

**St Philip's
School
Trust
Limited**

**Annual Report and Financial
Statements**

31 August 2020

Company Limited by Guarantee
Registration Number
01789733 (England and Wales)

Charity Registration Number
288887



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	F Deacy J Dean T MacFarlane J McIntosh R Llewellyn P Towneley
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

Governors' report 31 August 2020

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 2020.

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).

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	Resigned 31 August 2020
S Day	
F Deacy	
J Dean (Chairman)	
T MacFarlane	
J McIntosh	
R Llewellyn	
P Towneley	Appointed 14 April 2020

No Governor received any remuneration from the school during the year (2019 - £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
Dale Corr	Deputy Head

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 weathered the practical difficulties of the Covid-19 pandemic successfully, leveraging the significant investment in ICT software over the previous twelve months to transfer teaching and learning online effectively at the beginning of the Summer Term. With the exception of Year 7, all pupils were able to return to school in person by the end of term. All parents paid their invoices in full in a timely manner. The school calculated any financial savings made in its day-to-day arrangements and passed them onto parents via a reduced fee, with a significant number choosing to pay the original fees as a donation to the school which will assist future bursaries.

It was a successful academic year with record results. All 14 boys passed their Common Entrance examinations and were able to take up their places at their first choice of senior school, with one choosing to defer entry to Eton and remain at St Philip's for another year. Three boys transferred to City of London School and three to Eton College. Places were also taken up at Bradfield, Dulwich, Harrow, Kensington Park, Radley, Wetherby Senior and Worth. Three boys won scholarships to Bradfield (drama), City of London (sport) and Worth (music).

There were two boys in the school on a full bursary, which is funded through the St Philip's Bursary Fund. The Governors remain committed to providing access to promising pupils whose families require financial assistance.

The senior management team was refreshed with a new Deputy Head and a new Director of Activities and there were two external teaching staff appointments to fill vacancies in the teaching of History, RS, English and Maths.

Fundraising performance

The parent body's fundraising efforts were hampered by the pandemic, with key events cancelled. That said, a new link with Carney's Community Centre in Battersea was launched and embedded into the life of the school. Pupils launched their own fundraising initiatives such as a charity table-tennis competition and an art competition – both were highly successful. Carney's made a bespoke video to thank the school for its contributions throughout the pandemic. The parents' support for charitable initiatives remains strong.

Achievements and performance (continued)

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 committed to its relationship with its local Roman Catholic primary school, Our Lady of Victories. The School funds an after-school verbal reasoning class at OLOV, the lessons for which are provided by an external provider chosen by St Philip's.

St Philip's boys contribute to the wider community by singing for the Oratory Junior Choir at the Oratory Church in Brompton and several serve on the alter at weekend masses. The school organises and pays for the maintenance of the shared garden at the rear of the school, which is enjoyed by members of the public with views of and/or access to it.

The School is also committed to growing the use of its dedicated bursary fund and undertook a vigorous campaign of local publicity during the course of the year.

Financial review

Results for the year

Income for the year was £1,437,601 (2019 - £1,630,582). Expenditure was £1,413,276 (2019 - £1,737,010). The net surplus for the year was £24,325 (2019 – deficit of £106,428). Overall, the Governors consider the financial 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.

We have considered the effects of the 2020 outbreak of Covid-19 on the charity's operations and have concluded that the impact on it is likely to be limited.

Trustees acknowledge and recognise the potential impact of the Covid-19 pandemic on the future operations of the charity, its beneficiaries, partners and stakeholders and on wider society. The effect on pupil numbers in the short term is unclear but it is not anticipated at the current time that the overall financial position of the charity will be adversely affected or its financial solvency threatened.

Financial position and reserves policy

Financial position

The balance sheet shows total funds of £5,810,734 (2019 - 5,786,409).

The total funds are represented by a revaluation reserve, which represents the revalued amount of the school's freehold property, of £4,711,890 (2019 - £4,711,890), general funds of £1,079,374 (2019: £924,519) restricted funds of £19,470 (2019: £nil) and designated funds of £nil (2019 - £150,000). Bursaries, grants and allowances of £60,410 were provided from unrestricted funds (2019 - £78,300). During the year two (2019: three) 100% means tested bursaries were provided to pupils who would otherwise be unable to attend the school.

