

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY

**REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019**

Company Number: 00905522

Charity Registration Number: 1157842



FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY

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FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
ANNUAL REPORT OF THE GOVERNORS ON THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

The Board of Directors present their annual report for the year ended 31 July 2019 in accordance with the Companies Act 2006 and the Charities Act 2011, together with the audited consolidated financial statements of Farleigh School Trust Limited (the "Company", "Charity" or "School") and its subsidiary (together the "Group").

The financial statements comply with the Charities Act 2011, the Companies Act 2006, the Memorandum and Articles of Association, and Accounting and Reporting by Charities Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015).

Farleigh School Trust Limited is a charitable Company, registered Charity number 1157842, Company registration number 00905522. The Registered Office and principal address of the Company is at Red Rice, Andover, Hampshire SP11 7PW.

Directors

The Directors of the Company are also Governors of the School and its Trustees for the purpose of Charity law. The Directors serving during the year and since the year end were as follows:

Keith Abel (Chair)*	(Appointed Chair 1 August 2018)
Jane Vyvyan (Vice Chair)*	
Kirsty Anderson#	(Appointed 1 August 2018)
Charlotte Cunningham MBE	
Gavin Hamilton	(Resigned 31 July 2019)
Simon Henderson**	
Charles Ingram Evans*	
Hugo Keith QC	(Appointed 1 August 2019)
Fr Oswald McBride#	
Sarah Raffray##	
Emma Todd#	

** Chair of the Finance Committee, * Members of the Finance Committee

Chair of the Academic and Pastoral Committee, # Members of the Academic and Pastoral Committee

The Board of Governors and the sub-committees meet three times a year as a matter of routine and more frequently as circumstances require. New Directors are appointed by the Board of Governors, serve for periods of four years and are eligible for re-election, normally up to a maximum period of 12 years.

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Key Management Personnel

Key management personnel serving during the year were as follows:

Fr Simon Everson, Headmaster

Danny Boswell, Director of Finance & Operations / Company Secretary (Resigned 31 August 2018)

Paul Lane, Director of Finance & Operations / Company Secretary (Appointed 1 September 2018)

Michael Matthews, Deputy Head (Pastoral)

Janet Watts, Deputy Head (Academic)

Jenifer Hillman, Head of Pre-Prep

Professional Advisers

Bankers

HSBC Bank Plc
West End Area Commercial Centre
2nd Floor, 16 King Street
London WC2E 8JF

Solicitors

Wilsons Solicitors LLP
Alexandra House
St John's Street
Salisbury SP1 2SB

Auditors

Haysmacintyre LLP
10 Queen Street Place
London
EC4R 1AG

OBJECTS, AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

Objects

The objects of the Company are the advancement of Roman Catholic education at Farleigh School; the furtherance of religion and education in accordance with the doctrines of the Roman Catholic faith; and the advancement of education; in each case for the public benefit.

Strategic Aim and Intended Effect

The School's strategic aim is to achieve pupil attendance of boys and girls at around 450 children, with a strong boarding element and with a particular focus on those of the Roman Catholic faith, but also welcoming non-Catholics.

Objectives of the Year

The Board's principal objective is to provide a financially stable infrastructure and a learning environment that ensures the education of all Farleigh pupils to a high standard, enabling them to enter the senior school of their choice for the furtherance of their education.

Ethos and Aims

Farleigh School's ethos is:

- To share with parents in the spiritual, moral and intellectual development of their children in a Catholic community, which welcomes all faiths.
- To provide a first class education striving for excellence in all academic, cultural and sporting pursuits, giving every child the confidence to discover where their gifts lie and to enjoy their talents.

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ANNUAL REPORT OF THE GOVERNORS ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

- To educate children in the teaching and sacramental life of the Church and to encourage them towards a life of faith.
- To create a well-ordered and caring school community, where the self-respect and dignity of each person will flourish.
- To help Farleigh pupils to grow up honourably, inspired by high ideals, so that they may serve others generously, and be strong in friendship and family.

Farleigh School's aims are:

- To ensure the development of the School's children, spiritually, morally, socially, intellectually and culturally.
- To provide a broad and high quality education for children of mixed ability which will lay strong foundations for a fulfilling and rewarding life.
- To prepare and educate each child for their senior school.
- To make Farleigh a special place for children to enjoy a part of their childhood through warm pastoral care of the highest standard.

Principal Activity

The School's principal activity continues to be the academic, spiritual and moral development of children aged 3 to 13 through the operation of a co-educational Pre-Preparatory and Preparatory School.

PUBLIC BENEFIT

The Board has reviewed the Charity Commission's advice on public benefit and is satisfied that current activities comply with this advice. The strong Catholic ethos of the School underpins the commitment of the School to serving others. Governors have nominated one of their number to lead, monitor and further develop the School's policy on Public Benefit, which is considered at each Governors' meeting.

Access to the School

The Board continues to open up opportunities to children who would not for financial reasons normally be able to attend Farleigh School. Farleigh continues to provide two places each year for transformational, 110% bursaries for children identified in conjunction with the Royal National Children's SpringBoard Foundation.

Community Outreach

Pupils are encouraged to think beyond themselves. They have the opportunity to engage with the wider community through first-hand experience and also with charity projects, both locally and further afield. These include weekly interaction with Icknield Special School in Andover, whose pupils come and use the School's space and facilities; this is one of the most popular weekly activities with Farleigh children. Year 8 pupils help out at the Andover foodbank as a weekly activity also. Year 7 children have the opportunity to spend time with the elderly at a local care home with whom they share their ePortfolio work. Four times a year, local charity, Kids on Track Andover, uses Farleigh's facilities, along with many current and former pupils of the school, to provide local children with opportunities for games and activities within the grounds.

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ANNUAL REPORT OF THE GOVERNORS ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

The Chapel

As part of the Parish of St John the Baptist, Andover, Fr Simon, as Chaplain and Headmaster, celebrates Sunday Mass in the Chapel throughout the year. It is well attended by boarding pupils, current and former Farleigh families and other local parishioners.

Fr Simon provides pastoral support to members of the Parish as and when required, and £13,126 was donated to Parish funds from the Chapel collections. Chapel and school buildings are made available for Parish events and Confirmation Retreats, and the Chapel is a collection point for donations to the Andover Foodbank.

Sporting & Other Facilities

The School's grounds, sports facilities and Music School are used for community activities during the school holidays, including the following:

- Hampshire County Cricket Club matches for boys' and girls' under 9 to under 13 teams during the summer months.
- Andover Hockey Club's weekly team training sessions, held on the All Weather Pitch (AWP).
- The Andover Triathlon, held at Farleigh in July, during which all the grounds, Pool and Theatre are used.
- Drama and Dancing/Singing summer camps used the Theatre and Amphitheatre.
- Kids On Track Andover visited several times during the holidays using the Theatre, Sports Hall, Recital Hall, Food Technology room, AWP, grounds/woods and school minibuses.
- The Music School continues to host Trinity College music exams for local pupils. The school also hosted the Andover Women's Choir and the Andover Choral Society (a registered charity) for rehearsals.
- Eleven local primary schools used the School's swimming pool during the year and the School provided some with transport. A senior school with special needs children used the pool for several practice sessions for swimming galas. Some local teaching swimming schools/clubs also hired the pool on a regular basis; it has also been used for adult fitness classes. The local Pony Club hired the pool for Tetrathlon competition training and a local Scout Group used the pool for its Annual gala. Local residents and Farleigh families also use the pool. Swim England also used the swimming pool for Teacher Training.
- The School also hosted externally provided activities including touch typing courses and Mad Science Wessex weeks.
- The annual Macmillan Coffee Morning is held in the Sports Hall, helping it to raise around £5,000 each year.

