

REGISTRAR OF COMPANIES

St Philip's School Trust Limited

Annual Report and Financial Statements

31 August 2018

Company Limited by Guarantee

Registration Number

01789733 (England and Wales)

Charity Registration Number

288887

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Reports

Reference and administrative details of the charity, its governors and advisers	1
Governors' report	2
Independent auditor's report	9

Financial Statements

Statement of financial activities	12
Balance sheet	13
Statement of cash flows	14
Principal accounting policies	15
Notes to the financial statements	19

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

Governors	M Breen F Deacy J Dean T MacFarlane A MacGreevy H Mould
Headmaster	A Wulffen-Thomas
Registered principal office	6 Wetherby Place London SW7 4NE
Company registration number	01789733 (England and Wales)
Charity registration number	288887
Auditor	Buzzacott LLP 130 Wood Street London EC2V 6DL
Bankers	HSBC Bank plc 95 Gloucester Road South Kensington London SW7 4SX
Accountants	SDK Educational Consultancy Ltd 10 Bath Road Old Town Swindon SN1 4BA

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 2018.

The report has been prepared in accordance with Part VIII of the Charities Act 2011.

The financial statements have been prepared in accordance with the accounting policies set out on pages 15 and 18 of the attached financial statements and comply with the School's Memorandum and Articles of Association, applicable laws 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 United Kingdom and Republic of Ireland (FRS 102), effective from accounting periods commencing 1 January 2015 or later.

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.

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.

Governance, structure and management (continued)

Governors (continued)

Governors	Appointed / Resigned / Retired
M Breen	
S Day	Resigned September 2018
F Deacy	
J Dean (Chairman)	
R Llewellyn	Resigned November 2017
T MacFarlane	
A MacGreevy	
H Mould	

No Governor received any remuneration from the school during the year (2017 - £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.

Key management personnel

The Governors consider that they, together with the senior management team, comprise the key management personnel of the charity.

The senior management team during the year consisted of:

Name	Role
Alex Wulffen-Thomas	Headteacher
Angela Hawtone	Deputy Head
Anthony Jeffrey	Deputy Head (Academic)

The Finance and General Purposes Committee considers the pay and remuneration of the school's senior management team and in reaching recommendations for the Governing Body consider the nature of the role and responsibilities, trends in pay and competitor salaries in the region available from publicly available sources.

Statement of Governors' responsibilities

The Governors (who are also directors of St Philip's School for the purposes of company law) are responsible for preparing the Governors' report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the school and of the incoming resources and application of resources, including the income and expenditure, of the school for that period.

Governance, structure and management (continued)

Statement of Governors' responsibilities (continued)

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

- ◆ select suitable accounting policies and then apply them consistently;
- ◆ observe the methods and principles in Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable to the United Kingdom and Republic of Ireland (FRS 102);
- ◆ make judgements and estimates that are reasonable and prudent;
- ◆ state whether applicable United Kingdom 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 keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the school 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 school and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the Governors confirms that:

- ◆ so far as the Governor is aware, there is no relevant audit information of which the school's auditor is 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 auditor is aware of that information.

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

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 reports to the Governors with recommendations on pay and conditions, financial obligations and fee and bursary policies.

A Pastoral Committee meets once per term. It reports to Governors with recommendations on safeguarding and child protection matters.

Governance, structure and management (continued)

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.

The main risks the Governors have identified and the plans to mitigate those risks are:

- ◆ Reputation of the education and well-being of our pupils and the activities of the charity. This risk is managed through relevant policies which are embedded within the school through meetings, committees, staff and pupil awareness and having nominated senior management responsible for specific policies. Policies include: safeguarding policies, staff recruitment policies, health and safety policies.
- ◆ Income and cash flow to deliver the educational offering for the present and to invest in the school and charity, including its fabric for the long term future. The risk is managed by maintaining and where feasible increasing pupil numbers, identifying any trends that can be reduced associated with leavers, looking into non-fee income initiatives.

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

The school is able to provide bursaries for pupils who would otherwise be unable to attend the school and also able to assist Parents who, due to a change in circumstances beyond their control, are judged to require financial assistance.