Reserves policy

The Governors believe that, as a target, the free reserves should represent a minimum of three months of expenditure, which for 2020 would be £353,319 (2019 - £434,253).

Within general funds, £378,790 (2019 - £403,988) represents funds deployed as part of the school premises, equipment and intangible assets, with the balance of £700,584 (2019 - £520,531) being 'free reserves'.

The School therefore meets the minimum requirement of its free reserves policy, which will initially be used to cover any shortfall in income received, or where opportunity permits, use towards future capital projects.

The School has planned that any impact of the coronavirus (Covid-19) on future income will be offset by expenditure savings and will not impact on reserves going forward and therefore remains a going concern.

Fixed assets

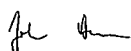
The main asset of the school is the freehold building. This was revalued by Scanlans Consultant Surveyors LLP on 16 February 2016 on the basis of residential use at £4,970,000. Since the onset of the COVID-19 pandemic, there has been a reduction in the certainty with which property values can be inferred from historic data as detailed in the accounting policies.

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:



John Dean - Head of Real Estate

Approved by the Governors on: 21.5.2021

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 2020 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 2020 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.

Emphasis of matter

We draw attention to the accounting policies which state that less certainty, and a higher degree of caution, should be attached to the valuation of the charity's property than would normally be the case. Our opinion is not modified in respect of this matter.

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 2020

Other information (covers the reference and administrative details, the report of the directors and strategic report and the governance statement)

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 which is also the directors' report for the purposes of company law and includes the strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- ◆ the Governors' report which is also the directors' report for the purposes of company law and includes the strategic 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.

Independent auditor's report Year to 31 August 2020

Responsibilities of Governors

As explained more fully in the statement of Governors' responsibilities, the Governors (who are also the directors for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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.



21.5.2021

Hugh Swainson (Senior Statutory Auditor)

For and on behalf of Buzzacott LLP, Statutory Auditor

130 Wood Street

London

EC2V 6DL

Statement of financial activities (including income and expenditure account)
Year to 31 August 2020

	Notes	Unrestricted funds £	Restricted funds £	Revaluation reserve £	Total 2020 £	Total 2019 £
Income from:						
Donations	1	—	19,470	—	19,470	116,398
Charitable activities				—		
. School fees receivable	2	1,416,026	—	—	1,416,026	1,512,492
Investments	3	2,105	—	—	2,105	1,692
Total income		1,418,131	19,470	—	1,437,601	1,630,582
Expenditure on:						
Charitable activities						
. Provision of education	4	1,413,276	—	—	1,413,276	1,737,010
Total expenditure		1,413,276	—	—	1,413,276	1,737,010
Net income (expenditure) and net movement in funds	6	4,855	19,470	—	24,325	(106,428)
Reconciliation of funds:						
Balances brought forward at 1 September 2019		1,074,519	—	4,711,890	5,786,409	5,892,837
Balances carried forward at 31 August 2020		1,079,374	19,470	4,711,890	5,810,734	5,786,409

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

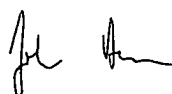
All of the charity's activities derived from continuing operations during the above two financial periods.

Balance sheet 31 August 2020

	Notes	2020 £	2020 £	2019 £	2019 £
Fixed assets					
Intangible fixed assets	10		25,558		28,891
Tangible fixed assets	11		5,065,122		5,086,987
			<u>5,090,680</u>		<u>5,115,878</u>
Current assets					
Debtors	12	14,063		125,783	
Cash at bank and in hand		1,266,891		1,086,798	
		<u>1,280,954</u>		<u>1,212,581</u>	
Liabilities					
Creditors: amounts falling due within one year	13	(560,900)		(542,050)	
Net current assets			<u>720,054</u>		<u>670,531</u>
Total net assets			<u>5,810,734</u>		<u>5,786,409</u>
The funds of the charity:					
Unrestricted funds					
. General fund			1,079,374		924,519
. Designated fund	14		—		150,000
. Restricted fund	15		19,470		—
. Revaluation reserve	16		4,711,890		4,711,890
			<u>5,810,734</u>		<u>5,786,409</u>