Charity Fundraising

Funds for charity are raised collectively, as a whole School community, and also by small groups of pupils or individuals. Charities supported during the year included: Simon Says, Child Bereavement Support (£2,355); The Countess of Brecknock Hospice, Andover (£2,355); Kids for Kids (£380); Let the Children Live, a Colombian charity (£1,420); and L'Arche UK (£3,279).

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
ANNUAL REPORT OF THE GOVERNORS ON THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 31 JULY 2019

STRATEGIC REPORT

Financial Review

Total income for the year amounted to £8,958,339 (2018: £8,556,505), including £350,813 (2018: £297,982) of trading income. Total expenditure amounted to £8,756,287 (2018: £8,330,335). The surplus funds generated during the year and available for reinvestment in the facilities of the School were therefore £202,052 (2018: £226,170). Cash and cash equivalents have increased by £559,996 during the year with a closing bank and cash balance of £216,686.

Reserves

The unrestricted funds of the Group increased by £145,143 and stood at £15,318,858 at the year end. The net book value of tangible fixed assets was £16,691,292 therefore the unrestricted reserves were wholly deployed in the School's premises and equipment, with the need for day-to-day working capital being met by careful management of short-term liquid resources and an overdraft facility. The School's policy for free reserves, which are the unrestricted reserves less fixed assets, is to invest any surpluses generated from the running of the School in developing the buildings, equipment, staff and resources. The School's strategic intent is to build cash reserves to £1.25m over the next few years.

Assistance with Fees

Alongside full bursaries provided by the St Theresa Fund, the School offers means tested discounts to those who would otherwise be unable to afford full fees. This year bursaries were awarded to 26 pupils, with total means tested discounts amounting to £163k (2018: £175k). The total fee assistance amounted to £421k (2018: £409k).

Investment Performance

Any uncommitted funds are placed on deposit. Interest received amounted to £2,137 (2018: £909).

Revaluation

As part of the transition to FRS102 the Board commissioned a revaluation which was carried out by independent valuers of the land and property of the School. As at 31 July 2015 (date of transition to FRS 102) the freehold property and land had a fair value of £24m. For prudence, as in previous years, the Board continues to show the revalued figure for the land but not the property in the balance sheet. This is reflected in a revaluation reserve within unrestricted funds.

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REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Pupil numbers and fees

Pupil numbers continue to be strong, averaging 453 over the year. Boarding is an important part of the School's life with over 25% of prep school pupils full or weekly boarding; flexi-boarding is also available. There were 177 pupils of the Roman Catholic faith in the School (2017-18: 188), representing around 40% of the total; evidence of the continuing demand for the Catholic education delivered by the School.

Operational Performance and Compliance

At the last full inspection by the Independent Schools Inspectorate (ISI) in November 2013, the School was judged to be excellent in all areas assessed. A Regulatory Compliance Inspection was conducted by the ISI in November 2017 and the School was found to meet all of the required standards.

Teaching and Learning

Prep

The School had another successful year with all Year 8 pupils achieving academic success. Fifty one pupils gained 18 awards in scholarship exams, including a major academic scholarship to Downside, an academic scholarship to Oundle as well as a major music scholarship to Sherborne School. They also secured places to top public schools which included: 7 pupils going to Marlborough College, 4 to St Mary's Ascot, 3 to Radley and 2 to Eton.

The focus of teaching and learning has expanded from the development of pupils' academic skills and knowledge, to include pupils' soft skills, with more collaboration and team work. Teaching and learning has consequently become increasingly dynamic with the pupils as active participants in lessons and through greater use of paired and group work.

In English there has been renewed focus on developing excellent handwriting and reading. Over the last year the School introduced a programme called Accelerated Reader. This is an online resource which increases the level of comprehension and reading proficiency. Children have been enthused, the standard of reading has increased substantially and children are reading more complex and longer texts.

Last year also saw an improvement in handwriting across the school; it was the best year for House Handwriting with an average mark of 8.02 out of 10. Further developing the profile of writing and reading in the School continues to be an objective in the coming year.

The Science department has been awarded the Primary Science Quality Mark GILT Award, an accolade that reflects the excellent science teaching here at Farleigh. The PSQM National Director said of this award, 'The profile and quality of science teaching and learning in each awarded school is very high'. A further achievement for the Science Department in the past year has been with our Year 5 pupils, who were runners up at the Bradfield College Prep Schools Science challenge in which 25 prep schools took part.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY

ANNUAL REPORT OF THE GOVERNORS ON THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 JULY 2019

Information Technology (IT) is an integral part of the teaching and learning process at Farleigh with widespread use of iPads and websites. Virtual reality headsets have been introduced to bring the learning process to life by enabling pupils to relive experiences such as the Battle of Hastings. In order to monitor pupil achievement better all reports and progress grades are now electronically recorded and the online resource Classroom Monitor is used meticulously to track pupils by assessing attainment on a regular basis.

Outdoor education has also become more prominent with Forest Schools being formally introduced to Farleigh in September 2018. Forest Schools is a process that offers children regular opportunities to develop confidence and self-esteem through hands-on learning experiences in a woodland or natural environment with trees, it also enhances other social skills.

Pre-Prep

Singapore Maths is now firmly embedded into Year 1 and Year 2 classes and Reception are mirroring the practical aspects of this teaching style. Computing schemes of work have been developed and include more use of coding using Bee-Bots and Roamers. An in-depth assessment tracking process has been introduced which enables staff to identify pupils making good levels of progress and to support others where needed. Pastoral care has continued to develop with new strategies introduced particularly around playground behaviour. Wrap-around care has continued to grow successfully and is popular with parents.

Sport

Sport is an integral daily part of Farleigh life and the School has invested significantly in both facilities and staffing over the last few years to make sure that the very best provision is available. The School's aim is to engage, develop and include all pupils, encouraging them to be competitive and to do their best at all times. PE lessons from Reception year upwards are taught by well qualified specialists and focus heavily on the children's physical literacy, while the Games programme gives all of the School's pupils the opportunity to compete with children from other schools. Matches take place every Wednesday and Saturday and many teams are entered for festivals, tournaments and national events.

Football, rugby and cricket are major team games for the boys with hockey, netball and cricket for the girls. Pupils also take part in athletics, tennis, swimming and cross-country running and have the opportunity to try a number of different sports in the activities programme including badminton, archery, golf, gymnastics, lacrosse, horse-riding, softball and table tennis.

