

**THE MALL SCHOOL TRUST**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

**Company number 02036538**  
**Charity number 295003**

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**THE MALL SCHOOL TRUST**  
**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2019**

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## **THE MALL SCHOOL TRUST**

### **GOVERNORS, OFFICERS AND ADVISORS**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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#### **Governors**

The school Governors who are the Charity Trustees and also Directors of the Company who served during the year and since as indicated are:

|                         |                            |
|-------------------------|----------------------------|
| Mr R J H Walker (Chair) |                            |
| Mrs T Collett           | Resigned 14 November 2018  |
| Mrs K Mahajan           |                            |
| Mrs C L P Smith         | Resigned 22 February 2020  |
| Mr J O Morris           |                            |
| Dr D Clark              |                            |
| Mr J A F Short Ring     | Appointed 28 November 2018 |
| Mrs M Gallagher         | Appointed 1 September 2019 |
| Mrs N Page              | Appointed 12 November 2019 |
| Ms J S Hawker           | Appointed 12 February 2020 |

#### **Key Management Personnel**

|                   |                                                                  |
|-------------------|------------------------------------------------------------------|
| <b>Headmaster</b> | Mr D C Price                                                     |
| <b>Bursar</b>     | Mr G Jones                                                       |
| <b>Auditors</b>   | Haysmacintyre LLP<br>10 Queen Street Place<br>London<br>EC4R 1AG |
| <b>Bankers</b>    | Lloyds Bank,<br>Twickenham Branch                                |

## **THE MALL SCHOOL TRUST**

### **GOVERNORS' REPORT**

#### **FOR THE YEAR ENDED 31 AUGUST 2019**

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The Governors of The Mall School Trust present their annual report for the year ended 31 August 2019 under the Charities Act 2011, including the Directors' and Strategic Reports, under the Companies Act 2006, together with the audited financial statements for the year.

#### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The Mall School Trust is constituted as a company limited by guarantee registered in England, Company No. 02036538, and is registered with the Charity Commission under Charity No. 295003. Details of the members of the Governing Body, together with the School's officers and principal advisors are given on page 1.

#### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing Document**

The Company is governed by its Memorandum and Articles, last amended on 1 March 2006.

##### **Governing Body**

The Governors, who are also required under the Articles to serve as members of the Company, are elected at a Full Governors' Meeting on the basis of the Governor's specification concerning eligibility, personal competence, specialist skills and local availability, and on recommendation from the Headmaster on the same basis. At each Annual General Meeting the nearest number to one fifth of the total governors retire and are eligible for re-election. The Governors to retire each year are those who have been longest in office since their last election.

##### **Governor Recruitment, Induction and Training**

New Governors are inducted into the working of the School, and also of the Company as a registered charity, including Board Policy and Procedures, and attend professional courses on trustee training.

##### **Organisational Management**

The Governors meet as a Board at least three times a year, with additional strategy meetings as required, to determine the general policy of the Company and review its overall management and control, for which they are legally responsible. Sub committees on finance, education, child protection, property, marketing and risk meet regularly and prior to Board meetings to implement the Board's policies.

The day-to-day running of the School is delegated to the Headmaster and the Bursar, who in turn are supported by other members of the senior leadership team. The Headmaster and Bursar attend all meetings of the Governing Body's Committees.

Remuneration policy for key management personnel is set by the Board, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the Trust's success. The appropriateness and relevance of the remuneration policy is reviewed annually including reference to comparisons with other independent schools to ensure that the Trust remains sensitive to the broader issues of pay and employment conditions elsewhere. We aim to recruit, subject to experience, at the lower to medium point within a band, providing scope to be rewarded for excellence. Delivery of the Company's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

## **THE MALL SCHOOL TRUST**

### **GOVERNORS' REPORT (continued)**

**YEAR ENDED 31 AUGUST 2019**

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#### **Relationships**

The Mall School is an active member of the IAPS and the ISBA for the promotion and maintenance of preparatory school standards generally. The Mall also benefits from the generosity of the thriving Mall School Association and current parents.

#### **Investment Policy and Objectives**

All available retained funds, other than those required for day-to-day cash management are invested in Fixed Term Deposit with our bankers.

### **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

#### **Charitable Objects**

The objects are set out in the Memorandum of Association as the promotion and provision for the advancement of education of children in the United Kingdom and elsewhere.

#### **Aim and Intended Impact**

Our aim is to provide an excellent, broad and stimulating education that inspires boys to realise their potential within a safe and nurturing environment.

"Bringing out the best in every boy." We believe that all boys have potential and that it is through inspirational teaching and excellent pastoral care that we can develop this potential. We want our boys to leave The Mall as confident, independent, well-rounded young men ready for the challenges of the next stage of their educational journey. Mall boys are thoughtful in both senses of the word. They have an intellectual curiosity about the world around them but they are also considerate and concerned for the welfare of others.

#### **Objectives for the Year**

The Board'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 this is to maintain the high standard of teaching, the high teacher-to-pupil ratio, tailoring our services as appropriate in each case to suit individual needs.

### **STRATEGIC REPORT**

#### **Principal Activity**

The Mall School Trust's principal activity continues to be to operate as a preparatory school with approximately 300 boys aged 4 – 13 years old.

#### **Public Benefit and Grant-making**

The Governors confirm that they have complied with the duty of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission in determining the activities undertaken by the charitable company.

## **THE MALL SCHOOL TRUST**

### **GOVERNORS' REPORT (continued)**

#### **YEAR ENDED 31 AUGUST 2019**

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The School supported 6 pupils through its Bursary Scheme and 5 pupils were awarded staff and sibling discounts during the year. The Bursary scheme support, which is available on a needs basis as determined by the Bursar in consultation with the Headmaster, amounted to £49,714 (2017-18: 8 pupils £81,721), not including staff and sibling discounts. The School offers 7+ and 8+ entry as well as 4+ entries. Financial assistance is available at 7+ and later entry through competitive assessment as public benefit to help families who would not otherwise be able to afford a Mall education and to broaden access to the School. These awards and the bursaries available to current parents who experience financial hardship are means tested and reviewed annually.

