

# REGISTRAR OF COMPANIES

## St Philip's School Trust Limited

### Annual Report and Financial Statements

31 August 2009

Company Limited by Guarantee

Registration Number

01789733 (England and Wales)

Charity Registration Number

288887

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## **Reference and administrative details of the charity, its governors and advisers**

<b>Governors</b>	A Aylward S Day J Dean G Edwards T MacFarlane Rev R McHardy J McIntosh OBE H Mould P N White
<b>Headmaster</b>	H Biggs-Davison
<b>Secretary</b>	H Rennie
<b>Registered principal office</b>	6 Wetherby Place London SW7 4NE
<b>Company registration number</b>	01789733 (England and Wales)
<b>Charity registration number</b>	288887
<b>Auditors</b>	Buzzacott LLP 12 New Fetter Lane London EC4A 1AG
<b>Bankers</b>	HSBC Bank plc 95 Gloucester Road South Kensington London SW7 4SX
<b>Accountants</b>	SDK Educational Consultancy Ltd 2 <sup>nd</sup> Floor Marlborough House High Street Old Town Swindon Wiltshire SN1 3EP

## **Governors' report 31 August 2009**

The Governors of St Philip's School Trust Limited, who are also directors of the Company for the purposes of the Companies Act and trustees for the purposes of charity law, present their statutory report together with the financial statements for the year ended 31 August 2009

The report has been prepared in accordance with Part VI of the Charities Act 1993

The financial statements have been prepared in accordance with the accounting policies set out on pages 12 and 13 of the attached financial statements and comply with the school's Memorandum and Articles of Association, applicable laws and the requirements of Statement of Recommended Practice on "Accounting and Reporting by Charities" issued in March 2005 ("SORP 2005")

### **Governance, structure and management**

#### **Constitution and legal status**

The charity is constituted as a company limited by guarantee. The Governors, who are also members, are liable to contribute an amount not exceeding £1 each on the event of winding up

#### **Governance**

The Governing body is elected on the basis of nominations and recommendations received from various sources, with a view to ensuring as wide a mix as possible of relevant expertise. Members are eligible to stand for re-election. Specific appointments are made to ensure that at least one member is recommended by the Oratory, Brompton Road

The Governors maintain overall responsibility for the school and its assets, and determine the general policy of the school

The day-to-day running of the school is delegated to the Headmaster and his senior management team

#### **Governors**

The Governors may appoint additional Governors under the terms of the Memorandum

The following Governors were in office and served throughout the year, except where shown

<b>Governors</b>	<b>Appointed / Resigned / Retired</b>
A Aylward	
S Day	Appointed 25 September 2008
J Dean	
G Edwards	
T MacFarlane	
Rev R. McHardy	
J McIntosh OBE (Chairman)	
H Mould	
J Scanlan KCSG KGCHS	Resigned 25 September 2008
P N White	
<b>Company secretary</b>	
H Rennie	

**Governance, structure and management** (continued)

Governors (continued)

No Governor received any remuneration from the school during the year (2008 - £nil). During the year one Governor, who is also a parent, had children attending the school. Fees paid by the Governors are the same as fees paid by others. There were no outstanding amounts at the year end. No Governor had any other beneficial interest in any contract with the school during the year.

Statement of Governors' responsibilities

Company law requires the Governors (who are also the directors of the company for the purpose of the Companies Act) to prepare financial statements which give a true and fair view of the state of affairs of the school at the end of the financial year and of its surplus or deficit for the financial year. In preparing financial statements giving a true and fair view, the Governors are required to

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

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

Each of the Governors, in his or her capacity as a director of the school confirms that

- ◆ so far as the Governor is aware, there is no relevant audit information of which the school's auditors are unaware, and
- ◆ the Governor has taken all the steps that he/she ought to have taken as a Governor in order to make himself/herself aware of any relevant audit information and to establish that the school's auditors are aware of the information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Recruitment and training of Governors

New members of the Board are inducted into the workings of the school, and also the company as a registered charity. Training courses are organised by the Head and are attended as required.