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Creative and Performing Arts

The profile and reputation of music at Farleigh remains extremely high and the Music School continues to be used extensively. The excellence of music at Farleigh continues to be recognised nationally, being regularly mentioned in reviews of the school in a variety of publications.

Twenty two members of staff teach over 400 lessons each week and 2 pupils gained top music scholarships to their senior schools (Marlborough & Sherborne) while others offered music as part of their success in all-rounder awards. More than 180 pupils took music exams from Grades 1-6, many gaining merits or distinctions. Over the course of the year, there were 53 concerts, involving soloists and performances from 25 ensembles, including an overseas tour to Lisbon, Portugal, two performances at Cadogan Hall in London and various collaborations with other schools.

The Recital Hall was used for various community events: Kids on Track camps, a choir workshop for local primary school students, and a come-and-sing event for adults, and a dance performance.

In Art, the Year 8 scholars held a successful art exhibition which also served to encourage and inspire future year groups; one pupil was awarded an art exhibition to St. Mary's Calne. The Year 7 scholarship art group had a trip to Roche Court Sculpture Park. One pupil held an art exhibition in the window of the Wykeham Gallery in Stockbridge. The very successful preview evening was covered by local television, newspapers and Waitrose's magazine.

Drama and Public Speaking

The School appointed a Head of Drama in September 2018, this was a new position. He has invigorated Drama at Farleigh.

All Year 8 pupils performed in Aladdin and Year 6 pupils staged School of Rock; this ambitious show reflected the notable talent within the cohort. Year 5 and 6 pupils took part in Junior Rock Challenge UK, a national performing arts competition. A total of 47 pupils were either onstage, a member of backstage crew or as part of the technical team operating the lights. Their routine, performed at the Southampton Guildhall, won many awards. Years 3, 4 and 5 performed their own showcases to an audience of family and friends. All students performed.

One student was awarded a Basil Hume All-Rounder (DT/Drama) to Ampleforth and another a Drama Award for Sherborne. Drama featured in the most recent publication of School House magazine and Wiltshire Life: Independent Schools Guide.

Chapel

Twenty nine children received their First Holy Communion and forty were Confirmed during the year. The Chapel continues to be full for Sunday Mass.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY

ANNUAL REPORT OF THE GOVERNORS ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

Regulation of Fundraising

Fundraising is overseen and monitored by the Board of Governors. No complaints were received regarding the function, nor were there any requests for suppressions from the Fundraising Preference Service, and no vulnerable persons were solicited for funds. No outside organisations were used for the purposes of soliciting funds during the period. Any donations solicited are requested and administered in accordance with the UK Fundraising Code of Conduct and in accordance with the School's GDPR-compliant Development privacy policy, which outlines the measures taken to fundraise transparently, fairly and in accordance with lawful practices.

PLANS FOR FUTURE PERIODS

Plans to ensure the long term success of the School are centred on four key areas: development of the core ethos; enhancing the curriculum; strengthening boarding; and ensuring the School has the right facilities and infrastructure. After several years of significant investment in the School's infrastructure which have included an all-weather pitch (2015), a new Music School (2016), improved boarding facilities (2017), improved IT facilities and Pre-Prep playground (2017), enhanced sports changing rooms and catering facilities (2018), and the expansion and refurbishment of the dining room (2019). The School's capital expenditure plans under consideration include:

- Improving the senior boarding facilities
- Creating additional/more modern teaching spaces
- Modernising the School's sewage system
- Refurbishing the Theatre and Sports Hall
- Creating additional/better staff accommodation
- Developing low carbon energy options
- Modernising the School's water supply and distribution
- Expanding and modernising the tennis/netball courts

The School will continue to invest significantly in IT assets and functionality.

RISK MANAGEMENT

The Governors maintain oversight of the risks facing the Charity as an educational trust as well as the School as an operating entity. Major risks are assessed, and the systems and procedures designed to manage those risks are reviewed. Internal controls and other means of mitigating the risks, such as appropriate insurance cover, are in place. Governors have third party indemnity insurance.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY

ANNUAL REPORT OF THE GOVERNORS ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

Principal Risks and Uncertainties

A formal review of the Charity's Risk Management process is undertaken by the Board at each of its formal meetings. The key controls used are:

- Formal agendas for all Board and committee meetings
- Terms of reference for all committees
- Comprehensive planning, budgeting and management accounting
- Established organisational structures and lines of reporting
- Formal written policies
- Clear authorisation and approval levels
- Use of vetting procedures as required by law for the protection of children

The principal risks currently facing the School, and the strategies for mitigating those risks, are managed using the key controls above and can be summarised as follows:

- Growing antipathy in political circles regarding independent schools leading to a worsening of the School's financial position arising from: loss of 80% mandatory business rates relief; loss of charitable status and imposition of corporation tax; and VAT on fees.
- Weak growth or recession in the UK economy leading to parents being unable to afford full school fees. The School manages this risk and the one above through a strategy of robust cost control.
- Failure of IT systems and infrastructure to meet demand. Governors are mindful of the importance of having robust IT systems to meet both the educational needs of the School's pupils and business requirements. Significant investment is being made to ensure that the School's data continues to be managed securely and efficiently, and that Farleigh's pupils benefit from new technologies.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Recruitment of Governors

Governors are elected at a meeting of the Board of Governors on the basis of nominations forwarded by the Nominations Sub-Committee after due consideration of their eligibility and suitability to fill any vacancies.

The Board comprises up to 12 members, of which at least a two thirds majority are Roman Catholics.

Governors serve for periods of four years and after re-election can normally serve up to a maximum term of 12 years (although this may be extended in certain circumstances agreed by the Board to ensure consistency and continuity).

Governor Induction and Training

New Governors are inducted into the workings of the Company and the School through briefings by fellow Governors and key executives, and the provision of a comprehensive information pack. A visit to the School soon after election and attendance on a course for new Governors, run by the Association of Governing Bodies in Independent Schools (AGBIS), is arranged. Ongoing training is made available for all Governors and funded by the School.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
ANNUAL REPORT OF THE GOVERNORS ON THE FINANCIAL STATEMENTS (CONTINUED)
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Key Management

The Governors consider that they, together with the Head, the Director of Finance & Operations and the senior managers, comprise the key management (see note 6 to the accounts). The Governors give their time freely and the pay and remuneration of the Head and senior staff is set by the Finance Committee and is kept under annual review. A number of criteria are used in setting pay, including:

- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay

Governance

The Board of Governors determines the general policies of the School and is legally responsible for its overall management and control. The Board complies with the Code of Governance for Charities and Institutions of a Public Character (IPCs) (April 2017).

The Governors meet as a board at least once each term to consider business brought to them by sub-committees, the Headmaster and the Director of Finance & Operations. The two principal sub-committees, the Academic and Pastoral sub-committee and the Finance sub-committee, meet at least termly, in advance of the main meeting. The day-to-day running of the school is delegated to the Headmaster who is assisted by senior managers.

The school is a member of the Independent Association of Preparatory Schools (IAPS), the Boarding Schools' Association (BSA), the Association of Governing Bodies in Independent Schools (AGBIS), the Independent Schools' Bursar Association (ISBA) and the Catholic Independent Schools' Conference (CISC).