Use of the School swimming pool was provided free of charge or at a subsidised rate to St James's RC Primary School, Trafalgar Junior School, Jack and Jill School and Waldegrave Girls' School as part of our partnership links and public benefit with local maintained schools. The Mall provided additional public benefit, by offering the theatre facilities to a number of organisations, including Building Blocks Nursery free of charge and Turing House School and Richmond Brass Band at a subsidised rate. The school also hosted a recorder day on behalf of Richmond Music Trust and a local charity, The Mulberry Centre, held its summer concert in the theatre.

Student teachers from St Mary's University undertook teaching practice and examinations at the school. A number of books were donated to Wey Valley College, and Harvest Festival goods were collected by boys and delivered locally to the Richmond Food Bank. School minibuses were lent to 2<sup>nd</sup> Whitton Scout Group for their summer camp and to Waldegrave School for a Duke of Edinburgh expedition.

During the course of the year, boys have raised nearly £5,000 in charitable fundraising, and have partaken in a number of events, which included a music marathon that raised nearly £2,000 in support of African Vision, Malawi. The money raised from other activities has gone to the Spear charity for the homeless, Book Aid International, the Royal British Legion and Shelter Box. As part of the Leavers' Programme, Year 6 and Year 8 boys developed their own business ideas and managed to raise over £300 for African Vision, Malawi.

### **ACHIEVEMENTS AND PERFORMANCE**

#### **Operational performance of the School**

The first cohort of Year 6 boys left at the end of the summer term. All who sat for senior school entrance assessments were offered places with over three-quarters receiving two or more offers. Twenty-eight senior schools made offers including highly competitive and academically selective schools such as St. Paul's, Westminster and King's College, Wimbledon. Six boys received offers from Tiffin School where there were over 1,000 applicants for 180 places. Year 6 boys received six academic scholarship awards, two music awards and a sports scholarship.

In Year 8, all boys secured their first choice senior school places either through the scholarship exams or Common Entrance. 67% of the grades awarded by senior schools were either A or A\* our best ever results. Thirteen boys were awarded book prizes for their academic performance by their senior schools. In addition boys were awarded four academic scholarships, two sports scholarships, and scholarships for art, design technology and drama.

In the autumn term, two combined Year 5 and 6 teams took part in the national inter-school science quiz competition with one of the teams reaching the final. During the activities day, Year 4 worked in teams on problem solving, Year 5 took part in a science, technology and maths day where they had to design a crash proof car, while Year 7 had a one-day leadership course. Fifty Year 4 and 5 boys took part in the soloists concert with excellent performances on a wide range of musical instruments. In sport the U9D football team arguably had the best season with two wins and a draw in their final three games, with the Year 5 and 7 teams playing some attractive football.

In January, we had a visit from children's author David Walliams who used his visit to collect some ideas for his next book *The World's Worst Teachers*. Later in the spring term, we also had our first ever sponsored music marathon which took place over the course of a Sunday afternoon and involved boys, siblings and parents performing. Almost £3,000 was raised which went towards payment for a replacement minibus for the charity African Vision which supports Chitsime our partnership school in Malawi.

## **THE MALL SCHOOL TRUST**

### **GOVERNORS' REPORT (continued)**

#### **YEAR ENDED 31 AUGUST 2019**

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For World Book Day we had a visit from Mall parent and author Mr Corcoran who gave boys tips on writing stories. They followed up on his visit by writing their own books, which they shared with the boys in the Pre-prep. The book fair was hugely popular and we raised over £1,500, which has been used to purchase new books for the library, and books and stationery for Chitsime.

Boys in Year 4 went on a residential trip to Longridge where they took part in a variety of team building and water based activities on the Thames. While boys in Year 5 had a much more exciting challenge – competing against the Headmaster using the online mental arithmetic game 'Hit the Button'.

We had ensembles and soloists concerts in the spring term with over two-thirds of boys in the school playing at least one instrument. The senior play Paws and Claws, which was loosely based on Romeo and Juliet and West Side story, was extremely entertaining and featured many fine performances.

At the West London prep schools cross-country event at Wormwood Scrubs, our Year 4 and 7 teams came first while a combined Years 5 and 6 team came third. The U9A rugby team took part in the Surrey Schools tournament. Year 7 travelled to France for a week.

During the summer, we had a visit from explorer Alex Hibbert who enthralled the boys with his tales of adventure in the Artic. Year 4 produced some superb designs for how the school playground can be improved on the main site and Year 5 travelled to the Orange Tree theatre to watch a performance of Shakespeare's The Tempest. Year 5 also had an enjoyable and educational two days in the French resort of Le Touquet.

A squad of boys including some from Years 5 and 7 travelled to the London Aquatics Centre, venue for the London 2012 Olympic swimming events to join 1,500 competitors at the IAPS national prep schools final. The U10 freestyle team came 2nd and two boys reached the finals for the individual events.

#### **FINANCIAL REVIEW**

##### **Results for the year**

Net expenditure was £10,864 compared to net income of £12,077 in 2017-18, Pupil numbers reduced slightly from 291 in 2017-18 to 283 in 2018-19 and Governors anticipate short-term losses as the school transitions from 13+ to 11+. Bursaries and other discounts reduced from 14 to 10 pupils with a financial value of £79,707 (2017-18 - £104,419). Loan payments during the year were £105,380 (2016-17: £104,576).

##### **Reserves level and Policy and Financial Viability**

At 31 August 2019, the total funds of the trust were £6,816,755 (31 August 2018 £6,827,619). The Governors will use future surpluses in order to continue the policy of enhancing the educational facilities and services of the school. Free reserves of the school are £1,000,550 (31 August 2018: £877,095) with the balance of funds tied up in the schools fixed assets.

#### **PRINCIPAL RISKS AND UNCERTAINTIES**

The Governors are responsible for the overseeing of the risks faced by the School. Detailed considerations of risk are delegated to the Senior Management of the School. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis. Risk is managed under the headings of strategic, operational, financial, compliance, safeguarding and 11+.

