

Registered number: 02792166  
Charity number: 1018973

**BIRKDALE SCHOOL**  
**(A company limited by guarantee)**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

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**BIRKDALE SCHOOL**  
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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS  
FOR THE YEAR ENDED 31 AUGUST 2021

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**Governors**

Mr P R Houghton, Chairman  
Mr N A Birchenall  
Mr E B S Bowles (appointed 20 January 2021)  
Professor J F Dawson  
Mr M O Dennis  
Mr G R Dunn (resigned 19 May 2021)  
Mrs E A Hetherington  
Mr J E Oliver (resigned 26 October 2020)  
Mrs A M Rees  
Dr R C Richardson  
Mrs S C Turner  
Mr S Ushewokunze (appointed 20 January 2021)  
Mrs K M Walker

**Company registered number** 02792166

**Charity registered number** 1018973

**Registered office** 4 Oakholme Road  
Sheffield  
S10 3DH

**Secretary and Bursar** Mr D H Taylor

**Other Senior Staff Members** Mr P C H Harris, Head Master  
Mr C J Burch, Head of the Preparatory School

**Independent Auditor** BHP LLP  
2 Rutland Park  
Sheffield  
S10 2PD

**Bankers** HSBC Bank Plc  
Unit 4  
Europa Court  
Sheffield Business Park  
Sheffield  
S9 1XE

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REFERENCE AND ADMINISTRATIVE DETAILS OF THE CHARITY, ITS GOVERNORS AND ADVISERS (CONTINUED)  
*FOR THE YEAR ENDED 31 AUGUST 2021*

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**Solicitors**

Wake Smith LLP  
No. 1 Velocity  
2 Tenter Street  
Sheffield  
S1 4BY

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**GOVERNORS' REPORT**

*FOR THE YEAR ENDED 31 AUGUST 2021*

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The Governors present their annual report together with the audited financial statements of the charity for the year 1 September 2020 to 31 August 2021. The annual report serves the purposes of both a trustees' report under charity law, and a directors' report and strategic report under company law. The Governors have adopted the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" (FRS102) in preparing the annual report and financial statements of the charity.

The financial statements have been prepared in accordance with the accounting policies set out in notes to the accounts and comply with the charity's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland published in October 2019.

***Structure, governance and management*****a. Constitution**

The School dates back to 1904. It became a charitable trust in 1965 and was incorporated as a charitable company under the Companies Act in 1993. The liability of its members is limited to £1 each by guarantee. Its Memorandum and Articles of Association govern the School, as last amended on 16 May 2016.

**b. Governing Body**

The Board of Governors is the governing body of the School. It is self-appointing and a Governor may serve for any term but subject to periodic review of their individual relevant skills, capabilities, active contribution and commitment to the objects of the School. The minimum number of Governors is 10 but in the event that the number falls below 10, the remaining Governors are empowered to continue to act as such for a period of not more than six months following the date when the number fell below ten and provided that there are at least five Governors. No Governor may receive any remuneration from the School but they may be paid all travelling, hotel and other expenses properly incurred by them in connection with the discharge of their duties. Governors who have children attending the School are charged full fees less any standard fee reduction prevailing at the time for which they are eligible, but with the exception of reduction by way of a bursary.

**c. Organisational structure and decision-making policies**

The Governors meet as a Board five times a year to determine the general policy of the School and to review its overall management and control, for which they are legally responsible. The Board has five supporting committees: Finance & Development, Academic Excellence, Rounded Education, Christian School and Senior Salaries. Each committee comprises a number of serving Governors and each reports to the Board. The Finance & Development Committee is chaired by Mrs S C Turner, the Academic Excellence Committee by Mrs K M Walker, the Rounded Education Committee by Professor J F Dawson, and the Christian School and Senior Salaries Committees by Mr P R Houghton. In addition to the committees, the Board creates ad hoc working groups from time to time to address particular tasks or projects.