Having routinely considered budgets, reserves, cash flow projections, risk and business plans, and having ensured that the School has effective internal financial controls, the Governors are satisfied that the Accounts have been prepared on a going concern basis.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY

ANNUAL REPORT OF THE GOVERNORS ON THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 JULY 2019

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RELATION TO FINANCIAL STATEMENTS

The Directors (who are also Trustees of the Company for the purposes of Charity law) are responsible for preparing the Directors' Report (including the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Directors to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable Company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Company and the Group for that period. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP 2015 (FRS 102);
- 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable Company will continue in operation.


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

AUDITORS

In accordance with the Charities Act 2011, a resolution proposing that Haysmacintyre LLP be appointed as Auditors of the Charity will be put to a General Meeting. Haysmacintyre LLP are deemed to be appointed under section 487(2) of the Companies Act 2006.

The Board of Governors confirms there is no relevant information of which the auditors are not aware. They have taken all steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of this information.

The Directors' and Strategic reports are approved by the Board at its meeting on 21 November 2019 and signed on its behalf by:



Mr K Abel

Chair of Governors

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF
FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY

Opinion

We have audited the consolidated financial statements of Farleigh School Trust Limited for the year ended 31 July 2019 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent charitable company's affairs as at 31 July 2019 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Responsibilities of trustees for the financial statements

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

In preparing the financial statements, the trustees are responsible for assessing the 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 trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

FARLEIGH SCHOOL TRUST LIMITED AND SUBIDIARY
INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF
FARLEIGH SCHOOL TRUST LIMITED (*continued*)

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

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

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

Other information

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

FARLEIGH SCHOOL TRUST LIMITED AND SUBIDIARY
INDEPENDENT AUDITORS' REPORT TO THE GOVERNORS OF
FARLEIGH SCHOOL TRUST LIMITED (*continued*)

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the 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.



Lee Stokes (Senior Statutory Auditor)
For and on behalf of Haysmacintyre LLP, Statutory Auditors
Date 5 December 2019

10 Queen Street Place
London
EC4R 1AG

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
(INCLUDING CONSOLIDATED INCOME & EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 JULY 2019

	Notes	Unrestricted Funds 2019 £	Restricted Funds 2019 £	Total 2019 £	Total 2018 £
INCOME FROM:					
Donations and legacies	3	13,289	112,795	126,084	125,886
<i>Income Charitable activities</i>					
School Operating income	4	8,479,305	-	8,479,305	8,131,728
<i>Income from other trading activities</i>					
Trading income	5	350,813	-	350,813	297,982
Investment income		2,137	-	2,137	909
TOTAL INCOME		<u>8,845,544</u>	<u>112,795</u>	<u>8,958,339</u>	<u>8,556,505</u>
EXPENDITURE ON:					
<i>Costs of raising funds</i>					
Trading expenditure	6	99,473	-	99,473	78,929
<i>Expenditure on charitable activities</i>					
School operating costs	6	8,600,928	55,886	8,656,814	8,251,406
TOTAL EXPENDITURE		<u>8,700,401</u>	<u>55,886</u>	<u>8,756,287</u>	<u>8,330,335</u>
NET INCOME AND NET MOVEMENT IN FUNDS FOR THE YEAR		145,143	56,909	202,052	226,170
<i>Reconciliation of funds:</i>					
Total funds brought forward	17	15,173,715	210,317	15,384,032	15,157,862
Total funds carried forward	17	<u>15,318,858</u>	<u>267,226</u>	<u>15,586,084</u>	<u>15,384,032</u>

Comparatives by fund are shown in note 21. All activities are classed as continuing.

There are no other recognised gains or losses than those detailed above.


The notes on pages 19 to 40 form part of these financial statements.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
CONSOLIDATED AND PARENT COMPANY BALANCE SHEETS
FOR THE YEAR ENDED 31 JULY 2019

	Notes	Group 2019 £	2018 £	Company 2019 £	2018 £
FIXED ASSETS					
Tangible assets	8	16,691,292	17,100,530	243,599	351,526
		<u>16,691,292</u>	<u>17,100,530</u>	<u>243,599</u>	<u>351,526</u>
CURRENT ASSETS					
Stock	10	132,517	121,978	132,517	121,978
Debtors	11	311,064	278,527	5,294,310	4,922,484
Cash at bank and in hand		216,686	51,925	216,686	51,925
		<u>660,267</u>	<u>452,430</u>	<u>5,643,513</u>	<u>5,096,387</u>
LIABILITIES					
Creditors fall due within one year	12	(1,482,987)	(1,675,779)	(1,482,987)	(1,675,779)
Net current (liabilities)/assets		<u>(822,720)</u>	<u>(1,223,349)</u>	<u>4,160,526</u>	<u>3,420,608</u>
Total assets less current liabilities		<u>15,868,572</u>	<u>15,877,181</u>	<u>4,404,125</u>	<u>3,772,134</u>
CREDITORS: falling due after more than one year					
	13	(220,003)	(393,149)	(220,003)	(393,149)
Provision for liabilities	14	(62,485)	(100,000)	(62,485)	(100,000)
NET ASSETS		<u>15,586,084</u>	<u>15,384,032</u>	<u>4,121,637</u>	<u>3,278,985</u>
FUNDS					
Unrestricted funds	17	15,318,858	15,173,715	3,854,411	3,068,668
Restricted funds	17	267,226	210,317	267,226	210,317
TOTAL FUNDS	17	<u>15,586,084</u>	<u>15,384,032</u>	<u>4,121,637</u>	<u>3,278,985</u>

The net movement in funds for the Company during the year was £459,131 (2018: £826,491).

The Financial Statements were approved by the board on 21 November 2019
and signed on its behalf by:


Mr K Abel
Chairman

The notes on pages 19 to 40 form part of these financial statements.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
CONSOLIDATED CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 JULY 2019

	Notes	Total 2019 £	Total 2018 £
CASH PROVIDED BY /(USED IN) OPERATING ACTIVITIES	21	650,471	573,962
<i>Cash flows from investing activities:</i>			
Interest income		2,137	909
Bank interest paid		(2,800)	(6,861)
Purchase of tangible fixed assets		(366,400)	(564,330)
CASH USED IN INVESTING ACTIVITIES		(367,063)	(570,282)
CASH FLOWS FROM FINANCIING ACTIVITIES			
Repayment of borrowing		(43,334)	(43,334)
Fees received in advance		319,922	222,156
CASH PROVIDED BY FINANCING ACTIVITIES		276,588	178,822
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS IN THE YEAR		559,996	182,502
Cash and cash equivalents at the beginning of the year		(343,310)	(525,812)
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		216,686	(343,310)
CASH AND CASH EQUIVALENTS:			
Cash at bank and in hand		216,686	51,925
Bank overdraft		-	(395,235)
		216,686	(343,310)

The notes on pages 19 to 40 form part of these financial statements.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. ACCOUNTING POLICIES

The accounting policies adopted by the company are as follows:

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Farleigh House Trustee Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy note(s).

Monetary amounts in these financial statements are rounded to the nearest whole £1 except where indicated.