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

## **THE MALL SCHOOL TRUST**

### **GOVERNORS' REPORT (continued)**

**YEAR ENDED 31 AUGUST 2019**

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#### **Reputation**

The School's success is built on its reputation for the education and well-being of our pupils. We manage this risk through safeguarding policies, staff recruitment policies, pastoral support for both pupils and staff and active identification and resolution of health and safety related issues.

#### **Money**

Our ability to continue is reliant on pupil fees and the ability to pay bills as they fall due. This risk is managed by marketing activity, having a reputation for academic excellence and active cash-flow management. Financial controls are overseen by the Finance Committee, which meets termly.

#### **Political**

The independent school sector is facing a number of political pressures that could challenge the charitable status of independent schools and have a significant effect on our finances. The Finance and Strategy Committees both meet termly and consider the potential risks associated with employer pension contributions (Teachers' Pension Scheme and auto enrolment), imposed VAT on school fees and the removal of existing relief on business rates. The Strategy Committee also explores new ways to demonstrate public benefit.

#### **Curriculum**

Academic excellence requires the most able teachers with state of the art facilities delivering the curriculum to able students. We manage this risk by combining attractive salaries with on-going investment in our premises. Academic standards are monitored by the Education Committee and key senior staff.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

#### **Future Plans**

In 2017, the school announced that it is to move from being a 13+ school to an 11+ school. This move will be completed by September 2020, and the school has undertaken internal and external assessment of the local market and conditions for senior schools, which concluded that senior schools are experiencing an increase in demand for places at 11+ driven largely by parents' preferences. In response, the supply of places at 11+ has increased. As an independent prep school, the school will continue to prepare boys for a range of academically selective senior schools and will also continue to offer boys an excellent all-round education with a rich and challenging curriculum with strong pastoral care focused on each boy's happiness and well-being.

#### **Coronavirus**

The financial statements are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The School's response has been to implement its contingency planning arrangements for such circumstances and will therefore be able to serve its pupils following the Government deciding to implement physical closure of UK schools. The School has reduced school fees in the Summer term due to the change to remote teaching and also undertaken a cost-saving exercise. The ultimate impact of COVID-19 on the UK, the world, the economy and the School is yet to be seen. Management have reviewed and reduced costs for the period April to August 2020 and have produced financial models showing the revised cash flows and the School's reserves position, which have been reviewed by the Board of Governors. Through appropriate consideration of risks as part of its normal risk management processes and mitigating actions both already taken and available to be taken, the Governors consider it appropriate for the going concern basis to be adopted for these accounts.

## THE MALL SCHOOL TRUST

### GOVERNORS' REPORT (continued)

YEAR ENDED 31 AUGUST 2019

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#### STATEMENT OF GOVERNORS' RESPONSIBILITIES

The members of the Governing Body (who are also the directors of The Mall School Trust for the purposes of company law) are responsible for preparing the Governors' Report and the financial statements with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the members of the Governing Body to prepare financial statements for each financial year. Under company law the Governing Body members must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governing Body members are required to:

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

The Governors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with Companies Acts 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

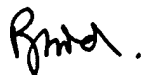
The Governors are responsible for the maintenance and integrity of the corporate and financial information included on the charitable company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from the legislation in other jurisdictions.

The Governors at the date of approval of this Governors' Report confirm that so far as each of them is aware, there is no relevant audit information of which the charitable company's auditor is unaware, and the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

#### Auditors

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the reappointment of haysmacintyre as auditors to the school will be put into the annual general meeting.

Approved by the Governors at the Governors' meeting on **30<sup>th</sup> April** 2020, including with their capacity as company directors, approving the Governors' and Strategic Report's contained therein and signed on its behalf by:



.....  
Mr R J H Walker  
Chairman of Governors

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE MALL SCHOOL TRUST**

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### **Opinion**

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

In our opinion, the financial statements:

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

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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.

### **Responsibilities of governors for the financial statements**

As explained more fully in the governors' responsibilities statement set out on page 7, 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

### **Conclusions relating to going concern**

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

- the 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 TO THE MEMBERS OF THE MALL SCHOOL TRUST**

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### **Other information**

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

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

### **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 Governor's Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Governor's Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

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

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

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

- adequate accounting records have not been kept by the charitable company; or
- the charitable company 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.

### **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.



Tracey Young (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditors  
10 Queen Street Place  
London  
EC4R 1AG

4th May 2020

THE MALL SCHOOL TRUST

STATEMENT OF FINANCIAL ACTIVITIES  
(INCLUDING INCOME AND EXPENDITURE ACCOUNT)  
FOR THE YEAR ENDED 31 AUGUST 2019

|                                                        | Notes | Unrestricted<br>Total<br>2019<br>£ | Restricted<br>Total<br>2019<br>£ | Total<br>Funds<br>2019<br>£ | Unrestricted<br>Total<br>Funds<br>2018<br>£ |
|--------------------------------------------------------|-------|------------------------------------|----------------------------------|-----------------------------|---------------------------------------------|
| <b>Income from:</b>                                    |       |                                    |                                  |                             |                                             |
| <b>Charitable activities</b>                           |       |                                    |                                  |                             |                                             |
| School fees receivable                                 | 2     | 3,724,099                          | -                                | 3,724,099                   | 3,580,599                                   |
| Ancillary trading income                               | 3     | 433,398                            | -                                | 433,398                     | 378,741                                     |
| <b>Other trading activities</b>                        |       |                                    |                                  |                             |                                             |
| Other activities                                       | 4     | 78,163                             | -                                | 78,163                      | 63,510                                      |
| <b>Investments</b>                                     |       |                                    |                                  |                             |                                             |
| Bank and other interest                                | 5     | 12,879                             | -                                | 12,879                      | 7,975                                       |
| <b>Voluntary sources</b>                               |       |                                    |                                  |                             |                                             |
| Grants and donations                                   |       | -                                  | 15,410                           | 15,410                      | 2,500                                       |
| <b>Other income</b>                                    |       | 27,399                             | -                                | 27,399                      | 3,675                                       |
| <b>Total income</b>                                    |       | <u>4,275,938</u>                   | <u>15,410</u>                    | <u>4,291,348</u>            | <u>4,037,000</u>                            |
| <b>Expenditure on:</b>                                 |       |                                    |                                  |                             |                                             |
| <b>Raising funds</b>                                   |       |                                    |                                  |                             |                                             |
| Financing costs                                        | 7     | 20,207                             | -                                | 20,207                      | 18,047                                      |
| <b>Charitable activities</b>                           |       |                                    |                                  |                             |                                             |
| Education                                              | 6     | <u>4,279,337</u>                   | <u>2,668</u>                     | <u>4,282,005</u>            | <u>4,006,876</u>                            |
| <b>Total expenditure</b>                               | 6     | <u>4,299,544</u>                   | <u>2,668</u>                     | <u>4,302,212</u>            | <u>4,024,923</u>                            |
| <b>Net (expenditure)/income</b>                        |       | (23,606)                           | 12,742                           | (10,864)                    | 12,077                                      |
| <b>Transfer</b>                                        |       | 12,742                             | (12,742)                         | -                           | -                                           |
| <b>Net movement in funds</b>                           |       | <u>(10,864)</u>                    | <u>-</u>                         | <u>(10,864)</u>             | <u>12,077</u>                               |
| Fund balances brought forward at 1 September 2018      |       | <u>6,827,619</u>                   | <u>-</u>                         | <u>6,827,619</u>            | <u>6,815,542</u>                            |
| <b>Fund balances carried forward at 31 August 2019</b> |       | <u><u>6,816,755</u></u>            | <u><u>-</u></u>                  | <u><u>6,816,755</u></u>     | <u><u>6,827,619</u></u>                     |