The School comprises the Senior School and the Prep School. The day to day running of the whole School is delegated to the Head Master supported by the Head of the Prep School and the Bursar. The Senior School has a Deputy Head Master (responsible for all pastoral matters) and a Deputy Head (Academic), who report to the Head Master. The Preparatory School has a Deputy Head, a Deputy Head (Academic) and a Head of the Pre Prep Department, who report to the Head of the Preparatory School. The Head Master, the Head of the Prep School and the Bursar attend all meetings of the Board and of its Committees, with the exception of the Senior Salaries Committee.

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**GOVERNORS' REPORT (CONTINUED)**

*FOR THE YEAR ENDED 31 AUGUST 2021*

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**Structure, governance and management (continued)****d. Recruitment and training of Governors**

As and when necessary the Board of Governors, assisted by the Head Master and the Head of the Prep School, seeks out interested persons to serve on the Board who are committed to the objects of the School and who have the appropriate qualities and skills. New Governors are inducted by the Chairman and the Head Master into the workings of the School, including its Memorandum and Articles of Association. Governors are encouraged to undertake any relevant and necessary training, e.g. safeguarding, e-safety and finance, which may be provided in-house or by competent external bodies, such as the Association of Governing Bodies of Independent Schools.

**e. Pay policy for senior staff**

The Head Master, the Head of the Prep School and the Bursar are paid with reference to the maintained sector's Leadership Group Pay Spine. Upon appointment of these staff, reference is made to the maintained sector's school unit scores and groups, and the relationship between these staff's salaries. Consideration is also given to experience and skills, and prevailing market rates. After appointment the remuneration is reviewed annually, taking into account performance. The judgement of performance is under-pinned by setting of objectives each year and review of achievement of the objectives at the end of the year. Review of remuneration for these senior staff is carried out by the Senior Salaries Committee.

***Objectives, aims and principal activities*****a. Principal Activity**

The School's principal activity is to be a family day school for children aged 4 to 18. Historically, this has been only for boys, but with a co educational sixth form. However, the School is progressively becoming fully co educational, with girls admitted into reception and years 1-3 from September 2020.

Pupil numbers were close to those forecast, with 552 in the Senior School and 221 in the Prep School; 773 in total (2020: 790).

**b. Objectives for the Year**

The School's vision has three key strands:

- First, there is a clear and ambitious focus on academic excellence;
- Second, a major emphasis is given to a caring, rounded education for each pupil; and
- Third, Birkdale is a Christian School that warmly welcomes pupils of all faiths and none.

The Committees of the Board responsible for these strands meet regularly to review performance and to develop strategies for improvement.

**c. Public Benefit Aim and Intended Effect**

The public benefit aim of the School is to develop the full potential of its pupils within a Christian environment. In furtherance of this aim, the Governors confirm that they have complied with the requirements of s.4 of the Charities Act 2011.

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**GOVERNORS' REPORT (CONTINUED)**

*FOR THE YEAR ENDED 31 AUGUST 2021*

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**Objectives, aims and principal activities (continued)****d. Grant-making and Public Benefit**

The School continues to offer a wide range of fee reductions. These comprise scholarships, bursaries, clergy discount, sibling discount and staff discount, which all widen access to the School. The bursaries are means tested and are up to 100%. The School actively and widely advertises the availability of its scholarships and bursaries. During the year, the total fee reductions were £1,319,910 (2020: £1,246,434), with means tested bursaries amounting to £868,388 (2020: £815,566). As reported in the annual census to the Independent Schools Council, 83 pupils were given a bursary with the average level of support being 76%.

Every year the School community (pupils, parents and staff) raises funds for one or more chosen charitable organisations or activities, in the UK or overseas, through a variety of events and activities. As in the prior year, national lockdowns hampered the fund-raising efforts. £5,455 was raised for the Peace Garden School and other charitable activities in Nepal, and a total of £9,586 was raised for UK charities. A UK registered charity, RNV Nepal, has now been founded. This charity is wholly separate from the School and has its own board of trustees, some of whom are Nepalese.

The School's aid work in Nepal started in 2000 with raising funds to support the Peace Garden School in Khokana, Kathmandu Valley. In the year ended 31 August 2001 the School raised over £16,500 and with these funds it completely rebuilt this 300 pupil school on land owned by the Peace Garden School. Since then the School has run an annual trip to Nepal and each trip involves pupils teaching in the Peace Garden School and doing other support work, either in this school or in the area. However, because of the pandemic, this trip has not been able to take place for three years, 2020 to 2022; it is hoped that the annual visit will be able to resume in 2023.