Group financial statements

The financial statements consolidate the results of Farleigh School Trust Limited and the unincorporated trust Farleigh House Educational Trust on a line-by-line basis. A separate Statement of Financial Activities and Income and Expenditure Account for the Charity has not been presented because the Trust has taken advantage of the exemption affected by section 408 of the Companies Act 2006.

Preparation of the accounts on a going concern basis

The financial statements have also been prepared on the basis of the group continuing to operate as a going concern in the foreseeable future, based on future budgets and cash flow forecasts.

Income

Boarding and tuition fees are included within the financial statements on a receivable basis. Amounts invoiced in advance are deferred and carried forward within creditors and accruals, whilst amounts due but not yet received in the year are shown within debtors and prepayments. Fees from related parties are accounted for in the same way.

Donations are included within income on a receivable basis.

Trading income, which includes monies from services, rental and letting, is accounted for on a receivable basis.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School, but include contributions received from Restricted Funds for Scholarships, Bursaries and other grants. Fees received in advance of education to be provided in future years under an Advance Fee Payments Scheme contract are held as interest-bearing liabilities until either taken to income in the term when used or else refunded.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. ACCOUNTING POLICIES (CONTINUED)

Investment income

Interest receivable on sums invested in bank deposit accounts is recorded gross. The company is not liable to tax on this income.

Expenditure

Expenditure is recognised once there is a legal or constructive obligation to make a payment to a third party, it is probable that settlement will be required and the amount of the obligation can be measured reliably. Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred. Expenditure is analysed into such categories as to reasonably enable the user to gain an appreciation of the company's expenditure during the year. Central staff costs and some overhead expenses are allocated to activities on the basis of the time spent on those activities.

Governance costs comprise the cost of running the company, including strategic planning for its future development, also external audit, any legal advice and costs of complying with constitutional and statutory requirements.

Support costs are those functions that assist the work of the charity but do not directly undertake charitable activities. Support costs include office, finance, personnel, payroll and governance costs which support the charity's activities. These costs are identified within administration costs, those costs which support trading activities are identified separately within trading expenditure.

Pension schemes

The School participates in a multi-employer pension scheme, the Government's Teachers' Pension Defined Benefits Scheme, for its teaching staff. This scheme is administered by Teachers' Pensions. The pension liability under this scheme is not the responsibility of the School.

The School also participates in separate multi-employer schemes for support staff, The Pensions Trust's Growth Plan was the original scheme and still has active members. Contributions paid into the Plan up to and including September 2001 were converted into defined benefits. From October 2001 contributions were invested in personal funds which are converted to pension on retirement. The School pays into personal pension schemes for some support staff and from April 2014 a new multi-employer scheme was made available under auto-enrolment rules. It is not possible to identify the assets and liabilities attributable to the School in these schemes. Accordingly under FRS102 they are accounted for as if they were Defined Contribution schemes.

Further information on these schemes is provided in note 6.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. ACCOUNTING POLICIES (CONTINUED)

Tangible Fixed Assets and Depreciation

Tangible fixed assets are stated at cost, being purchase price, or deemed cost for land and buildings held at valuation at the date of transition to FRS 102 less accumulated depreciation and any impairment losses. A lower limit of £1,000 is applied to individual items that are capitalised.

Depreciation is calculated and charged on assets, excluding freehold land, to write off the cost of fixed assets to their residual value over their expected useful lives to the group. The annual depreciation rates and methods of calculation are as follows:

Freehold land	- no depreciation
Freehold property	- 2.5% & 10% Straight line
Improvements to premises	- 2.5% & 10% Straight line
Furniture and equipment	- 20% Straight line
Motor vehicles	- 25% Reducing balance
Computer equipment	- 33% Straight line

The valuation of freehold property and improvements to premises has not been updated. Freehold premises were previously revalued in 1987.

Assets under construction are stated at cost, being the total cost incurred to date with no depreciation being charged until the asset comes into full use.

Deemed cost of fixed assets

Specific fixed assets have been revalued to deemed cost as allowed upon transition of FRS 102 based on assumptions made by a Property Consultant. The trustees are satisfied that the assumptions made are appropriate.

Leased assets

The charity classifies the lease of printers and the minibuses as operating leases; the title to the equipment remains with the lessor and the equipment is replaced every 4-5 years whilst the economic life of such equipment is at least 10 years. Rental charges are charged on a straight line basis over the lease term.

Financial instruments

The charity 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 with the exception of bank loans which are measured at amortised cost using the effective interest method.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. ACCOUNTING POLICIES (CONTINUED)

Borrowing costs

Borrowing costs relating to freehold land & buildings or improvements which are directly attributable to the acquisition, construction or production of the asset are capitalised. All other borrowing costs are expensed as incurred.

Stocks

Stocks are stated at the lower of their cost, being purchase price, and net realisable value.

Debtors

Trade and other debtors are recognised at settlement amount due after any discount offered. Prepayments are valued at the amount prepaid net of any discounts due.

Creditors and provisions

Creditors and provisions are recognised where the charity has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors and provisions are normally recognised at their settlement amount after allowing for any trade discounts due.

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 charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The pension liability provision referred to above and in note 6 is based on assumptions and estimates provided by The Pension Trust, the Farleigh Trustees are satisfied that The Pension Trust estimates are reasonable. There are considered to be no other estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Employee benefits

The cost of employee benefits are recognised as an expense in the period to which they relate.

Termination payments

The best estimate of the expenditure required to settle an obligation for termination benefits is recognised immediately as an expense when the charity is demonstrably committed to terminate the employment of an employee or to provide termination benefits.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

1. ACCOUNTING POLICIES (CONTINUED)

Cash at bank and in hand

Cash at bank and in hand includes cash and short term highly liquid investments with a short maturity (daily).

Taxation Status

The charities are exempt charities and are therefore not liable to Corporation Tax in respect of its charitable activities.

Fund Accounting

The nature and purpose of each fund is described in note 17.

Unrestricted funds are defined as income realised or generated for the objectives of the group without further specified purpose and which are available as general funds.

Restricted funds are to be used for specific purposes as laid down by the donor. Expenditure, which meets these criteria, will be identified to the fund.

Designated funds are to be used for a specific purpose as laid down by the Directors. Expenditure which meets these criteria will be identified to the fund.

2. LEGAL STATUS OF THE TRUST

The Trust is a company limited by guarantee and has no share capital. In the event of the Charity being wound up, the liability in respect of the guarantee is limited to £1 per member.

3. INCOME FROM DONATIONS AND LEGACIES

	2019	2018
	£	£
Gifts	<u>126,084</u>	<u>125,886</u>

The income from donations and legacies is made up of unrestricted £13,289 (2018: £20,663) and restricted £112,795. (2018: £105,223). The restricted income is made up of £111,795 in respect of the St Theresa Fund and £1,000 for the Kitchin Fund, see note 17.