The notes on pages 14 to 26 form part of these financial statements.

The Statement of Financial Activities includes all gains and losses recognised in the year.

All income and expenditure derive from continuing activities.

**THE MALL SCHOOL TRUST**

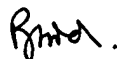
**Company number: 02036538**

**BALANCE SHEET**

**AS AT 31 AUGUST 2019**

|                                              | Notes | 2019<br>£   | 2018<br>£   |
|----------------------------------------------|-------|-------------|-------------|
| <b>FIXED ASSETS</b>                          |       |             |             |
| Tangible assets                              | 9     | 6,521,500   | 6,761,199   |
| <b>CURRENT ASSETS</b>                        |       |             |             |
| Debtors                                      | 10    | 912,027     | 973,298     |
| Cash and deposits                            |       | 1,962,386   | 1,974,005   |
|                                              |       | 2,874,413   | 2,947,303   |
| <b>CURRENT LIABILITIES</b>                   |       |             |             |
| Creditors payable within one year            | 11    | (1,873,863) | (2,070,208) |
| <b>NET CURRENT ASSETS</b>                    |       | 1,000,550   | 877,095     |
| <b>TOTAL ASSETS LESS CURRENT LIABILITIES</b> |       | 7,522,050   | 7,638,294   |
| <b>LONG-TERM LIABILITIES</b>                 |       |             |             |
| Creditors payable after one year             | 12    | (705,295)   | (810,675)   |
| <b>NET ASSETS</b>                            |       | 6,816,755   | 6,827,619   |
| <b>REPRESENTED BY:</b>                       |       |             |             |
| <b>UNRESTRICTED FUNDS</b>                    |       |             |             |
| General Reserve                              | 14    | 1,000,550   | 877,095     |
| Designated Fixed Asset Fund                  | 14    | 5,816,205   | 5,950,524   |
|                                              |       | 6,816,755   | 6,827,619   |

These financial statements were approved by the Governing Body on **30<sup>th</sup> April 2020** and were signed on its behalf by:



Mr R J H Walker  
Chairman of the Governing Body

The notes on pages 14 to 26 form part of these financial statements.

THE MALL SCHOOL TRUST

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

|                                                                    | Notes | 2019<br>£               | 2018<br>£               |
|--------------------------------------------------------------------|-------|-------------------------|-------------------------|
| <b>Net cash inflow from operations</b>                             | (i)   | 180,951                 | 236,780                 |
| <b>Cash flows from investing activities:</b>                       |       |                         |                         |
| Investment income receipts                                         |       | 12,879                  | 7,975                   |
| Payments for tangible fixed assets                                 |       | (79,862)                | (217,119)               |
| Proceeds from sale of fixed assets                                 |       | -                       | 3,675                   |
| <b>Net cash used in investing activities</b>                       |       | (66,983)                | (205,469)               |
| <b>Cash flows from financing activities:</b>                       |       |                         |                         |
| Net loan payments                                                  |       | (105,380)               | (104,576)               |
| Finance costs paid                                                 |       | (20,207)                | (18,047)                |
| <b>Net cash used in financial activities</b>                       |       | (125,587)               | (122,623)               |
| <b>Change in cash and cash equivalents in the reporting period</b> |       | <u>(11,619)</u>         | <u>(91,312)</u>         |
| Cash and cash equivalents at 1 September 2018                      |       | <u>1,974,005</u>        | <u>2,065,317</u>        |
| <b>Cash and equivalent at 31 August 2019</b>                       |       | <u><u>1,962,386</u></u> | <u><u>1,974,005</u></u> |

The notes on pages 14 to 26 form part of these financial statements.

THE MALL SCHOOL TRUST

NOTES TO THE STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 AUGUST 2019

|                                         | 2019      |          | 2018     |         |
|-----------------------------------------|-----------|----------|----------|---------|
|                                         | £         | £        | £        | £       |
| (i) Net cash inflow from operations     |           |          |          |         |
| Net (expenditure)/income                |           | (10,864) |          | 12,077  |
| Elimination of non-operating cashflows: |           |          |          |         |
| - Investment income                     | (12,879)  |          | (7,975)  |         |
| - Financing costs                       | 20,207    |          | 18,047   |         |
| - Profit on disposal                    | -         |          | (3,675)  |         |
| Depreciation charge                     | 319,561   |          | 303,851  |         |
| Decrease/(increase) in debtors          | 61,271    |          | (46,213) |         |
| (Decrease) in creditors                 | (196,345) |          | (39,332) |         |
|                                         |           | 191,815  |          | 224,703 |
| Net cash provided from operations       |           | 180,951  |          | 236,780 |

## THE MALL SCHOOL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. ACCOUNTING POLICIES

The accounts have been prepared under the Companies Act 2006 and in accordance with the Charities Statement of Recommended Practice ("SORP (FRS102)") and Financial Reporting Standard 102.