**Governance, structure and management (continued)**

**Organisational management**

The Board meets once a term to determine the general policy for the Trust and to review its overall management and control, for which they are legally responsible

A Finance and General Purpose Committee meets once a term. It has been set up during the year and reports to the Governors with recommendations on pay and conditions, financial obligations and fee and bursary policies.

**Risk management**

The Governors have assessed the major risks to which the school is exposed, in particular those related to the operations and finances and they are satisfied that systems are in place to mitigate the exposure to major risks

**Activities, specific objectives and relevant policies**

**Principal aims and objectives**

The principal aims and objects of the school are the promotion and provision of the education of boys up to the age of 13

**Strategic aim and intended effect**

The school's strategic aim to reach its annual objective is the attainment of the highest academic levels whilst allowing pupils to benefit from our extra-curricular programme. This is intended to draw out their abilities and academic potential, awaken and develop wider interests in life and motivate them for a successful outcome at their chosen senior school. The pupils' moral, social and spiritual development is considered to be just as important as their academic progress.

**Objectives for the year**

The school's main objective continued to be to educate all the school's pupils to at least the same high standard achieved by the school in previous years, so that they will be fully able to benefit from their chosen senior school for the completion of their education in due course. Our strategy for achieving this is to maintain a high teacher-to-pupil ratio, tailoring our services as appropriate in each case to suit individual needs.

**Grant making**

We are now able to support pupils through our Bursary Scheme. This is available on a needs basis as determined by the Headmaster in consultation with the Governors.

### **Achievements and performance**

#### **Review of the year and future plans**

The school has had another successful year. One boy won an academic scholarship to Ampleforth and all the other Year 8 boys were successful in their Common Entrance examinations to schools which included Eton, Harrow, St Paul's, Downside and Westminster.

In December 2007 the school's religious education department was inspected by Westminster Diocese and was deemed outstanding.

The school has continued to grow the 'St Philip's Bursary Fund' this year to enable an academic bursary to be offered to a disadvantaged child from the local community.

Our future plans remain the continuation of the high standards of moral, spiritual and academic education, recognised in both of our 2007 inspection reports, by continued practical and financial support of the headmaster and staff.

The school is currently investing in a feasibility survey of our basement space with a view to improving the educational facilities of the building; this may mean a considerable capital investment in the near future.

The school has established an old boys' association during the year with the first old boys' event taking place in November 2009.

The net surplus for the year was £60,511 (2008 - £140,382).

#### **Fundraising performance**

Considerable funds were raised for charities supported by the school, mainly through the efforts of the pupils themselves.

#### **Our Parents' Association Volunteers**

Our Parents' Association helped the school's fundraising and cultural activities with many hours of voluntary service during the year, and the Board would like to thank the Parents for their valuable support to the school throughout the year, which is highly appreciated.

#### **Public Benefit**

The purpose of the school is the promotion and provision of the education of boys up to the age of 13. The school received no funding from the state and is therefore obliged to charge fees to cover the remuneration of its staff and the maintenance costs both present and in the future associated with the upkeep of the school's fabric and facilities.

The Charity Commission's publication 'Charities and Public Benefit' gives guidance to Trustees as to how to demonstrate explicitly that the aims of St. Philip's School are for the public benefit. The Trustees acknowledge the guidance and will strive whenever it is reasonably possible to follow it.

**Achievements and performance** (continued)

**Public Benefit** (continued)

The school is continuing to develop its already strong relationship with our local Roman Catholic primary school, Our Lady of Victories. One of our teaching staff takes an after school verbal reasoning lesson at the primary school for thirty Year 6 pupils. St Philip's remunerates the teacher. We have also offered to sponsor pupils from the school who wish to take part in some of our after school clubs.

St Philip's boys contribute to the parish of the Oratory Church, Brompton Road, by serving Mass on Sundays, and by singing in the junior choir of the church.

The Governors are looking to offer full bursary places for disadvantaged children from the local community and the "St Philip's Bursary Fund" continues to grow as a key element of the bursary policy which has been set in place.