Achievements and performance

Review of the year and future plans

The school has had another successful year. All 20 boys passed their Common Entrance examinations and were able to take up their places at their first choice of senior school. Seven boys chose to board and they passed into Ampleforth (3), Bradfield, Bryanston, Harrow, and Worth. The remaining 13 passed into the day schools at Dulwich (2), KCS Wimbledon, London Oratory, Portland Place (2), St Paul's, Westminster, and Wetherby Senior (5). One boy moved to Italy and passed at St George's in Rome.

There were four boys in the school on a full bursary, which is funded through the St Philip's Bursary Fund. The Governors remain committed to growing the fund.

A new Deputy Head joined the school in September 2017 alongside a new Registrar. The part-time secretary left at the end of the academic year and a replacement was appointed.

The school is committed to investing in the improvement of the estate and a development committee has been established to advise the Governors on any strategic decisions.

Fundraising performance

The parent body helped the school's fundraising efforts greatly during the course of the year via the effective Parents' Association. The new Chair of the PA made an accomplished start and the tradition of raising funds for local and international charities continued through various events such as a garden party, quiz night and several raffle initiatives. Governors would like to thank the PA in general and the new Chair in particular for their support in providing charitable focus for the School.

The school does not undertake any significant fundraising activity activities that would fall under the provisions of the Charities (Protection and Social Investment) Act 2016.

Public Benefit

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 Governors acknowledge the guidance and will strive whenever it is reasonably possible to follow it.

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

Income for the year was £1,618,796 (2017 - £1,579,158). Expenditure was £1,632,531 (2017 - £1,472,592). The net deficit for the year was £13,735 (2017 – surplus of £106,566).

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.

Financial position and reserves policy

Financial position

The balance sheet shows total funds of £5,892,837 (2017 - £5,906,572).

The total funds are represented by a revaluation reserve, which represents the revalued amount of the school's freehold property, of £4,711,890 (2017 - £4,711,890), general funds of 824,859 (2017 - £838,594) and designated funds of 356,088 (2017 - £356,088). Bursaries, grants and allowances of £89,726 were provided from unrestricted funds (2017 - £67,329). During the year, four (2017: three) 100% means tested bursaries were provided to pupils who would otherwise be unable to attend the school.

Within general funds, £343,411 (2017 - £340,218) represents funds deployed as part of the school premises, equipment and intangible assets, with the balance of £481,448 (2017 - £498,376) being 'free reserves'. The level of free reserves represents approximately three months' expenditure.

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 premises with improved facilities can be acquired.

Fixed assets

The main asset of the school is the freehold building. This was revalued by Scanlans Consultant Surveyors LLP on 16 February 2016 on the basis of residential use at £4,970,000.

The Governors are of the opinion that the value of the property on an existing use basis is not significantly different from that stated.

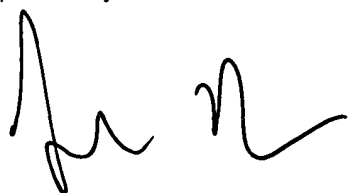
Acquisitions and disposals of fixed assets during the year are recorded in the notes to the financial statements.

Financial position and reserves policy

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 Dean

Approved by the Governors on: 20 May 2019



Tom Macfarlane

Independent auditor's report to the members of St Philip's School Trust Limited

Opinion

We have audited the financial statements of St Philip's School Trust Limited (the 'charitable company') for the year ended 31 August 2018 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- ◆ give a true and fair view of the state of the charitable company's affairs as at 31 August 2018 and of its income and expenditure for the year then ended;
- ◆ have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- ◆ have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- ◆ the Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- ◆ the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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.

Independent auditor's report Year to 31 August 2018

Other information

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

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.

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 Governors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Governors' 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' 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, or returns adequate for our audit have not been received from branches not visited by us; or
- ◆ the financial statements are not in agreement with the accounting records and returns; or
- ◆ certain disclosures of Governors' remuneration specified by law are not made; or
- ◆ we have not received all the information and explanations we require for our audit; or
- ◆ the Governors were not entitled to take advantage of the small companies' exemptions from the requirement to prepare a strategic report.

