,371	62	35,293
31 July 2014	31,952	1,468	89	33,509

Buildings, including contents, are insured for £121 million (2014: £118 million). The flats at Dean Fry Court are subject to a charge by the National Westminster Bank as security for the bank loan of up to £2.5 million, and the Haresfoot site is subject to a charge by the National Westminster Bank as security for the bank overdraft of up to £5 million.

**10 INVESTMENTS – GROUP AND SCHOOL**

	Designated £'000	Restricted £'000	Endowment and Building £'000	Total 2015 £'000
Market value at 31 July 2014	62	2,677	272	3,011
Increase in cash held within the portfolio	-	132	-	132
Revaluation	-	16	3	19
Market value at 31 July 2015	62	2,825	275	3,162

**Berkhamsted Schools Group**  
**NOTES TO THE FINANCIAL STATEMENTS**  
for the year ended 31 July 2015

**10 INVESTMENTS – GROUP AND SCHOOL (continued)**

	Designated £'000	Restricted £'000	Endowment and Building £'000	Total 2015 £'000	Total 2014 £'000
Managed portfolio	-	1,442	274	1,716	1,697
Cash	62	1,384	-	1,446	1,314
Market value at 31 July 2015	62	2,826	274	3,162	3,011
Historical cost of investments	89	1,697	132	1,917	1,917

Investments are represented by (at market value):

	2015 £'000	2014 £'000
UK equity shares	749	820
UK bonds	147	177
Overseas bonds	34	28
Overseas equity shares	591	527
Other investments	161	121
Cash	1,480	1,337

**11 STOCK**

	2015 £'000	2014 £'000
Group and school	31	31

**Berkhamsted Schools Group**  
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**12 DEBTORS**

	Group		School	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Fees receivable	118	81	85	66
Recoverable disbursements	119	146	119	146
Other debtors and repayments	403	484	403	484
	<u>640</u>	<u>711</u>	<u>607</u>	<u>696</u>

**13 CREDITORS: Amounts falling due within one year**

	Group		School	
	2015 £'000	2014 £'000	2015 £'000	2014 £'000
Bank loan	167	167	167	167
Bank overdraft	1,187	1,351	1,187	1,351
Fees received in advance	1,253	1,034	1,245	1,014
Trade creditors	876	547	861	546
Other taxes and national insurance contributions	322	325	322	322
Other creditors	494	440	500	435
Accruals	805	746	571	566
Due to subsidiary undertakings	-	-	84	86
	<u>5,104</u>	<u>4,610</u>	<u>4,937</u>	<u>4,487</u>

The maximum overdraft facility of £5m is secured in the form of a first legal charge over the Haresfoot site.

**Berkhamsted Schools Group**  
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**14 CREDITORS: Amounts falling due in more than one year**

	Group		School	
	2015	2014	2015	2014
	£'000	£'000	£'000	£'000
Bank loan	1,722	1,889	1,722	1,889
Fee deposits held at year end	1,386	1,237	1,386	1,237
Fees received in advance	500	805	500	805
	<u>3,608</u>	<u>3,931</u>	<u>3,608</u>	<u>3,931</u>

Security of £2.5m is held against the loan from the National Westminster Bank in the form of a charge over the School's flats at Dean Fry Court. The bank loan is repayable in termly instalments as follows:

	£'000	£'000
Included in creditors due within one year		167
Due within 2 to 5 years	666	
Due after 5 years	1,056	
Included in creditors due after more than one year	<u>1,722</u>	<u>1,722</u>
Total bank loan as at 31 July 2015		<u>1,889</u>

Fees in Advance total £1,753k, of which £1,253k falls due within one year, and £500k falls due between two and five years.



**Berkhamsted Schools Group**  
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**15 ALLOCATION OF SCHOOL NET ASSETS**

	Tangible fixed assets £'000	Investments £'000	Other assets/ (liabilities) £'000	Total £'000
Endowment and building funds	5,855	2,107	-	7,962
Restricted funds	-	1,059	15	1,074
Unrestricted funds:				
Designated funds	21,468	2	245	21,715
Retained income	7,974	(6)	(7,967)	0
	<u>35,297</u>	<u>3,162</u>	<u>(7,707)</u>	<u>30,751</u>
Unrealised gains included above in investments:			2015 £'000	2014 £'000
Endowment and building funds			143	140
Restricted funds			751	735
			<u>894</u>	<u>875</u>

**Berkhamsted Schools Group**  
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**16a ENDOWMENT AND BUILDING FUNDS**

	Balance 31 July 2014 £'000	Incoming resources £'000	Resources Expended £'000	Investment gains/(losses) £'000	Transfers £'000	Balance 31 July 2015 £'000
Represented by:						
Land and buildings	5,924	-	(69)	-	-	5,855
Permanent endowment	272	-	-	3	-	275
Scholarship and prize fund	-	-	-	-	1,832	1,832
	<u>6,196</u>	<u>-</u>	<u>(69)</u>	<u>3</u>	<u>1,832</u>	<u>7,962</u>