**Financial review**

**Results for the year**

Incoming resources for the year were £1,165,362 (2008 - £1,216,551). Resources expended were £1,104,851 (2008 - £1,076,169). The net income for the year was £60,511 (2008 - £140,382).

Overall, the Governors consider the affairs of the charity to be satisfactory, but they are aware of potential financial issues facing the independent schools sector and the constant need to monitor budgets and cash flow forecasts.

**Reserves policy and financial position**

**Reserves policy**

The Governors have examined the requirement for free reserves (i.e. those unrestricted funds not invested in tangible fixed assets, designated for specific purposes or otherwise committed) which they wish to increase so that in the future a larger school can be acquired.

**Financial position**

The balance sheet shows total funds of £2,034,208.

These funds are represented by a revaluation reserve, which represents the revalued amount of the school's freehold property, of £1,091,890, general funds of £863,318, and designated funds of £79,000. Within general funds, £1,372,091 represents funds deployed as part of the school premises and equipment, with the balance of £662,117 being 'free reserves'. The level of free reserves represents approximately five months' expenditure.

**Fixed assets**

The main asset of the school is the freehold building. This was revalued by Kemsley Whiteley & Ferris on 7 February 2007 on the basis of existing use at £1,350,000.

The Governors are of the opinion that the value of the property is not significantly different from that stated.



**Governors' report** 31 August 2009

**Reserves policy and financial position** (continued)

**Fixed assets** (continued)

Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

**Summary**

St Philip's School has again had a good year and our thanks go to all those who have helped to achieve this, staff, pupils and parents

Approved by the Governors and signed on their behalf by



Chairman

**JOHN MCINTOSH**

Approved by the Governors on:

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## **Independent auditors' report 31 August 2009**

### **Report of the independent auditors to the members of St Philip's School Trust Limited**

We have audited the financial statements of St Philip's School Trust for the year ended 31 August 2009 which comprise the Statement of Financial Activities, the Balance Sheet, and the related notes. The financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the school's members, as a body, in accordance with Section 495 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the school's members those matters we are required to state to them in an auditors' 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 school and the school's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of Governors and auditors**

The Governors' (who are also the directors of the company for the purposes of company law) responsibilities for preparing the Governor's report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) and for being satisfied that the financial statements give a true and fair view are set out in the Statement of Governors' Responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view, have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, and have been prepared in accordance with the Companies Act 2006. We also report to you whether in our opinion the information given in the Governors' report is consistent with those financial statements.

In addition we report to you if, in our opinion, the school has not kept adequate accounting records, if the school's financial statements are not in agreement with the accounting records and returns, if we have not received all the information and explanations we require for our audit, or if certain disclosures of Governors' remuneration specified by law are not made.

We read other information contained in the Governors' Report, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to other information.

## **Independent auditors' report** 31 August 2009

### **Basis of opinion**

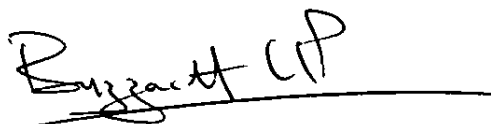
We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Governors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the school's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance as to whether the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

### **Opinion**

In our opinion

- ◆ the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the school's state of affairs as at 31 August 2009 and of its incoming resources and application of resources, including its income and expenditure, in the year then ended,
- ◆ the financial statements have been properly prepared in accordance with the Companies Act 2006; and
- ◆ the information given in the Governors' report is consistent with the financial statements



Avnish Savjani, Senior Statutory Auditor  
for and on behalf of Buzzacott LLP, Statutory Auditor  
12 New Fetter Lane  
London  
EC4A 1AG