The accounts are drawn up on the historical cost basis of accounting.

The accounts are approved during a period where there is much uncertainty as a result of the emergence and international spread of a coronavirus (COVID-19). The School's response has been to implement its contingency planning arrangements for such circumstances and will therefore be able to serve its pupils following the Government deciding to implement physical closure of UK schools. The ultimate impact of COVID-19 on the UK, the world, the economy and the School is yet to be seen. Management have reviewed and reduced costs for the period April to August 2020 and have produced financial models showing the revised cash flows and the School's reserves position, which have been reviewed by the Board of Governors. Through appropriate consideration of risks as part of its normal risk management processes and mitigating actions both already taken and available to be taken, the Governors consider there are no material uncertainties relating to going concern and therefore consider it appropriate to continue to adopt the going concern basis in preparing the financial statements.

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee.

##### **Critical accounting judgements and key sources of estimation uncertainty**

In the application of the accounting policies, Governors are required to make judgement, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

##### **1.1 Fees and similar earned income**

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

##### **1.2 Investment income**

Investment income from bank balances is accounted for on an accruals basis.

## THE MALL SCHOOL TRUST

### NOTES TO THE FINANCIAL STATEMENTS

#### FOR THE YEAR ENDED 31 AUGUST 2019

---

#### 1. ACCOUNTING POLICIES (continued)

##### 1.3 Donations, legacies, grants and other voluntary income

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Fund. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund.

##### 1.4 Expenditure

Expenditure is accrued as soon as a liability is considered probable. Resources expended are allocated to the charity's principal activity where the costs can be identified as being directly related to that activity. All costs that cannot be identified as relating directly to the charity's principal activity are categorised as either support costs or governance costs. Any costs that cannot be specifically categorised are allocated in proportions based upon a suitable ratio applicable to the nature of the cost involved.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of complying with constitutional and statutory requirements.

Termination benefits are accounted for on an accruals basis and in line with Financial Reporting Standard 102.

##### 1.5 Tangible fixed assets

All tangible assets purchased that have an expected useful economic life that exceeds one year are capitalised and classified as fixed assets. Tangible fixed assets are stated at historical cost less depreciation. Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write each asset down to its estimated residual value evenly over its expected useful life, as follows:

|                                   |   |                                                |
|-----------------------------------|---|------------------------------------------------|
| Freehold buildings                | - | The swimming pool, over twenty years           |
|                                   | - | All other freehold buildings, over fifty years |
| Furniture, fittings and equipment | - | over 10 years                                  |
| Motor vehicles                    | - | over 5 years                                   |
| Electronic equipment              | - | over 5 years                                   |

##### 1.6 Debtors

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

##### 1.7 Cash and bank

Cash at bank and cash in hand includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

##### 1.8 Creditors and provisions

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

##### 1.9 Financial instruments

The School only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

## THE MALL SCHOOL TRUST

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2019

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#### 1. ACCOUNTING POLICIES (continued)

##### 1.10 Fund accounting

The charitable trust funds of the School are accounted for as unrestricted or restricted income, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded.

**Unrestricted** income belongs to the School's corporate reserves, spendable at the discretion of the Governors either to further the School's Objects or to benefit the School itself. Where the Governors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by transfer to the appropriate designated fund.

**Designated** funds are a particular form of unrestricted funds consisting of amounts, which have been allocated or designated for specific purposes by the Governors. The use of designated funds remains at the discretion of Governors.

**Restricted** income comprises gifts, legacies and grants where there is no capital retention obligation or power but only a trust law restriction to some specific purpose intended by the donor.

##### 1.11 Operating leases

Rental charges are charged on a straight line basis over the term of the lease.

##### 1.12 Pension costs

Retirement benefits to employees of the School are provided through;

- (a) The Teachers' Pension Scheme, a defined benefit scheme – This scheme is multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.
- (b) For certain other employees, the School makes contributions into defined contribution pension schemes, whose assets are also held in a separate fund independently administered. The amount charged to the Statement of Financial Activities in respect of pension costs is the total contributions payable for the year.

**THE MALL SCHOOL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

|                                                                                                                                                                                     |                  |                  |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------|------------------|
| <b>2. CHARITABLE ACTIVITIES – FEES RECEIVABLE</b>                                                                                                                                   | <b>2019</b>      | <b>2018</b>      |
|                                                                                                                                                                                     | <b>£</b>         | <b>£</b>         |
| Fees receivable consist of:                                                                                                                                                         |                  |                  |
| School fees                                                                                                                                                                         | 3,803,806        | 3,685,018        |
| Less: total scholarships and bursaries                                                                                                                                              | (79,707)         | (104,419)        |
|                                                                                                                                                                                     | <u>3,724,099</u> | <u>3,580,599</u> |
| Scholarships, bursaries and other awards were paid to 10 pupils (2018: 14). Within this means-tested bursaries totalling £49,714 were paid to 6 pupils (2018: £81,721 to 8 pupils). |                  |                  |
| <b>3. CHARITABLE ACTIVITIES – ANCILLARY TRADING INCOME</b>                                                                                                                          | <b>2019</b>      | <b>2018</b>      |
|                                                                                                                                                                                     | <b>£</b>         | <b>£</b>         |
| Extras                                                                                                                                                                              | 379,556          | 280,872          |
| Entrance and registration fees                                                                                                                                                      | 4,153            | 6,175            |
| School bus income                                                                                                                                                                   | 24,612           | 19,669           |
| Educational grants                                                                                                                                                                  | 10,900           | 23,365           |
| Deposits forfeited                                                                                                                                                                  | 14,177           | 48,660           |
|                                                                                                                                                                                     | <u>433,398</u>   | <u>378,741</u>   |
| <b>4. OTHER TRADING ACTIVITIES</b>                                                                                                                                                  | <b>2019</b>      | <b>2018</b>      |
|                                                                                                                                                                                     | <b>£</b>         | <b>£</b>         |
| External lets                                                                                                                                                                       | <u>78,163</u>    | <u>63,510</u>    |
| <b>5. BANK AND OTHER INTEREST</b>                                                                                                                                                   | <b>2019</b>      | <b>2018</b>      |
|                                                                                                                                                                                     | <b>£</b>         | <b>£</b>         |
| Bank interest                                                                                                                                                                       | <u>12,879</u>    | <u>7,975</u>     |