4. SCHOOL OPERATING INCOME

	2019	2018
	£	£
Fees		
Gross fees	8,401,936	8,102,779
Less: Total Scholarships, bursaries and allowances	(365,619)	(360,313)
Recharged extras	442,988	389,262
	<u>8,479,305</u>	<u>8,131,728</u>

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

5. TRADING AND ANCILLARY INCOME

	2019	2018
	£	£
Holiday activities	18,938	28,709
Clothing shop	74,182	51,520
Swimming pool	81,612	84,846
Disbursements and miscellaneous	176,081	132,907
	<u>350,813</u>	<u>297,982</u>

6. EXPENDITURE

	2019	2018
	£	£
Trading expenditure		
Cost of goods sold	67,334	44,687
Clothing shop and swimming pool salaries	17,037	14,706
Bank and loan interest	2,800	6,861
Bank charges	6,128	4,609
Advance fee finance costs	6,174	8,066
	<u>99,473</u>	<u>78,929</u>
School operating costs		
Teaching salaries and related costs	4,039,291	3,662,744
Administrative staff salaries and related costs	1,588,878	1,630,029
Office costs and supplies	189,057	192,046
Welfare	486,323	453,013
Property and grounds	710,630	656,587
School expenses	573,548	505,025
Marketing, recruitment and advertising	81,467	71,600
Scholarships and prizes	6,528	9,274
Accountancy fees	2,800	2,200
Legal and professional fees	35,383	92,244
Provision for doubtful debts	6,933	-
Depreciation	775,638	791,341
Loss on disposal of assets	-	(215)
St Theresa Bursary Fund	55,586	48,023
Callaghan Fund	300	300
General expenses	84,354	118,676
Governance costs (see below)	20,098	18,519
	<u>8,656,814</u>	<u>8,251,406</u>

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

6. EXPENDITURE (continued)

Governance costs (including in school operating costs above)

	2019	2018
	£	£
Auditor's remuneration	18,020	16,200
Governors' training and expenses	2,078	2,319
	<u>20,098</u>	<u>18,519</u>

7. SALARIES AND RELATED COSTS

Included within school operating costs are the following:

WAGES AND SALARIES

	2019	2018
	£	£
Salaries and wages	4,493,696	4,446,383
Employers' NI	411,927	401,964
Pension contributions – defined benefits	458,163	433,003
Pension contributions – defined contribution	34,828	22,457
	<u>5,398,614</u>	<u>5,303,807</u>

The average number of staff are:

	2019		2018	
	Full time	Part time	Full time	Part time
Academic	52	53	55	64
Administration and support	36	35	25	40
In class support	5	14	1	10
	<u>93</u>	<u>102</u>	<u>81</u>	<u>114</u>

The number of employees earning over £60,000 was as follows:

	2019	2018
	£	£
Between £70,001 and £80,000	-	1
Between £80,001 and £90,000	1	-
Between £130,001 and £140,000	-	1
Between £140,001 and £150,000	1	-
	<u>1</u>	<u>1</u>

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

7. SALARIES AND RELATED COSTS (continued)

In addition pension contributions totalling £35,869 (2018: £34,817) were made in respect of the above employees earning over £60,000.

The key management of the Group and Charity are the Governors and senior management team comprising of the Headmaster, Director of Finance and Operations, Deputy Head of Academic, Deputy Head of Pastoral, and Head of Pre-Prep. The remuneration including benefits of key management personnel for the group was £517,802 (2018: £505,815).

There were no payments to the Governors during the year, last year there were payments for travel and subsistence expenses incurred to the value of £626. These were reimbursed to 3 Governors.

The wife of S Henderson works in the Music department and is paid a salary under normal terms in accordance with the Farleigh School pay-scale. S Henderson is a governor of the School.

The School has paid for Trustee Indemnity Insurance for the year, the insurance premium is £1,868 (2018: £1,868).

During the year 2 governors had children at the school (2018: 2) and fees were paid on normal terms. In the year termination payments made to staff totalled £35,603 (2018: £30,500)

PENSION AND SIMILAR OBLIGATIONS

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £433,615 (2018: £407,453) and at the year end £123,937 (2018: £123,489) was accrued in respect of contributions to this scheme.

The TPS is an unfunded multi-employer defined benefits pension scheme governed by The Teachers' Pensions Regulations 2010 (as amended) and The Teachers' Pension Scheme Regulations 2014 (as amended). Members contribute on a "pay as you go" basis with contributions from members and the employer being credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2016 and the Valuation Report, which was published in March 2019, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2019. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 23.68%.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

7. SALARIES AND RELATED COSTS (continued)

PENSION AND SIMILAR OBLIGATIONS (continued)

Teachers' Pension Scheme (continued)

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

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

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

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

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

Pensions Trust and Other Pension Schemes

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

7. SALARIES AND RELATED COSTS (continued)

PENSION AND SIMILAR OBLIGATIONS (continued)

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions (all participating employers)

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum increasing by 3% each on 1st April)	(payable monthly and
From 1 April 2016 to 30 September 2028:	£54,560 per annum by 3% each on 1st April)	(payable monthly and increasing

Unless a concession has been agreed with the Trustee the term to 30 September 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

The net present value of the provision has been calculated by the Pensions Trust for the company as follows:

	2019 (£,000)	2018 (£,000)	2017 (£,000)
Net present value	62	100	113

Under FRS102 this has been included as a provision of liability in the accounts with an adjustment also provided in the comparative year. Please see accounting policies note 1 for reconciliation of group funds, the liability and expense are classed as unrestricted.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

7. SALARIES AND RELATED COSTS (continued)

PENSION AND SIMILAR OBLIGATIONS (continued)

In the year ended 31 July 2019 the pension cost charge for support staff amounted to £24,548 (2018: £25,550) and deficit contributions of £12,497 (2018: £13,089). At the year end there was no creditor - excluding the provision above.

A multi-employer occupational scheme is available to employees, not eligible for the Teachers' Pension Scheme, which is a defined contribution scheme. The assets of the Scheme are held separately from those of the School in independently administered funds. In the year ended 31 July 2019 the pension cost charge amounted to £34,828 (2018: £22,457). At the year end there was a creditor of £8,522 (2018: £5,648).

8. FIXED ASSETS

Group	Land, freehold Premises and Improvements £	Furniture and Equipment £	Motor Vehicles £	Computer Equipment £	Total £
Cost/Deemed cost					
At 1 August 2018	20,438,748	1,470,180	11,994	549,365	22,470,284
Additions	339,289	18,025	-	9,086	366,400
Disposals	-	(767,554)	-	(251,646)	(1,019,200)
At 31 July 2019	<u>20,778,034</u>	<u>720,651</u>	<u>11,994</u>	<u>306,805</u>	<u>21,817,484</u>
Depreciation					
At 1 August 2018	3,689,741	1,236,494	1,749	441,770	5,369,754
Charge for year	640,600	68,248	2,999	63,791	775,638
Disposals	-	(767,554)	-	(251,646)	(1,019,200)
At 31 July 2019	<u>4,330,341</u>	<u>537,188</u>	<u>4,748</u>	<u>253,915</u>	<u>5,126,192</u>
Net book value					
At 31 July 2019	<u>16,447,693</u>	<u>183,463</u>	<u>7,246</u>	<u>52,890</u>	<u>16,691,292</u>
At 1 August 2018	<u>16,749,004</u>	<u>233,686</u>	<u>10,245</u>	<u>107,595</u>	<u>17,100,530</u>