15 February 2010

## Statement of financial activities Year to 31 August 2009

	Notes	General funds £	Revaluation reserve £	Total 2009 £	Total 2008 £
<b>Income and expenditure</b>					
<b>Incoming resources</b>					
Incoming resources from generated funds					
Voluntary income		5,590	—	<b>5,590</b>	21,800
Interest receivable		11,133	—	<b>11,133</b>	29,045
Incoming resources from charitable activities					
School fees receivable	1	<u>1,148,639</u>	<u>—</u>	<u><b>1,148,639</b></u>	<u>1,165,706</u>
<b>Total incoming resources</b>		<u><b>1,165,362</b></u>	<u><b>—</b></u>	<u><b>1,165,362</b></u>	<u><b>1,216,551</b></u>
<b>Resources expended</b>					
Charitable activities					
Provision of education	2	1,096,519	—	<b>1,096,519</b>	1,067,803
Governance costs	2	<u>8,332</u>	<u>—</u>	<u><b>8,332</b></u>	<u>8,366</u>
<b>Total resources expended</b>		<u><b>1,104,851</b></u>	<u><b>—</b></u>	<u><b>1,104,851</b></u>	<u><b>1,076,169</b></u>
<b>Net movements in funds</b>	3	60,511	—	<b>60,511</b>	140,382
<b>Balances brought forward</b>					
<b>at 1 September 2008</b>		<u>881,807</u>	<u>1,091,890</u>	<u><b>1,973,697</b></u>	<u><b>1,833,315</b></u>
<b>Balances carried forward</b>					
<b>at 31 August 2009</b>		<u><b>942,318</b></u>	<u><b>1,091,890</b></u>	<u><b>2,034,208</b></u>	<u><b>1,973,697</b></u>

All of the school's activities derived from continuing operations during the above two financial periods

The school had no recognised gains or losses other than those shown above and therefore no separate statement of total recognised gains and losses has been presented

There is no difference between the net movement in funds stated above, and the historical cost equivalent

All funds are unrestricted in nature

# **Balance sheet 31 August 2009**

	Notes	2009 £	2009 £	2008 £	2008 £
<b>Fixed assets</b>					
Tangible fixed assets	7		1,372,091		1,366,589
<b>Current assets</b>					
Debtors	8	10,289		8,742	
Cash at bank and in hand		894,906		842,997	
		<u>905,195</u>		<u>851,739</u>	
<b>Creditors</b> amounts falling due within one year	9	(243,078)		(244,631)	
<b>Net current assets</b>			662,117		607,108
<b>Total net assets</b>			<u>2,034,208</u>		<u>1,973,697</u>
<b>Represented by:</b>					
<b>Funds and reserves</b>					
Unrestricted funds					
General fund			863,318		831,807
Designated fund	10		79,000		50,000
Revaluation reserve	11		1,091,890		1,091,890
			<u>2,034,208</u>		<u>1,973,697</u>

Approved by the Governors  
and signed on their behalf by:



Governor  
**JOHN MCINTOSH**  
Approved on

28 1 10



Governor  
**GREG EDWARDS**

## **Principal accounting policies 31 August 2009**

### **Basis of accounting**

The financial statements have been prepared under the historical cost convention as modified by the inclusion of certain tangible fixed assets at a valuation and in accordance with the requirements of the Companies Act 2006 Applicable United Kingdom accounting standards and the Statement of Recommended Practice 'Accounting and Reporting by Charities' (SORP 2005) have been followed in these financial statements

### **Incoming resources**

Incoming resources are recognised in the period in which the school is entitled to receipt and the amount can be measured with reasonable certainty

### **Resources expended and the basis of apportioning costs**

Expenditure is included in the statement of financial activities when incurred and includes attributable VAT which cannot be recovered

Resources expended comprise the following

- a Cost of charitable activities i.e. the cost of teaching and support staff salaries, including pension and national insurance costs, books, games equipment and other tuition expenses
- b Governance costs comprise the costs which are directly attributable to the procedures for compliance with statutory requirements

The majority of costs are directly attributable to specific activities. All other support costs have been allocated to charitable activities.

### **Tangible fixed assets**

All assets costing more than £600 and with an expected useful life exceeding one year are capitalised

- a Freehold property

Depreciation the freehold property is maintained in a continual state of sound repair, the Trustees consider that the life of the property is so long and the residual value, based upon current values is so high, that depreciation is immaterial. On this basis, any depreciation charge under FRS15 would be immaterial and no depreciation has been charged.