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

Approved by the Governors
and signed on their behalf by:



John Dean
21.5.2021

Head of Real Estate

Principal accounting policies 31 August 2020

	Notes	2020 £	2019 £
Cash flows from operating activities:			
Net cash provided by operating activities	A	192,771	(156,130)
Cash flows from investing activities:			
Investment income		2,105	1,692
Purchase of tangible fixed assets		(14,783)	(101,268)
Net cash used in investing activities		(12,678)	(99,576)
Change in cash and cash equivalents in the year		180,093	(255,706)
Cash and cash equivalents at 1 September 2019	B	1,086,798	1,342,504
Cash and cash equivalents at 31 August 2020	B	1,266,891	1,086,798

Notes to the statement of cash flows for the year to 31 August 2020:

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

	2020 £	2019 £
Net movement in funds (as per the statement of financial activities)	24,325	(106,428)
Adjustments for:		
Depreciation charge	36,648	37,358
Amortisation charge	3,333	3,333
Investment income	(2,105)	(1,692)
Decrease (increase) in debtors	111,720	(113,086)
Increase in creditors	18,850	24,385
Net cash provided by (used in) operating activities	192,771	(156,130)

B Analysis of cash and cash equivalents

	2020 £	2019 £
Cash at bank and in hand	1,266,891	1,086,798
Total cash and cash equivalents	1,266,891	1,086,798

C Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	1,086,798	180,093	1,266,891

Principal accounting policies 31 August 2020

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 2020.

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;
- ◆ the valuation of freehold property; and
- ◆ estimating the bad debt provision.

In addition to the above, the full impact following the emergence of the covid-19 pandemic is still unknown. It is therefore not currently possible to evaluate all the potential implications for the charity's activities, beneficiaries, funders, suppliers and the wider economy.

As set out in these accounting policies under "going concern", the trustees have considered the impact of the pandemic on the charity and have concluded that although there may be some negative consequences, it is appropriate for the charity to continue to prepare its accounts on the going concern basis.

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. This assessment has been made with the consideration of Covid-19.

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

The freehold property is measured at valuation. The freehold property revaluation surpluses and deficits are transferred to the revaluation reserve. Since the onset of the COVID-19 pandemic, there has been a reduction in the certainty with which property values can be inferred from historic data. Although the value reported in note 11 is believed to be a fair estimate, there will be a greater likelihood that actual amounts achievable would differ from this valuation than in previous periods.

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.

b. Other tangible fixed assets

Other tangible fixed assets are measured at cost 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.

Notes to the financial statements 31 August 2020

1 Donations and legacies

	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
Donations	—	19,470	19,470	12,098
Legacies	—	—	—	104,300
Total	—	19,470	19,470	116,398

The donations received in 2020 have been restricted for the use of bursaries.

	<i>Unrestricted funds £</i>	<i>Restricted funds £</i>	<i>Total 2019 £</i>
<i>Donations</i>	<i>12,098</i>	<i>—</i>	<i>12,098</i>
<i>Legacies</i>	<i>104,300</i>	<i>—</i>	<i>104,300</i>
<i>Total</i>	<i>116,398</i>	<i>—</i>	<i>116,398</i>

2 Income from charitable activities:

	Unrestricted funds	
	2020 £	2019 £
Gross school fees	1,408,400	1,498,500
Registration fees	5,000	3,600
Non-refundable deposits	—	7,500
Less: total bursaries, grants and allowances*	(60,410)	(78,300)
	1,352,990	1,431,300
Add: bursaries, grants and allowances paid by restricted funds	—	—
	1,352,990	1,431,300
Other income	63,036	81,192
	1,416,026	1,512,492

*During the year awards were made to 2 individuals (2019 – 3 individuals).