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

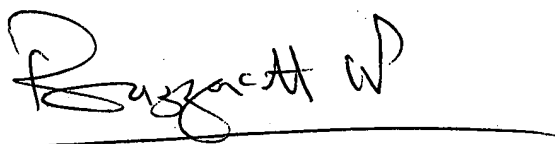
Auditor's responsibilities for the audit of the financial statements

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

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.



Avnish Savjani (Senior Statutory Auditor)
For and on behalf of Buzzacott LLP, Statutory Auditor
130 Wood Street
London
EC2V 6DL

21 May 2019

Statement of financial activities Year to 31 August 2018

	Note	Unrestricted funds £	Restricted funds £	Revaluation reserve £	Total 2018 £	Total 2017 £
Income from:						
Donations	1	—	11,870	—	11,870	1,170
Charitable activities						
· School fees receivable	2	1,603,327	—	—	1,603,327	1,576,151
Investments	3	3,599	—	—	3,599	1,837
Total income		1,606,926	11,870	—	1,618,796	1,579,158
Expenditure on:						
Charitable activities						
· Provision of education	4	1,620,661	11,870	—	1,632,531	1,472,592
Total expenditure		1,620,661	11,870	—	1,632,531	1,472,592
Net (expenditure) income and net movement in funds	6	(13,735)	—	—	(13,735)	106,566
Reconciliation of funds:						
Balances brought forward at 1 September 2017		1,194,682	—	4,711,890	5,906,572	5,800,006
Balances carried forward at 31 August 2018		1,180,947	—	4,711,890	5,892,837	5,906,572

The charity has no recognised gains or losses other than those shown above.

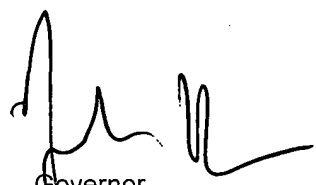
All of the charity's activities derived from continuing operations during the above two financial periods.

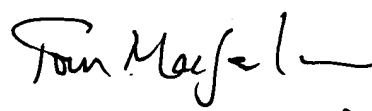
Balance sheet 31 August 2018

	Notes	2018 £	2018 £	2017 £	2017 £
Fixed assets					
Intangible fixed assets	10		32,224		35,557
Tangible fixed assets	11		5,023,077		5,016,551
			<u>5,055,301</u>		<u>5,052,108</u>
Current assets					
Debtors	12	12,697		16,472	
Fixed deposits		1,039,527		1,035,929	
Cash at bank and in hand		302,977		312,493	
		<u>1,355,201</u>		<u>1,364,894</u>	
Liabilities					
Creditors: amounts falling due within one year	13	(517,665)		(510,430)	
Net current assets			<u>837,536</u>		<u>854,464</u>
Total net assets			<u>5,892,837</u>		<u>5,906,572</u>
The funds of the charity:					
Unrestricted funds					
. General fund			824,859		838,594
. Designated fund	14		356,088		356,088
. Revaluation reserve	15		4,711,890		4,711,890
Restricted funds	16		—		—
			<u>5,892,837</u>		<u>5,906,572</u>

St Philip's School Trust Limited
Company Number 01789733 (England and Wales)

Approved by the Governors
and signed on their behalf by:


Governor
John Dean


Governor Tom Macfarlane

Approved on: 20 May 2019

Statement of cash flows Year to 31 August 2018

	Notes	2018 £	2017 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	23,911	133,540
Cash flows from investing activities:			
Investment income		3,599	1,837
Purchase of tangible fixed assets		(33,428)	(2,187)
Net cash used in investing activities		(29,829)	(350)
Change in cash and cash equivalents in the year		(5,918)	133,190
Cash and cash equivalents at 1 September 2017	B	1,348,422	1,215,232
Cash and cash equivalents at 31 August 2018	B	1,342,504	1,348,422

Notes to the statement of cash flows for the year to 31 August 2018:

A Reconciliation of net movement in funds to net cash (used in) provided by operating activities

	2018 £	2017 £
Net movement in funds (as per the statement of financial activities)	(13,735)	106,566
Adjustments for:		
Depreciation charge	26,902	27,895
Amortisation charge	3,333	3,333
Investment income	(3,599)	(1,837)
Decrease (increase) in debtors	3,775	(2,595)
Increase in creditors	7,235	178
Net cash provided by operating activities	23,911	133,540

B Analysis of cash and cash equivalents

	2018 £	2017 £
Cash at bank and in hand	302,977	312,493
Fixed deposits	1,039,527	1,035,929
Total cash and cash equivalents	1,342,504	1,348,422

Principal accounting policies 31 August 2018

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are laid out below.