The freehold property is revalued periodically and surpluses and deficits are transferred to the revaluation reserve

- b Other tangible fixed assets

Other tangible fixed assets are capitalised and depreciated at the following annual rates in order to write them off over their estimated useful lives

- |                          |                             |
|--------------------------|-----------------------------|
| ♦ Fixtures and equipment | 25% per annum based on cost |
|--------------------------|-----------------------------|

## **Principal accounting policies 31 August 2009**

### **Fund accounting**

The revaluation reserve comprises the revalued amount of the school's freehold property. The value represented by such assets should not be regarded, therefore, as realisable.

General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the school's charitable objects.

Designated funds comprise monies set aside out of unrestricted general funds for specific future purposes in respect of the provision of bursaries to pupils.

Restricted funds represent monies which have been raised for a specific purpose or which are subject to restrictions on their use. Once the purposes have been fulfilled, or the funds used in accordance with the conditions, they are released to unrestricted funds.

### **Cash flow**

The financial statements do not include a cash flow statement because the school, as a small reporting entity, is exempt from the requirement to prepare such a statement under Financial Reporting Standard 1 "Cash flow statements".

### **Pension costs**

Contributions in respect of the defined contribution scheme and the Teachers' Pension Scheme are charged to the income and expenditure account in the year in which they are payable to the scheme.

## Notes to the financial statements 31 August 2009

### 1 Incoming resources from charitable activities:

School fees during the year were as follows

	2009 £	2008 £
Gross school fees	1,158,075	1,137,261
Release of cash deposits and registration fees	6,685	9,300
Less total bursaries, grants and allowances*	(50,220)	(40,812)
	<b>1,114,540</b>	<b>1,105,749</b>
Add Bursaries, grants and allowances paid for by restricted funds	—	20,000
	<b>1,114,540</b>	<b>1,125,749</b>
Music fees	8,442	10,851
Other income	25,657	29,106
	<b>1,148,639</b>	<b>1,165,706</b>

\*During the year awards were made to 21 individuals (2008 - 22 individuals)

### 2 Resources expended

	Staff Costs £	Other £	Depreciation £	Total 2009 £	Total 2008 £
<b>Cost of Charitable Activities</b>					
School operating costs					
Teaching costs	697,059	53,363	—	<b>750,422</b>	714,291
Welfare costs	—	12,305	—	<b>12,305</b>	15,049
Premises	—	66,906	—	<b>66,906</b>	56,360
Sports Costs	—	67,916	—	<b>67,916</b>	57,582
Outings and Activities	—	39,440	—	<b>39,440</b>	51,596
Bursaries and discounts	—	—	—	—	20,000
Other costs direct costs	—	13,425	—	<b>13,425</b>	9,078
Support costs of schooling	75,490	60,052	10,563	<b>146,105</b>	143,847
	<b>772,549</b>	<b>313,407</b>	<b>10,563</b>	<b>1,096,519</b>	<b>1,067,803</b>
<b>Governance costs</b>	—	8,332	—	<b>8,332</b>	8,366
	<b>772,549</b>	<b>321,739</b>	<b>10,563</b>	<b>1,104,851</b>	<b>1,076,169</b>



## Notes to the financial statements 31 August 2009

### 3 Net incoming resources

This is stated after charging:

	2009 £	2008 £
Staff costs (note 4)	772,549	739,141
Auditors' remuneration (including VAT)		
- current year	7,785	7,638
- other services	725	728
Depreciation	10,563	12,838

### 4 Employees and staff costs

Staff costs during the year were as follows

	2009 £	2008 £
Wages and salaries	640,935	611,768
Social security costs	58,094	56,636
Other pension costs	73,520	70,737
	772,549	739,141

The average number of employees during the year, calculated on a full time equivalent basis, analysed by function, was as follows

	2009 Number	2008 Number
Teaching	16	16
Administration	2	2
	18	18

One employee earned between £70,000 and £80,000 (including taxable benefits but excluding employer pension contributions) during the year (2008 – one)

Employer contributions made to a defined contributions scheme in respect of the above employee during the year amounted to £10,984 (2008 – £10,407)

### 5 Governors' remuneration

None of the Governors received any remuneration in respect of their services during the year (2008 – £nil)

One governor, who is also a parent, had children attending the school. Fees paid by the Governors are the same as the fees paid by others. There were no outstanding amounts at the year end.