3 Income from investments

	Unrestricted funds	
	Total 2020 £	Total 2019 £
Bank interest	2,105	1,692

Notes to the financial statements 31 August 2020

4 Expenditure on charitable activities

	Staff Costs £	Other £	Depreciation and amortisation £	Total 2020 £	Total 2019 £
Teaching costs	872,383	95,721	—	968,104	1,003,696
Catering costs	—	25,087	—	25,087	19,959
Premises	—	92,169	—	92,169	104,574
Sports costs	—	61,365	—	61,365	59,872
Outings and Activities	—	45,964	—	45,964	63,591
Governance costs (note 5)	—	27,200	—	27,200	22,781
Other direct costs	—	22,862	—	22,862	21,672
Support costs of schooling	74,619	55,925	39,981	170,525	440,865
	947,002	426,293	39,981	1,413,276	1,737,010

	Staff Costs £	Other £	Depreciation and amortisation £	Total 2019 £
Teaching costs	877,453	126,243	—	1,003,696
Welfare costs	—	19,959	—	19,959
Premises	—	104,574	—	104,574
Sports Costs	—	59,872	—	59,872
Outings and Activities	—	63,591	—	63,591
Governance costs (note 5)	—	22,781	—	22,781
Other direct costs	—	21,672	—	21,672
Support costs of schooling	179,938	220,236	40,691	440,865
	1,057,391	638,928	40,691	1,737,010

5 Governance costs

	Unrestricted funds	
	Total 2020 £	Total 2019 £
Audit	11,120	10,800
Legal and professional costs	16,080	11,981
	27,200	22,781

6 Net expenditure

This is stated after charging:

	2020 £	2019 £
Staff costs (note 7)	947,002	1,057,391
Auditor's remuneration		
- current year	11,120	10,800
Depreciation of tangible fixed assets	36,648	37,358
Amortisation of intangible fixed assets	3,333	3,333

7 Employees and staff costs

Staff costs during the year were as follows:

	2020 £	2019 £
Wages and salaries	734,399	787,689
Social security costs	73,595	83,917
Pension costs	138,878	107,995
	946,872	979,601
Other staff costs	130	25,790
Termination payments	—	52,000
	947,002	1,057,391

There were no non-statutory/non-contractual severance payments made during the year (2019: two totalling £52,000).

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

	2020 Number	2019 Number
Teaching	17	16
Administration	2	3
	19	19

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:

	2020 Number	2019 Number
£60,001 – £70,000	2	3
£80,001 – £90,000	—	1
£90,001 – £100,000	1	—
	3	4

Employer contributions made to a defined benefit scheme in respect of the above employees during the year amounted to £51,560 (2019 - £46,285).

The key management personnel of the charity comprise the Governors together with the senior leadership team i.e. the Headmaster and deputy heads. The day to day running of the charity is delegated to the senior leadership team.

The total remuneration (including taxable benefits and employers' pension contributions) of the key management personnel for the year was £215,261 (2019 - £285,324).

8 Governors' remuneration and insurance

No Governor received any remuneration in respect of their services during the year (2019 - £nil).

During the year travel expenses amounting £206 (2019 - £1,031) 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 £16,100 (2019 - £16,200).

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 £248 and provides cover of up to a maximum of £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 2019 and 31 August 2020	50,000
Amortisation	
At 1 September 2019	21,109
Charge for year	3,333
At 31 August 2020	24,442
Net book values	
At 31 August 2020	25,558
At 31 August 2019	28,891

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 2019	5,003,764	303,870	5,307,634
Additions	37	14,746	14,783
At 31 August 2020	5,003,801	318,616	5,322,417
At cost	33,801	318,616	352,417
At valuation	4,970,000	—	4,970,000
	5,003,801	318,616	5,322,417
Depreciation			
At 1 September 2019	6,458	214,189	220,647
Charge for year	—	36,648	36,648
At 31 August 2020	6,458	250,837	257,295
Net book values			
At 31 August 2020	4,997,343	67,779	5,065,122
At 31 August 2019	4,997,306	89,681	5,086,987

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. Since the onset of the COVID-19 pandemic, there has been a reduction in the certainty with which property values can be inferred from historic data. Although the value reported above is believed to be a fair estimate, there will be a greater likelihood that actual amounts achievable would differ from this valuation than in previous periods.