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

8. FIXED ASSETS (continued)

Parent company	Furniture and Equipment £	Motor Vehicles £	Computer Equipment £	Total £
Cost/Deemed cost				
At 1 August 2018	1,470,180	11,994	549,365	2,031,539
Additions	18,025	-	9,086	27,111
Disposals	(767,554)		(251,646)	(1,019,200)
At 31 July 2019	<u>720,651</u>	<u>11,994</u>	<u>306,805</u>	<u>1,039,450</u>
Depreciation				
At 1 August 2018	1,236,494	1,749	441,770	1,680,013
Charge for year	68,248	2,999	63,791	135,038
Disposals	(767,554)	-	(251,646)	(1,019,200)
At 31 July 2019	<u>537,188</u>	<u>4,748</u>	<u>253,915</u>	<u>795,851</u>
Net book value				
At 31 July 2019	<u>183,463</u>	<u>7,246</u>	<u>52,890</u>	<u>243,599</u>
At 1 August 2018	<u>233,686</u>	<u>10,345</u>	<u>107,595</u>	<u>351,526</u>

9. INVESTMENTS

On 1 August 2017 Farleigh House Educational Trust changed its name to Farleigh School Educational Trust (the unincorporated charity). Farleigh School Educational Trust is the wholly owned subsidiary of Farleigh School Trust Limited and holds the property assets of the group in trust to ensure it remains available for the purposes of education as laid out in the group's principal activity. Farleigh School Trust Limited is the ultimate controlling party.

The Net Assets of the unincorporated charity are £11,464,447 (2018: £12,105,047) made up of the land and building assets.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

9. INVESTMENTS (continued)

The statement of financial activities for the year is as follows:

	2019	2018
	£	£
Total Income	-	-
Total Expenditure	(640,600)	(600,322)
Net movement in funds for the year	(640,600)	(600,322)
	<u> </u>	<u> </u>
Total funds carried forward	11,464,447	12,105,047
	<u> </u>	<u> </u>

10. STOCK

	2019	2018
	£	£
Stock	132,517	121,978
	<u> </u>	<u> </u>

11. DEBTORS

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
Fees and disbursements	59,972	35,502	59,972	35,502
Summer term disbursements	120,055	131,345	120,055	131,345
Other debtors	21,578	31,034	21,578	31,034
Amounts owed by group entities	-	-	4,983,244	4,643,957
Prepayment and accrued income	109,461	80,646	109,461	80,646
	<u>311,064</u>	<u>278,527</u>	<u>5,294,310</u>	<u>4,922,484</u>

The amounts owed by group entities arose from the School paying for building improvements on the assets owned by Farleigh School Educational Trust.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

12. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	Group	Group	Company	Company
	2019	2018	2019	2018
	£	£	£	£
Fee deposits held	239,708	257,798	239,708	257,798
Bank overdraft	-	395,235	-	395,235
Bank loans (see note 13)	43,334	43,334	43,334	43,334
Trade creditors	262,317	176,838	262,317	176,838
Fees received in advance	129,480	107,647	129,480	107,647
Fees in advance scheme (see note 15)	302,935	226,563	302,935	226,563
Holiday pay accrual	328,696	296,954	328,696	296,954
Other creditors and accruals	52,581	47,821	52,581	47,821
Pension creditor	9,514	23,312	9,514	23,312
Tax and social security	114,422	100,277	114,422	100,277
	<u>1,482,987</u>	<u>1,675,779</u>	<u>1,482,987</u>	<u>1,675,779</u>

The Company has a £1m overdraft facility in place with HSBC Bank plc. Interest is payable at 1.75% over bank base rate.

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	Group and Company 2019 £	Group and Company 2018 £
Bank loan	43,333	86,666
Fees received in advance	176,670	306,483
	<u>220,003</u>	<u>393,149</u>
	Group and Company 2019 £	Group and Company 2018 £
Loan maturity		
Within one year	43,334	43,334
Between one and two years	43,333	43,333
Between two and five years	-	43,333
	<u>86,667</u>	<u>130,000</u>

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

13. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

The bank loan is secured by a legal mortgage on the main school property and is repayable over 15 years. Interest is payable at 1% over bank base rate.

14. PENSION PROVISION

	Group and Company 2019 £	Group and Company 2018 £
Opening balance	100,000	113,000
Movement in provision (note 7)	(37,515)	(13,000)
	<u>62,485</u>	<u>100,000</u>

15. ADVANCE FEE PAYMENTS

Parents may enter into a contract to pay to the school tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one term's notice. Assuming pupils will remain in the school, advance fees will be applied as follows:

	2019 £	2018 £
Within one year	302,935	226,563
Within one to two years	77,421	166,017
Within two to five years	99,249	140,466
	<u>479,605</u>	<u>533,046</u>

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

16. COMMITMENTS UNDER OPERATING LEASES

At 31 July 2019 the charity had aggregate annual commitments under non-cancellable operating leases for hire of plant, machinery and equipment as set out below:

	Group and Company 2019 £	Group and Company 2018 £
Amounts due:		
Within one year	68,768	65,820
Between one and two years	86,574	76,754
	<u>155,342</u>	<u>142,574</u>

17. ACCUMULATED FUNDS

Group	At 1 August 2018 £	Income £	Expenditure £	Transfer Between Funds £	At 31 July 2019 £
Unrestricted fund	<u>15,173,715</u>	<u>8,845,544</u>	<u>(8,700,401)</u>	<u>-</u>	<u>15,318,858</u>
Restricted funds					
B Harrison Fund	1,913	-	-	-	1,913
Callaghan Fund	9,821	-	(300)	-	9,521
Rugby Fund	1,996	-	-	-	1,996
Landscape Fund	16	-	-	-	16
Farleigh Society Fund	18,013	-	-	-	18,013
Dodd Fund	10,000	-	-	-	10,000
St Theresa Fund	<u>168,558</u>	<u>112,795</u>	<u>(55,586)</u>	<u>-</u>	<u>225,767</u>
Total restricted funds	<u>210,317</u>	<u>112,795</u>	<u>(55,886)</u>	<u>-</u>	<u>267,226</u>
Total Funds	<u>15,384,032</u>	<u>8,958,339</u>	<u>(8,756,287)</u>	<u>-</u>	<u>15,586,084</u>

Unrestricted fund includes a revaluation reserve of £5,919,919.

The B Harrison Fund represents monies received from an individual to provide one student with cricket equipment each year as a form of prize for achievement.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

17. ACCUMULATED FUNDS (continued)

The Callaghan Fund represents monies received to provide awards to students at the end of the academic year.

The Rugby Fund represents monies received from an individual to provide opportunities to students to attend rugby trips abroad.

The Landscape Fund represents donations received to plant 60 trees as a living and enduring commemoration of the Jubilee year, which will also benefit future generations.

The Farleigh Society Fund represents funds paid to the Farleigh Society for former pupils. The society keeps the school connected to its former pupils and holds regular reunion events, this enables the school to continue to see their former pupils develop.

The Dodd Fund supports SEN provision within the School and the purchase of equipment for children with disabilities.