THE MALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

| 6. ANALYSIS OF EXPENDITURE          | Staff costs<br>(note 8)<br>£ | Depreciation<br>(note 9)<br>£ | Other<br>£       | Total<br>2019<br>£ |
|-------------------------------------|------------------------------|-------------------------------|------------------|--------------------|
| (a) Total expenditure               |                              |                               |                  |                    |
| Cost of raising funds               |                              |                               |                  |                    |
| Financing costs (note 7)            | -                            | -                             | 20,207           | 20,207             |
| <b>Total costs of raising funds</b> | <b>-</b>                     | <b>-</b>                      | <b>20,207</b>    | <b>20,207</b>      |
| Charitable expenditure              |                              |                               |                  |                    |
| Education                           |                              |                               |                  |                    |
| Teaching                            | 2,180,512                    | -                             | 592,610          | 2,773,122          |
| Welfare                             | 143,262                      | -                             | 86,939           | 230,201            |
| Premises                            | 149,421                      | 319,561                       | 223,603          | 692,585            |
| Support costs and governance        | 357,060                      | -                             | 229,037          | 586,097            |
| <b>Total charitable expenditure</b> | <b>2,830,255</b>             | <b>319,561</b>                | <b>1,132,189</b> | <b>4,282,005</b>   |
| <b>Total expenditure</b>            | <b>2,830,255</b>             | <b>319,561</b>                | <b>1,152,396</b> | <b>4,302,212</b>   |

COMPARATIVE ANALYSIS OF EXPENDITURE

|                                     | Staff costs<br>(note 8)<br>£ | Depreciation<br>(note 9)<br>£ | Other<br>£       | Total<br>2018<br>£ |
|-------------------------------------|------------------------------|-------------------------------|------------------|--------------------|
| Total expenditure                   |                              |                               |                  |                    |
| Cost of raising funds               |                              |                               |                  |                    |
| Financing costs (note 7)            | -                            | -                             | 18,047           | 18,047             |
| <b>Total costs of raising funds</b> | <b>-</b>                     | <b>-</b>                      | <b>18,047</b>    | <b>18,047</b>      |
| Charitable expenditure              |                              |                               |                  |                    |
| Education                           |                              |                               |                  |                    |
| Teaching                            | 2,139,220                    | -                             | 469,240          | 2,608,460          |
| Welfare                             | 128,173                      | -                             | 93,888           | 222,061            |
| Premises                            | 133,600                      | 303,850                       | 212,492          | 649,942            |
| Support costs and governance        | 318,393                      | -                             | 208,020          | 526,413            |
| <b>Total charitable expenditure</b> | <b>2,719,386</b>             | <b>303,850</b>                | <b>983,640</b>   | <b>4,006,876</b>   |
| <b>Total expenditure</b>            | <b>2,719,386</b>             | <b>303,850</b>                | <b>1,001,687</b> | <b>4,024,923</b>   |

**THE MALL SCHOOL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

|                                                 |             |             |
|-------------------------------------------------|-------------|-------------|
| <b>(b) Governance in support costs</b>          | <b>2019</b> | <b>2018</b> |
|                                                 | <b>£</b>    | <b>£</b>    |
| Governance costs include:                       |             |             |
| Remuneration paid to auditor for audit services | 11,700      | 11,250      |

None of the Governors received reimbursement for expenses incurred in relation to the School in the current or previous period.

|                           |             |             |
|---------------------------|-------------|-------------|
| <b>7. FINANCING COSTS</b> | <b>2019</b> | <b>2018</b> |
|                           | <b>£</b>    | <b>£</b>    |
| Loan interest             | 20,207      | 18,047      |

|                                                           |                  |                  |
|-----------------------------------------------------------|------------------|------------------|
| <b>8. STAFF COSTS</b>                                     | <b>2019</b>      | <b>2018</b>      |
|                                                           | <b>£</b>         | <b>£</b>         |
| The aggregate payroll costs for the year were as follows: |                  |                  |
| Wages and salaries                                        | 2,341,818        | 2,222,037        |
| Social security costs                                     | 223,051          | 221,160          |
| Other pension costs                                       | 265,386          | 276,189          |
|                                                           | <u>2,830,255</u> | <u>2,719,386</u> |

During the year redundancy costs of £153,448 (2018: £ Nil) were incurred.

None of the Governors received any remuneration or other benefits from The Mall School.

|                                                         |         |         |
|---------------------------------------------------------|---------|---------|
| Aggregate employee-benefits of key management personnel | 454,116 | 391,135 |
|---------------------------------------------------------|---------|---------|

|                                              |               |               |
|----------------------------------------------|---------------|---------------|
|                                              | <b>2019</b>   | <b>2018</b>   |
|                                              | <b>Number</b> | <b>Number</b> |
| Number of higher paid employees in bands of: |               |               |
| £60,001 to £70,000                           | 4             | 3             |
| £70,001 to £80,000                           | 1             | 1             |
| £110,001 to £120,000                         | 1             | 1             |

The number with retirement benefits accruing

|                                        |        |        |
|----------------------------------------|--------|--------|
| - in Defined Contribution schemes was  | 1      | 1      |
| of which the contributions amounted to | 2,867  | 2,839  |
| - in Defined Benefit schemes was       | 4      | 4      |
| of which the contributions amounted to | 45,397 | 45,416 |

The average number of the School's employees during the year was 73 (2018: 73).