## Notes to the financial statements 31 August 2009

### 5 Governors' remuneration (continued)

The school has purchased insurance to protect the school from any loss arising from the neglect or defaults of its Governors, employees and agents and to indemnify the Governors or other officers against the consequences of any neglect or default on their part. The insurance premium paid by the charity during the year totalled £3,445 (2008 - £3,281) and provides cover of up to a maximum of £2 million (2008 - £2 million).

### 6 Taxation

St Philip's School Trust Limited is a registered charity and therefore is not liable to corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

### 7 Tangible fixed assets

	Freehold Property £	Fixtures and equipment £	Total £
<b>Cost</b>			
At 1 September 2008	1,350,000	113,933	<b>1,463,933</b>
Additions	—	16,065	<b>16,065</b>
At 31 August 2009	<u>1,350,000</u>	<u>129,998</u>	<u><b>1,479,998</b></u>
 At cost	 258,110	 129,999	 <b>388,109</b>
At valuation	<u>1,091,890</u>	<u>—</u>	<u><b>1,091,890</b></u>
	<u>1,350,000</u>	<u>129,999</u>	<u><b>1,479,999</b></u>
<b>Depreciation</b>			
At 1 September 2008	—	97,344	<b>97,344</b>
Charge for year	—	10,563	<b>10,563</b>
At 31 August 2009	<u>—</u>	<u>107,907</u>	<u><b>107,907</b></u>
 <b>Net book values</b>			
At 31 August 2009	<u>1,350,000</u>	<u>22,091</u>	<u><b>1,372,091</b></u>
At 31 August 2008	<u>1,350,000</u>	<u>16,589</u>	<u><b>1,366,589</b></u>

The school's freehold property at 6 Wetherby Place, London was revalued by Kemsley Whiteley & Ferris, Chartered Surveyors, on 7 February 2007 on the basis of its existing use at £1,350,000. The Governors are of the opinion that at 31 August 2009 this was the best estimate of the property's value.

## Notes to the financial statements 31 August 2009

### 8 Debtors

	2009 £	2008 £
Fees receivable	2,748	1,579
Other debtors	1,200	3,042
Prepayments and accrued income	6,341	4,121
	<b>10,289</b>	<b>8,742</b>

### 9 Creditors: amounts falling due within one year

	2009 £	2008 £
Trade creditors	21,001	26,705
Other creditors	10,975	19,361
Deposits and fees in advance	189,055	176,182
Accruals	3,823	4,165
Social security and other taxes	18,224	18,218
	<b>243,078</b>	<b>244,631</b>

### 10 Designated fund

During the year ended 31 August 2008 the governors set up a bursary fund. The fund is being built up for the award of bursaries and scholarships.

	At 1 September 2008 £	New designations £	Utilised £	At 31 August 2009 £
Bursary fund	50,000	29,000	—	<b>79,000</b>

### 11 Revaluation reserve

	Total £
At 1 September 2008	1,091,890
Net movement in year	—
At 31 August 2009	<b>1,091,890</b>

Details of the revaluation of the School's freehold property are given in note 7

## Notes to the financial statements 31 August 2009

### 12 Allocation of net assets

	Fixed assets £	Current assets £	Current liabilities £	Total £
Unrestricted funds				
General fund	229,981	876,415	(243,078)	863,318
Designated fund	50,220	28,780	—	79,000
Revaluation reserve	1,091,890	—	—	1,091,890
	<u>1,372,091</u>	<u>905,195</u>	<u>(243,078)</u>	<u>2,034,208</u>

### 13 Liability of members

The members of the school guarantee to contribute an amount not exceeding £1 each to the assets of the school in the event of winding up

### 14 Pension Commitments

#### Teachers Pension Scheme (TPS)

##### *Introduction*

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme. The regulations under which the TPS operates are the Teachers' Pensions Regulations 1997, as amended. These regulations apply to teachers in schools and other educational establishments in England and Wales maintained by local authorities, to teachers in many independent and voluntary-aided schools, and to teachers and lecturers in establishments of further and higher education. Membership is automatic for full-time teachers and lecturers and from 1 January 2007 automatic too for teachers and lecturers in part-time employment following appointment or a change of contract. Teachers and lecturers are able to opt out of the TPS.