The St Theresa Fund (formerly known as The Dillon Fund) represents donations to enable children from disadvantaged backgrounds to access a boarding education at Farleigh. In 2017 the fund became the St Theresa Fund with donations made to continue the scheme set up under the Dillon Fund.

Company	At 1 August 2018 £	Income £	Expenditure £	Transfer Between Funds £	At 31 July 2019 £
Unrestricted fund	3,068,668	8,845,544	(8,059,801)	-	3,854,411
Restricted funds					
B Harrison Fund	1,913	-	-	-	1,913
Callaghan Fund	9,821	-	(300)	-	9,521
Rugby Fund	1,996	-	-	-	1,996
Landscape Fund	16	-	-	-	16
Farleigh Society Fund	18,013	-	-	-	18,013
Dodd Fund	10,000	-	-	-	10,000
St Theresa Fund	168,558	112,795	(55,586)	-	225,767
Total restricted funds	210,317	112,795	(55,886)	-	267,226
Total Funds	3,278,985	8,958,339	(8,115,687)	-	4,121,637

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 JULY 2019

17. ACCUMULATED FUNDS (continued)

Comparative Figures

Group	At 1 August 2017 £	Income £	Expenditure £	Transfer Between Funds £	At 31 July 2018 £
Unrestricted fund	15,004,445	8,451,282	(8,282,012)	-	15,173,715
Restricted funds					
B Harrison Fund	1,913	-	-	-	1,913
Callaghan Fund	10,121	-	(300)	-	9,821
Rugby Fund	1,996	-	-	-	1,996
Landscape Fund	16	-	-	-	16
Farleigh Society Fund	18,013	-	-	-	18,013
Dodd Fund	-	10,000	-	-	10,000
St Theresa Fund	121,358	95,223	(48,023)	-	168,558
Total restricted funds	153,417	105,223	(48,323)	-	210,317
Total Funds	15,57,862	8,556,505	(8,330,335)	-	15,384,032

Company	At 1 August 2017 £	Income £	Expenditure £	Transfer Between Funds £	At 31 July 2018 £
Unrestricted fund	2,299,077	8,451,282	(7,681,691)	-	3,068,668
Restricted funds					
B Harrison Fund	1,913	-	-	-	1,913
Callaghan Fund	10,121	-	(300)	-	9,821
Rugby Fund	1,996	-	-	-	1,996
Landscape Fund	16	-	-	-	16
Farleigh Society Fund	18,013	-	-	-	18,013
Dodd Fund	-	10,000	-	-	10,000
St Theresa Fund	121,358	95,223	(48,023)	-	168,558
Total restricted funds	153,417	105,223	(48,323)	-	210,317
Total Funds	2,452,494	8,556,505	(7,730,014)	-	3,278,985

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS

Group	Unrestricted Funds £	Restricted Funds £	2019 Total £
Tangible fixed assets	16,691,292	-	16,691,292
Current assets	393,041	267,226	660,267
Current liabilities	(1,482,987)	-	(1,482,987)
Long term liabilities	(282,488)	-	(282,488)
	<u>15,318,858</u>	<u>267,226</u>	<u>15,586,084</u>
Total net assets	15,318,858	267,226	15,586,084
Company	Unrestricted Funds £	Restricted Funds £	2019 Total £
Tangible fixed assets	243,599	-	243,599
Current assets	5,376,287	267,226	5,643,513
Current liabilities	(1,482,987)	-	(1,482,987)
Long term liabilities	(282,488)	-	(282,488)
	<u>3,854,411</u>	<u>267,226</u>	<u>4,121,637</u>
Total net assets	3,854,411	267,226	4,121,637

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

18. ANALYSIS OF NET ASSETS BETWEEN FUNDS (Continued)

2018

Group	Unrestricted Funds £	Restricted Funds £	2018 Total £
Tangible fixed assets	17,100,530	-	17,100,530
Current assets	242,113	210,317	452,430
Current liabilities	(1,675,779)	-	(1,675,779)
Long term liabilities	(493,149)	-	(493,149)
Total net assets	15,173,715	210,317	15,384,032

Company	Unrestricted Funds £	Restricted Funds £	2018 Total £
Tangible fixed assets	351,526	-	351,526
Current assets	4,886,070	210,317	5,096,387
Current liabilities	(1,675,779)	-	(1,675,779)
Long term liabilities	(493,149)	-	(493,149)
Total net assets	3,068,668	210,317	3,278,985

19. CAPITAL COMMITMENTS

Capital expenditure of £348,146 (2018: £58,918) had been authorised by the Governors and was committed to at the balance sheet date.

20. RELATED PARTY TRANSACTIONS

During the year no donations were received from Governors (2018: £50,000). There were no other related party transactions in the current or preceding year.

The wife of S Henderson works in the Music department and is paid a salary under normal terms in accordance with the Farleigh School pay-scale. S Henderson is a governor of the School.

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

21. RECONCILIATION OF NET MOVEMENT IN FUNDS TO NET CASH FLOW FROM OPERATING ACTIVITIES

	Group 2019 £	Group 2018 £
Net movement in funds	202,052	226,170
Deposit interest receivable	(2,137)	(909)
Bank interest payable	2,800	6,861
Finance cost on advanced fees	6,174	8,066
	<hr/>	<hr/>
Operating surplus	208,889	240,188
Depreciation of tangible assets	775,638	791,341
(Increase) in stocks	(10,539)	(3,310)
Decrease/(Increase) in debtors	(32,537)	133,269
Increase/(decrease) in creditors	125,889	(215,408)
Advanced fees drawdown	(379,354)	(358,903)
Loss on sale of fixed assets	-	(215)
Movement in provisions for liabilities	(37,515)	(13,000)
	<hr/>	<hr/>
	650,471	573,962
	<hr/> <hr/>	<hr/> <hr/>

FARLEIGH SCHOOL TRUST LIMITED AND SUBSIDIARY
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 JULY 2019

22. PRIOR YEAR COMPARATIVES BY FUND

	Unrestricted Funds 2018 £	Restricted Funds 2018 £	Total 2018 £
INCOME FROM:			
Donations and legacies	20,663	105,223	125,886
<i>Income Charitable activities</i>			
School Operating income	8,131,728	-	8,131,728
<i>Income from other trading activities</i>			
Trading income	297,982	-	297,982
Investment income	909	-	909
TOTAL INCOME	<u>8,451,282</u>	<u>105,223</u>	<u>8,556,505</u>
EXPENDITURE ON:			
<i>Costs of raising funds</i>			
Trading expenditure	78,929	-	78,929
<i>Expenditure on charitable activities</i>			
School operating costs	8,203,083	48,323	8,251,406
TOTAL EXPENDITURE	<u>8,282,012</u>	<u>48,323</u>	<u>8,330,335</u>
NET INCOME AND NET MOVEMENT IN FUNDS FOR THE YEAR	169,270	56,900	226,170
<i>Reconciliation of funds:</i>			
Total funds brought forward	15,004,445	153,417	15,157,862
Total funds carried forward	<u>15,173,715</u>	<u>210,317</u>	<u>15,384,032</u>