THE MALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

8. STAFF COSTS (continued)

|                            | 2019<br>Number | 2018<br>Number |
|----------------------------|----------------|----------------|
| Teaching                   | 39             | 39             |
| Welfare, premises, support | 34             | 34             |
|                            | <u>73</u>      | <u>73</u>      |

9. TANGIBLE FIXED ASSETS

|                          | Freehold<br>land and<br>buildings<br>£ | Furniture,<br>fittings and<br>equipment<br>£ | Electrical<br>equipment<br>£ | Motor<br>vehicles<br>£ | Total<br>£        |
|--------------------------|----------------------------------------|----------------------------------------------|------------------------------|------------------------|-------------------|
| <b>Cost</b>              |                                        |                                              |                              |                        |                   |
| At 1 September 2018      | 8,692,310                              | 1,172,721                                    | 456,995                      | 120,582                | 10,442,608        |
| Additions                | 3,443                                  | 11,756                                       | 32,810                       | 31,853                 | 79,862            |
| Disposals                | -                                      | -                                            | (30,695)                     | (24,260)               | (54,955)          |
| <b>At 31 August 2019</b> | <u>8,695,753</u>                       | <u>1,184,477</u>                             | <u>459,110</u>               | <u>128,175</u>         | <u>10,467,515</u> |
| <b>Depreciation</b>      |                                        |                                              |                              |                        |                   |
| At 1 September 2018      | 2,610,879                              | 684,992                                      | 270,707                      | 114,831                | 3,681,409         |
| Charge for the year      | 174,716                                | 82,205                                       | 52,549                       | 10,091                 | 319,561           |
| Eliminated on disposal   | -                                      | -                                            | (30,695)                     | (24,260)               | (54,955)          |
| <b>At 31 August 2019</b> | <u>2,785,595</u>                       | <u>767,197</u>                               | <u>292,561</u>               | <u>100,662</u>         | <u>3,946,015</u>  |
| <b>Net book value</b>    |                                        |                                              |                              |                        |                   |
| <b>At 31 August 2019</b> | <u>5,910,158</u>                       | <u>417,280</u>                               | <u>166,549</u>               | <u>27,513</u>          | <u>6,521,500</u>  |
| <i>At 31 August 2018</i> | <u>6,081,431</u>                       | <u>487,729</u>                               | <u>186,288</u>               | <u>5,751</u>           | <u>6,761,199</u>  |

10. DEBTORS

|                                | 2019<br>£      | 2018<br>£      |
|--------------------------------|----------------|----------------|
| Fees and extras                | 791,724        | 835,177        |
| Other debtors                  | 8,031          | 28,038         |
| Prepayments and accrued income | 112,272        | 110,083        |
|                                | <u>912,027</u> | <u>973,298</u> |

THE MALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

| 11. CREDITORS: amounts falling due within one year          | 2019<br>£        | 2018<br>£        |
|-------------------------------------------------------------|------------------|------------------|
| Bank loan (see note 12)                                     | 90,594           | 90,594           |
| Deposits from parents                                       | 323,296          | 376,084          |
| Fees received from parents in advance of term               | 1,189,750        | 1,311,765        |
| Trade creditors                                             | 59,954           | 136,924          |
| Taxation and social security                                | 55,087           | 56,737           |
| Other creditors                                             | 44,275           | 55,642           |
| Accruals and deferred income                                | 110,907          | 42,462           |
|                                                             | <u>1,873,863</u> | <u>2,070,208</u> |
| 12. CREDITORS: amounts falling due after more than one year | 2019<br>£        | 2018<br>£        |
| Bank loan repayable by instalments                          |                  |                  |
| Due two to 5 years                                          | 217,620          | 232,406          |
| Over 5 years                                                | 487,675          | 578,269          |
|                                                             | <u>705,295</u>   | <u>810,675</u>   |

The bank loan provided by Lloyds Bank plc was used to help finance the construction of the School's theatre facility. The loan is secured by both fixed and floating charges over all of the freehold land and buildings and certain other assets of the School, bears interest at a variable rate of 1.45% over the bank's base rate and is repayable in monthly instalments until July 2026. The risk exposure relating to the variable interest rate payable on the loan has been hedged with an interest rate cap. The loan is secured with a cap of the base rate at 4.33%.

| 13. FINANCIAL INSTRUMENTS                            | 2019<br>£ | 2018<br>£ |
|------------------------------------------------------|-----------|-----------|
| Financial assets measured at amortised cost (a)      | 799,755   | 863,215   |
| Financial liabilities measured at amortised cost (b) | 1,223,414 | 1,469,919 |

(a) Financial assets include fee debtors and other debtors.

(b) Financial liabilities include bank loans, deposits, trade creditors, and other creditors.

Impairment losses charged to the financial assets (fee debtors) measured at amortised cost in the year amounted to £780 (2018: £2,394).

THE MALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

14. FUNDS OF THE SCHOOL

|                             | At 1 Sept<br>2018<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>£ | At 31 August<br>2019<br>£ |
|-----------------------------|------------------------|------------------|--------------------|----------------|---------------------------|
| <b>Unrestricted funds</b>   |                        |                  |                    |                |                           |
| - General reserve           | 877,095                | 4,275,938        | (4,299,544)        | 147,061        | 1,000,550                 |
| - Designated fixed<br>asset | 5,950,524              | -                | -                  | (134,319)      | 5,816,205                 |
| <b>Restricted Funds</b>     | -                      | 15,410           | (2,668)            | (12,742)       | -                         |
|                             | <u>6,827,619</u>       | <u>4,291,348</u> | <u>(4,302,212)</u> | <u>-</u>       | <u>6,816,755</u>          |
| <b>COMPARATIVE</b>          |                        |                  |                    |                |                           |
|                             | At 1 Sept<br>2017<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>£ | At 31 August<br>2018<br>£ |
| <b>Unrestricted funds</b>   |                        |                  |                    |                |                           |
| General reserve             | 882,862                | 4,034,500        | (4,024,423)        | (15,844)       | 877,095                   |
| Designated fixed<br>asset   | 5,932,680              | -                | -                  | 17,844         | 5,950,524                 |
| <b>Restricted funds</b>     | -                      | 2,500            | (500)              | (2,000)        | -                         |
|                             | <u>6,815,542</u>       | <u>4,037,000</u> | <u>(4,024,923)</u> | <u>-</u>       | <u>6,827,619</u>          |

Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School.