Basis of preparation

These financial statements have been prepared for the year to 31 August 2018.

The financial statements have been prepared under the historical cost convention with items recognised at cost or transaction value unless otherwise stated in the relevant accounting policies below or the notes to these financial statements.

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 United Kingdom and Republic of Ireland (FRS 102) (Charities SORP FRS 102) issued on 16 July 2014, the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Charities Act 2011.

The School constitutes a public benefit entity as defined by FRS 102.

The financial statements are presented in sterling and are rounded to the nearest pound.

Critical accounting estimates and areas of judgement

Preparation of the financial statements requires the Governors and management to make significant judgements and estimates.

The items in the financial statements where these judgements and estimates have been made include:

- ◆ estimating the useful economic life of tangible fixed assets; and
- ◆ estimating the bad debt provision.

Assessment of going concern

The Governors have assessed whether the use of the going concern assumption is appropriate in preparing these financial statements. The Governors have made this assessment in respect to a period of one year from the date of approval of these financial statements.

The Governors of the School have concluded that there are no material uncertainties related to events or conditions that may cast significant doubt on the ability of the charity to continue as a going concern. The Governors are of the opinion that the School will have sufficient resources to meet its liabilities as they fall due.

Income recognition

Income is recognised in the period in which the school is entitled to receipt, the amount can be measured reliably and it is probable that the income will be received.

Income comprises income from donations, bank interest receivable and income from school fees.

Donations are recognised when the school has confirmation of both the amount and settlement date. In the event of donations pledged but not received, the amount is accrued for where the receipt is considered probable. In the event that a donation is subject to conditions that require a level of performance before the School is entitled to the funds, the income is deferred and not recognised until either those conditions are fully met, or the fulfilment of those conditions is wholly within the control of the school and it is probable that those conditions will be fulfilled in the reporting period.

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the school; this is normally upon notification of the interest paid or payable by the bank.

Income from school fees is recognised when the School is entitled to receipt. This is usually at the point at which the school has commenced the provision of education at the start of each academic term.

Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the school to make a payment to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably.

All expenditure is accounted for on an accruals basis and includes any attributable VAT which cannot be recovered. All expenses are allocated or apportioned to the applicable expenditure headings.

Resources expended comprise the 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 including associated support costs.

Intangible fixed assets

Intangible assets comprise a purchased licence capitalised at cost and amortised through the statement of financial activities on a straight line basis over the length of the licence.

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 would be immaterial and no depreciation has been charged.

The freehold property revaluation 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

Debtors

Debtors are recognised at their settlement amount, less any provision for non-recoverability. Prepayments are valued at the amount prepaid. They have been discounted to the present value of the future cash receipt where such discounting is material.

Cash at bank and in hand

Cash at bank and in hand represents such accounts and instruments that are available on demand or have a maturity of less than three months from the date of acquisition. Deposits for more than three months but less than one year have been disclosed as short term deposits.

Creditors and provisions

Creditors and provisions are recognised when there is an obligation at the balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably. Creditors and provisions are recognised at the amount the charity anticipates it will pay to settle the debt.

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.

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.

1 Donations

	Unrestricted funds £	Restricted funds £	Total 2018 £	Total 2017 £
2018 total funds: Donations	—	11,870	11,870	1,170
2017 total funds	1,170	—	1,170	

2 Income from charitable activities:

	Unrestricted funds	
	2018 £	2017 £
Gross school fees	1,591,350	1,581,000
Registration fees	3,002	7,300
Less: total bursaries, grants and allowances*	(89,726)	(67,329)
	1,504,626	1,520,971
Add: bursaries, grants and allowances paid by restricted funds	10,870	—
	1,515,496	1,520,971
Other income	87,831	55,180
	1,603,327	1,576,151

*During the year awards were made to 22 individuals (2017 – 16 individuals).