12 Debtors

	2020 £	2019 £
Fees receivable	2,601	14,008
Prepayments and accrued income	11,462	111,615
Other debtors	—	160
	14,063	125,783

13 Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	18,615	85,754
Deposits and fees in advance	478,158	389,309
Accruals	25,019	37,015
Social security and other taxes	39,108	29,972
	560,900	542,050

At the balance sheet date the school was holding funds received in advance for the Autumn 2020 term and also deposits for all pupils who attend the school.

Notes to the financial statements 31 August 2020

14 Designated fund

During the year ended 31 August 2008 the governors set up a bursary fund for the award of bursaries and scholarships. During the year, £150,000 was transferred out of the fund as the fund had been building up to beyond the School's needs.

	At 1 September 2019 £	Transfers £	At 31 August 2020 £
Bursary fund	150,000	(150,000)	—

	At 1 September 2018 £	Transfers £	At 31 August 2019 £
Bursary fund	356,088	(206,088)	150,000

15 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 2019 £	Income £	Expenditure £	At 31 August 2020 £
Bursary fund	—	19,470	—	19,470

16 Revaluation reserve

	Total £
At 1 September 2019	4,711,890
Net movement in year	—
At 31 August 2020	4,711,890

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

17 Allocation of net assets

	Fixed assets £	Current assets £	Current liabilities £	Total £
Restricted funds	—	19,470	—	19,470
Unrestricted funds				
· General fund	378,790	1,261,484	(560,900)	1,079,374
· Designated fund	—	—	—	—
· Revaluation reserve	4,711,890	—	—	4,711,890
	5,090,680	1,280,954	(560,900)	5,810,734

17 Allocation of net assets (continued)

	Fixed assets £	Current assets £	Current liabilities £	Total £
<i>Unrestricted funds</i>				
· General fund	403,988	1,062,581	(542,050)	924,519
· Designated fund	—	150,000	—	150,000
· Revaluation reserve	4,711,890	—	—	4,711,890
	<u>5,115,878</u>	<u>1,212,581</u>	<u>(542,050)</u>	<u>5,786,409</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)

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. These regulations apply to teachers in schools, colleges and other educational establishments. Membership is automatic for teachers and lecturers at eligible institutions. Teachers and lecturers are able to opt out of the TPS.

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 under arrangements governed by the above Act. Retirement and other pension benefits are paid by public funds provided by Parliament. Under the definitions set out in FRS 102 (28.11), the TPS is a multi-employer pension plan. The school is unable to identify its share of the underlying assets and liabilities of the plan.

Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined-contribution plan. The School has set out above the information available on the plan and the implications for School in terms of the anticipated contribution rates.

The valuation of the TPS is carried out in line with regulations made under the Public Service Pension Act 2013. Valuations credit the teachers' pension account with a real rate of return assuming funds are invested in notional investments that produce that real rate of return.

The latest actuarial review of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education (DfE) in April 2019. The valuation reported total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218 billion, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196 billion, giving a notional past service deficit of £22 billion.

19 Pension Commitments (continued)

Teachers' Pension Scheme (TPS) (continued)

As a result of the valuation, new employer contribution rates were set at 23.68% of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19). A full copy of the valuation report and supporting documentation can be found on the Teachers' Pension Scheme website.

The pension costs paid to TPS in the period amounted to £135,661 (2019 - £102,456).

Other Pensions

The school made employer contributions in respect of defined contribution schemes and private pension arrangements for employees (2019 - six employees). A total of £3,218 was paid out during the year ended 31 August 2020 (2019 - £5,539).

20 Related Party Transactions

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

21 Comparative statement of financial activities

	Note	Unrestricted funds £	Revaluation reserve £	Total 2019 £
Income from:				
Donations	1	116,398	—	116,398
Charitable activities				
· School fees receivable	2	1,512,492	—	1,512,492
Investments	3	1,692	—	1,692
Total income		1,630,582	—	1,630,582
Expenditure on:				
Charitable activities				
· Provision of education	4	1,737,010	—	1,737,010
Total expenditure		1,737,010	—	1,737,010
Net expenditure and net movement in funds	6	(106,428)	—	(106,428)
Reconciliation of funds:				
Balances brought forward at 1 September 2018		1,180,947	4,711,890	5,892,837
Balances carried forward at 31 August 2019		1,074,519	4,711,890	5,786,409