##### *The Teachers' Pension Account*

Although teachers and lecturers are employed by various bodies, their retirement and other pension benefits, including annual increases payable under the Pensions (Increase) Acts are, as provided for in the Superannuation Act 1972, paid out of monies provided by Parliament. Under the unfunded TPS, teachers' contributions on a 'pay-as-you-go' basis, and employers' contributions, are credited to the Exchequer under arrangements governed by the above Act.

The Teachers' Pensions Regulations require an annual account, the Teachers' Pension Account, to be kept of receipts and expenditure (including the cost of pensions' increases). From 1 April 2001, the Account has been credited with a real rate of return (in excess of price increases and currently set at 3.5%), which is equivalent to assuming that the balance in the Account is invested in notional investments that produce that real rate of return.

#### 14 Pensions Commitments (continued)

##### Teachers Pension Scheme (TPS) (continued)

##### *Valuation of the Teachers' Pension Scheme*

Not less than every four years the Government Actuary (GA), using normal actuarial principles, conducts a formal actuarial review of the TPS. The aim of the review is to specify the level of future contributions.

The contribution rate paid into the TPS is assessed in two parts. First, a standard contribution rate (SCR) is determined. This is the contribution, expressed as a percentage of the salaries of teachers and lecturers in service or entering service during the period over which the contribution rate applies, which if it were paid over the entire active service of these teachers and lecturers would broadly defray the cost of benefits payable in respect of that service. Secondly, a supplementary contribution is payable if, as a result of the actuarial investigation, it is found that accumulated liabilities of the Account for benefits to past and present teachers, are not fully covered by standard contributions to be paid in future and by the notional fund built up from past contributions. The total contribution rate payable is the sum of the SCR and the supplementary contribution rate.

The last valuation of the TPS related to the period 1 April 2001 - 31 March 2004. The GA's report of October 2006 revealed that the total liabilities of the Scheme (pensions currently in payment and the estimated cost of future benefits) amounted to £166,500 millions. The value of the assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) was £163,240 millions. The assumed real rate of return is 3.5% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 1.5%. The assumed gross rate of return is 6.5%.

As from 1 January 2007, and as part of the cost-sharing agreement between employers' and teachers' representatives, the SCR has been assessed at 19.75%, and the supplementary contribution rate has been assessed to be 0.75% (to balance assets and liabilities as required by the regulations within 15 years), a total contribution rate of 20.5%. This translates into an employee contribution rate of 6.4% and employer contribution rate of 14.1% payable. The cost-sharing agreement has also introduced – effective for the first time for the 2008 valuation – a 14% cap on employer contributions payable.

Latest actuarial valuation	31 March 2004
Actuarial method	Projected benefits
Investment returns per annum	6.5%
Salary scale increases per annum	5.0%
Market value of assets at date of last valuation	£162,650m
Proportion of members' accrued benefits covered by the actuarial value of the assets	98.88%

## **Notes to the financial statements 31 August 2009**

### **14 Pensions Commitments (continued)**

#### **Teachers Pension Scheme (TPS) (continued)**

Following the implementation of Teachers' Pensions (Employers' Supplementary Contributions) Regulations 2000 the government actuary carried out a further review on the level of employers' contributions. For the period from 1 August 2005 to 31 December 2006 the employer contribution was 13.5%. The rate increased to 14.1% from 1 January 2007.

The pension cost charged in the financial statements for this scheme for the year ended 31 August 2009 was £65,417 (2008 £62,712).

#### **Other Pensions**

The school made employer contributions in respect of two private pension arrangements for two employees. A total of £8,103 was paid out during the year ended 31 August 2009 (2008 8,025).