**16b RESTRICTED FUNDS**

Scholarship and prize fund	1,814	2	-	16	(1,832)	-
Extraordinary repairs fund	13	-	-	-	-	13
The Berkhamstedian Foundation	875	487	(303)	-	-	1,059
Other funds	2	-	-	-	-	2
	<u>2,704</u>	<u>489</u>	<u>(303)</u>	<u>16</u>	<u>(1,832)</u>	<u>1,074</u>

**16c DESIGNATED FUNDS**

The Berkhamstedian Foundation	62	1	(60)	-	-	3
Land and buildings	19,787	-	(395)	-	2,074	21,466
Heatherton Development Fund	245	-	-	-	-	245
	<u>20,094</u>	<u>-</u>	<u>(455)</u>	<u>-</u>	<u>2,074</u>	<u>21,713</u>

**16d UNRESTRICTED FUNDS**

School funds	<u>-</u>	<u>28,409</u>	<u>(26,335)</u>	<u>-</u>	<u>(2,074)</u>	<u>-</u>
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**16e TOTAL FUNDS HELD**

<b>TOTAL FUNDS</b>	<u>28,994</u>	<u>28,898</u>	<u>(27,162)</u>	<u>19</u>	<u>-</u>	<u>30,750</u>
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# Berkhamsted Schools Group

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2015

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### **Endowment and Building Funds**

Tangible fixed assets are all held for use by the School. Land and Buildings represent assets donated on foundation and subsequent major additions at cost. As a consequence these assets are a mixture of those endowed to the School and those subsequently acquired. Tangible fixed assets are shown at cost in the balance sheet.

Buildings are depreciated at 1-2% of cost, with the charge being written off to the Endowment and Buildings Funds. All costs of maintaining the buildings are written off as expenses of the School in the year of expenditure.

#### *Scholarships and Prize Fund*

This represents bequests and donations received by the Charity, which are subject to the specific wishes of the donor. These funds are matched by cash and investment balances. Where specified by the donor, only the income arising from the funds is used for the specific purpose for which the bequest or donation was received.

Movements in the fund during the year comprise investment income, changes in the market value of the investments and scholarships awarded.

### **Restricted Funds**

#### *Extraordinary repairs fund*

This fund was established in order to provide for the extraordinary repair, improvement or rebuilding of the buildings belonging to the Charity.

#### *The Berkhamstedian Foundation*

This represents a restricted fund established for the purpose of providing resources for specific projects and to widen the opportunity for scholarships and bursaries.

### **Designated funds**

#### *Land and Buildings Fund*

This represents fixed asset additions for major strategic projects mostly since 2004 funded from annual net incoming resources.

#### *The Berkhamstedian Foundation*

This represents a designated fund established by Governors. The fund represents unrestricted fund raising donations received which are set aside for the purpose of providing resources for specific projects and to widen the opportunity for scholarships and bursaries.

#### *Heatherton Development Fund*

The designated Development Fund represents unrestricted funds set aside by the Governors of Heatherton House School for the future functioning of the School.

# Berkhamsted Schools Group

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 July 2015

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### 17 SUBSIDIARY UNDERTAKINGS

Berkhamsted Day Nursery Limited (BDNL) and Berkhamsted School Enterprises Limited (BSEL) are wholly owned subsidiaries of Berkhamsted Schools Group. The subsidiary companies pay all their distributable profits to the School through gift aid declarations.

Results for the year and retained capital and reserves are shown below for each subsidiary:

#### Berkhamsted Day Nursery Limited

	Total 2015 £	Total 2014 £
Profit /(loss) after tax and gift aid	19,788	35,279
Capital and reserves	(1,599)	(21,385)

#### Berkhamsted School Enterprises Limited

	Total 2015 £	Total 2014 £
Profit /(loss) after tax and gift aid	-	-
Capital and reserves	21	21

### 18 PENSION SCHEME

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff.

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

The employer contribution rate is set following scheme valuations undertaken by the Government Actuary Department. The latest valuation report in respect of the TPS was prepared at 31 March 2012 and was published in June 2014. This report confirmed that the employer contribution rate for the TPS will increase from 14.1% to 16.4% although, recognising that teaching establishments work on an academic and not financial year, the Government has deferred the implementation of this increase to 1 September 2015. Employers will in addition from 1 September 2015 pay a scheme administration levy of 0.08% of the employers' salary costs which will increase the total employer payment rate from 16.4% to 16.48%.

The next revision to the employer contribution rate is not expected to take effect until 1 April 2019. This will follow on from the next actuarial valuation which is due at 31 March 2016. This valuation will also determine the opening balance of the cost cap fund and provide an analysis of the cost cap as required by the Public Service Pensions Act 2013.

**Berkhamsted Schools Group**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**19 COMMITMENTS UNDER OPERATING LEASES**

At 31 July 2015 the School had annual commitments under non-cancellable operating leases as follows:

	2015 £'000	2014 £'000
Plant and machinery:		
Expiring within one year	6	11
Expiring in the second to fifth years	19	25
	<hr/>	<hr/>
	25	36
	<hr/>	<hr/>

**20 CAPITAL COMMITMENTS**

There are £517k (2014: £1,424k) of capital commitments as at 31 July 2015.