3 Income from investments

	Unrestricted funds	
	Total 2018 £	Total 2017 £
Bank interest	3,599	1,837

4 Expenditure on charitable activities

	Staff Costs £	Other £	Depreciation and amortisation £	Total 2018 £	Total 2017 £
Cost of Charitable Activities					
School operating costs:					
· Teaching costs	924,491	120,356	—	1,044,847	952,860
· Welfare costs	—	17,787	—	17,787	14,079
· Premises	—	116,270	—	116,270	114,703
· Sports Costs	—	60,925	—	60,925	64,182
· Outings and Activities	—	66,654	—	66,654	50,606
· Governance costs (note 5)	—	40,873	—	40,873	55,855
· Bursaries	—	10,870	—	10,870	—
· Other direct costs	—	24,160	—	24,160	27,574
· Support costs of schooling	156,864	63,046	30,235	250,145	192,733
	1,081,355	520,941	30,235	1,632,531	1,472,592

4 Expenditure on charitable activities (continued)

Bursary payments of £10,870 (2017 - £nil) were paid from restricted funds. £1,000 worth of sports equipment was also paid from restricted funds. All other expenditure related to unrestricted funds in the above two financial periods.

5 Governance costs

	Unrestricted funds	
	Total 2018 £	Total 2017 £
Audit	8,400	8,400
Legal and professional costs	32,473	47,455
	40,873	55,855

6 Net expenditure

This is stated after charging:

	2018 £	2017 £
Staff costs (note 7)	1,081,355	973,873
Auditor's remuneration (including VAT)		
- current year	10,080	10,820
Depreciation of tangible fixed assets	26,902	27,895
Amortisation of tangible fixed assets	3,333	3,333

7 Employees and staff costs

Staff costs during the year were as follows:

	2018 £	2017 £
Wages and salaries	831,365	779,867
Social security costs	88,503	82,679
Other pension costs	117,254	107,157
	1,037,122	969,703
Other staff costs	5,959	4,170
Termination payments	38,274	—
	1,081,355	973,873

Included in termination costs are two non-statutory/non-contractual severance payments totalling £26,154 (2017 – £nil).

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

	2018 Number	2017 Number
Teaching	17	18
Administration	3	3
	20	21

7 Employees and staff costs (continued)

The number of employees who earned £60,000 per annum or more (including taxable benefits but excluding employer pension contributions) during the year was as follows:

	2018 Number	2017 Number
£60,001 - £70,000	4	3
£80,001 - £90,000	1	1
	5	4

Employer contributions made to a defined benefit scheme in respect of the above employees during the year amounted to £55,995 (2017 - £44,765).

The key management personnel of the charity in charge of running and operating the charity on a day to day basis comprise the Governors together with the Headmaster and deputy heads. The total remuneration (including taxable benefits and employers' pension contributions) of the key management personnel for the year was £279,987 (2017 - £188,314).

8 Governors' remuneration and insurance

No Governor received any remuneration in respect of their services during the year (2017 - £nil).

During the year travel expenses amounting to £241 (2017 - £176) were reimbursed to one Governor.

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. Fees paid by Governors in the year amounted to £15,450 (2017 - £14,700).

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 £4,888 (2017 - £4,888) and provides cover of up to a maximum of £2 million (2017 - £2 million).

9 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.

10 Intangible fixed assets

	Total £
Cost or valuation	
At 1 September 2017 and 31 August 2018	50,000
Amortisation	
At 1 September 2017	14,443
Charge for year	3,333
At 31 August 2018	17,776
Net book values	
At 31 August 2018	32,224
At 31 August 2017	35,557

The intangible fixed assets comprise a licence purchased on 27 March 2013 for £50,000 to allow use of playing fields over a period of 15 years.