The designated fixed assets fund was set up to clearly identify the amount of the charity's funds that are invested in the fixed assets of the school. At the balance sheet date, the designated fund is maintained at an amount equal to the net book value of the charity's fixed assets in the balance sheet date less any bank borrowings falling due after one year that have been used to finance those fixed assets. A transfer is made to or from the general fund at the year end to achieve this balance sheet position.

The restricted fund represents funds provided by the MSA for the sole purpose of purchasing fixed assets.

**THE MALL SCHOOL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                       | <b>Unrestricted<br/>Designated<br/>£</b> | <b>Unrestricted<br/>General<br/>£</b> | <b>Total<br/>2019<br/>£</b> |
|-----------------------|------------------------------------------|---------------------------------------|-----------------------------|
| Tangible fixed assets | 6,521,500                                | -                                     | 6,521,500                   |
| Net current assets    | -                                        | 1,000,550                             | 1,000,550                   |
| Long term liabilities | (705,295)                                | -                                     | (705,295)                   |
|                       | <u>5,816,205</u>                         | <u>1,000,550</u>                      | <u>6,816,755</u>            |

**COMPARATIVE ANALYSIS OF NET ASSETS BETWEEN FUNDS**

|                       | <b>Unrestricted<br/>Designated<br/>£</b> | <b>Unrestricted<br/>General<br/>£</b> | <b>Total<br/>2018<br/>£</b> |
|-----------------------|------------------------------------------|---------------------------------------|-----------------------------|
| Tangible fixed assets | 6,761,199                                | -                                     | 6,761,199                   |
| Net current assets    | -                                        | 877,095                               | 877,095                     |
| Long term liabilities | (810,675)                                | -                                     | (810,675)                   |
|                       | <u>5,950,524</u>                         | <u>877,095</u>                        | <u>6,827,619</u>            |

**16. PENSION SCHEMES**

Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £227,124 (2018: £243,598) and at the year-end £31,143 (2018 - £33,478) was accrued in respect of contributions to this scheme.

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

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

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

## THE MALL SCHOOL TRUST

### NOTES TO THE FINANCIAL STATEMENTS (continued)

#### FOR THE YEAR ENDED 31 AUGUST 2019

#### 16. PENSION SCHEMES (continued)

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

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

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

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

#### Defined Contribution Scheme

The School contributes to a defined contribution scheme for some of its non-teaching staff. The pension charge for the year includes contributions payable to the scheme of £38,262 (2018: £32,591) and at the year end £5,871 (2018: £nil) was accrued in respect of contributions to this scheme.

#### 17. COMMITMENTS UNDER OPERATING LEASES

At 31 August 2019, the charitable company was committed to make payments under non-cancellable operating leases as follows:

|              | Plant and machinery |               | Land and buildings |          |
|--------------|---------------------|---------------|--------------------|----------|
|              | 2019                | 2018          | 2019               | 2018     |
|              | £                   | £             | £                  | £        |
| In 1 year    | 10,938              | 16,342        | 50,400             | -        |
| In 2-5 years | 28,773              | 15,423        | 100,800            | -        |
| Over 5 years | 1,849               | -             | -                  | -        |
|              | <u>41,560</u>       | <u>31,765</u> | <u>151,200</u>     | <u>-</u> |

#### 18. RELATED PARTY TRANSACTIONS

There were no related party transactions during the year.

THE MALL SCHOOL TRUST

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2019

19. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

|                                                        | Unrestricted<br>Total<br>2018<br>£ | Restricted<br>Total<br>2018<br>£ | Total<br>Funds<br>2018<br>£ |
|--------------------------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| <b>Income from:</b>                                    |                                    |                                  |                             |
| <b>Charitable activities</b>                           |                                    |                                  |                             |
| School fees receivable                                 | 3,580,599                          | -                                | 3,580,599                   |
| Ancillary trading income                               | 378,741                            | -                                | 378,741                     |
| <b>Other trading activities</b>                        |                                    |                                  |                             |
| Other activities                                       | 63,510                             | -                                | 63,510                      |
| <b>Investments</b>                                     |                                    |                                  |                             |
| Bank and other interest                                | 7,975                              | -                                | 7,975                       |
| <b>Voluntary sources</b>                               |                                    |                                  |                             |
| Grants and donations                                   | -                                  | 2,500                            | 2,500                       |
| <b>Other income</b>                                    | 3,675                              | -                                | 3,675                       |
| <b>Total income</b>                                    | <u>4,034,500</u>                   | <u>2,500</u>                     | <u>4,037,000</u>            |
| <b>Expenditure on:</b>                                 |                                    |                                  |                             |
| <b>Raising funds</b>                                   |                                    |                                  |                             |
| Financing costs                                        | 18,047                             | -                                | 18,047                      |
| <b>Charitable activities</b>                           |                                    |                                  |                             |
| Education                                              | 4,006,376                          | 500                              | 4,006,876                   |
| <b>Total expenditure</b>                               | <u>4,024,423</u>                   | <u>500</u>                       | <u>4,024,923</u>            |
| <b>Net income/(expenditure)</b>                        | 10,077                             | 2,000                            | 12,077                      |
| <b>Transfer</b>                                        | 2,000                              | (2,000)                          | -                           |
| <b>Net movement in funds</b>                           | <u>12,077</u>                      | <u>-</u>                         | <u>12,077</u>               |
| Fund balances brought forward at 1 September 2017      | 6,815,542                          | -                                | 6,815,542                   |
| <b>Fund balances carried forward at 31 August 2018</b> | <u>6,827,619</u>                   | <u>-</u>                         | <u>6,827,619</u>            |

**THE MALL SCHOOL TRUST**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2019**

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**20. POST BALANCE SHEET EVENTS**

The worldwide outbreak of the COVID-19 virus represents a significant event since the end of the financial period. In light of the impact of the virus, the School has reviewed its cash flow forecasts and considered the impact on going concern, concluding that the going concern basis remains an appropriate basis of preparation for these financial statements. An estimate of the financial effect of the virus cannot be made. COVID-19 is considered to be a non-adjusting post balance sheet event and therefore has not been taken into account in preparing the balance sheet as at 31 August 2019.