11 Tangible fixed assets

	Freehold Property £	Fixtures and equipment £	Total £
Cost or valuation			
At 1 September 2017	4,970,000	290,297	5,260,297
Additions	6,458	26,970	33,428
At 31 August 2018	4,976,458	317,267	5,293,725
At cost	6,458	317,267	323,725
At valuation	4,970,000	—	4,970,000
	4,976,458	317,267	5,293,725
Depreciation			
At 1 September 2017	—	243,746	243,746
Charge for year	—	26,902	26,902
At 31 August 2018	—	270,648	270,648
Net book values			
At 31 August 2018	4,976,458	46,619	5,023,077
At 31 August 2017	4,970,000	46,551	5,016,551

The school's freehold property at 6 Wetherby Place, London was revalued by Scanlans, Chartered Surveyors, on 16 February 2016 on the basis of its residential value of £4,970,000.

12 Debtors

	2018 £	2017 £
Fees receivable	5,919	8,911
Prepayments and accrued income	6,778	7,561
	12,697	16,472

13 Creditors: amounts falling due within one year

	2018 £	2017 £
Trade creditors	36,193	74,980
Deposits and fees in advance	392,866	389,314
Accruals	50,086	12,963
Social security and other taxes	38,520	33,173
	517,665	510,430

At the balance sheet date the school was holding funds received in advance for the Autumn 2018 term and also deposits for all pupils who attend the school.

14 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 2017 £	Net designations £	At 31 August 2018 £
Bursary fund	356,088	—	356,088

15 Revaluation reserve

	Total £
At 1 September 2017	4,711,890
Net movement in year	—
At 31 August 2018	4,711,890

Details of the revaluation of the School's freehold property are given in note 11.

16 Restricted funds

The funds of the school include restricted funds comprising the following balances held on trust to be applied for specific purposes.

	At 1 September 2017 £	Income £	Expenditure £	At 31 August 2018 £
Bursary fund	—	10,870	10,870	—
Other restricted funds	—	1,000	1,000	—
Total restricted funds	—	11,870	11,870	—

16 Restricted funds (continued)

The restricted bursary fund represents grants received to be used for the award of bursaries to students. Other restricted funds include a donation received to purchase non capital sports equipment.

17 Allocation of net assets

	Fixed assets £	Current assets £	Current liabilities £	Total £
Unrestricted funds				
· General fund	343,411	999,113	(517,665)	824,859
· Designated fund	—	356,088	—	356,088
· Revaluation reserve	4,711,890	—	—	4,711,890
Restricted funds	—	—	—	—
	<u>5,055,301</u>	<u>1,355,201</u>	<u>(517,665)</u>	<u>5,892,837</u>

18 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.

19 Pension Commitments

Teachers Pension Scheme (TPS)

Introduction

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions Regulations (2010) and, from 1 April 2014, by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for full-time teachers and, from 1 January 2007, automatic for teachers in part-time employment following appointment or a change of contract, although they are able to opt out.

The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament.

19 Pension Commitments (continued)

Teachers Pension Scheme (TPS) (continued)

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2012 and in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014. The valuation report was published by the Department for Education on 9 June 2014. The key elements of the valuation and subsequent consultation are:

- ◆ employer contribution rates set at 16.48% of pensionable pay (including a 0.08% employer administration charge)
- ◆ total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £191,500 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £176,600 million giving a notional past service deficit of £14,900 million
- ◆ an employer cost cap of 10.9% of pensionable pay will be applied to future valuations
- ◆ the assumed real rate of return is 3.0% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.75%. The assumed nominal rate of return is 5.06%

During the year the employer contribution rate was 16.48%, which will be payable during the implementation period until the next valuation as at March 2016, whereupon the employer contribution rate is expected to be reassessed and will be payable from 1 April 2019.

The pension costs paid to TPS in the period amounted to £107,120 (2017 - £94,510).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2014/06/publication-of-the-valuation-report.aspx>).

Under the definitions set out in Financial Reporting Standard (FRS 17) Retirement Benefits, the TPS is a multi-employer pension scheme. The School has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme.

19 Pension Commitments (continued)

Other Pensions

The school made employer contributions in respect of defined contribution schemes and private pension arrangements for four employees (2017 - four employees). A total of £10,133 was paid out during the year ended 31 August 2018 (2017 - £12,647).

20 Related Party Transactions

Other than the transactions included in note 8, there are no further related party transactions to disclose.