The funds that have been raised have also provided financial and medical support to an orphanage and other charitable operations in the area, and have helped to build a church and health centre in the 500 family leper colony near to the village of Khokana.

The School makes its sports hall available to both adult and junior groups in the evenings and at weekends throughout the year. The School also makes its assembly and other general facilities available to the public for a wide range of uses, including orchestra practices and church meetings. The charge made for use is always modest and in some cases free.

The School has a 125 year lease from Sheffield City Council on its sports fields at Castle Dyke. An agreed condition of the lease is to make the fields available to external users. Since acquiring the lease, the School has carried out significant improvements to the facilities, which are enjoyed by all users. Current external users include junior and senior football and cricket clubs, as well as one model aeroplane flying club. The pitch hire charges are modest and the model aeroplane flying club pays no rent, and additionally has vehicle access onto the fields for disabled members.

The rent received from all lettings is ploughed back into the School's facilities, for the benefit of all users, and during the year amounted to £47,950 (2020: £45,764).

A well developed Community Action programme allows Sixth Form students to engage with local primary schools, residential homes and other community institutions.

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**GOVERNORS' REPORT (CONTINUED)**

*FOR THE YEAR ENDED 31 AUGUST 2021*

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**Objectives, aims and principal activities (continued)**

The School has developed a partnership with a local maintained sector primary school in a disadvantaged area of Sheffield, which sees around 20 Sixth Form students spending time in the school every Wednesday afternoon. The Head Master is a member of the board of the multi academy trust that oversees the primary school in question.

The School has a partnership with the Confucius Institute in Sheffield that allows students of all ages to participate in Mandarin classes as well as a range of cultural events.

The School hosts the Sheffield Historical Association that provides talks and events of historical interest to all members of the Sheffield community.

An increasingly large percentage of students engage with the Duke of Edinburgh's Award scheme at all levels and the volunteering aspect of this makes a significant contribution to the local community.

Each year the School's bands provide free performances at charity functions and at a local farm trust with a particular interest in the education of socially and educationally disadvantaged children. The School also runs an orchestral day for local maintained primary schools.

The School trains and inducts teachers at no cost to the State and provides teacher training placements for a number of PGCE students each year, though because of the pandemic this did not happen in 2021.

Finally, the Governors make the point that the School, in educating 773 pupils outside the maintained sector, made a significant saving to the public purse. According to Government data, the Dedicated Schools Grant for secondary schools in Sheffield for 2020/2021 was £5,456 per pupil. On this figure, the School saved the Exchequer £4.22 million.

**e. Volunteers**

The Friends of Birkdale School (FOBS) continue to provide support to the School through fund raising events. Again because of the pandemic, there was little activity during the year, and the needs of the School and the grants made by FOBS were much reduced. Grants sought and made during the year were a modest £629 as opposed to a prior year figure of £5,046. Nevertheless, the Governors take the opportunity of this report to record their appreciation of the on going work of FOBS and its valued grants to the School.

**f. Objects**

The objects of the School are specified in the Memorandum of Association. The principal object is to educate young persons of school age with the specific aim of maintaining the School's evangelical tradition of Christian education.

***Strategic report******Achievements and performance*****a. Key financial performance indicators**

The key financial performance indicators are pupil numbers and the level of the School's net cash generated from operating activities. Both are compared to historical and budgeted levels, and forward projections are reviewed by Governors on a termly basis.

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**GOVERNORS' REPORT (CONTINUED)**

*FOR THE YEAR ENDED 31 AUGUST 2021*

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**Strategic report (continued)****Achievements and performance (continued)****b. Operational performance of the School**

The Governors are pleased with the School's performance, in particular given the challenges of the Covid-19 pandemic.

On the academic front, and with rigorous preparation for another year of no public examinations, the A Level and GCSE results were received with much satisfaction by the Board's Academic Excellence Committee. These were as follows:

- Overall pass rates at both A Level & GCSE were 100%
- At A Level, the headline grade percentages were: A\*: 40%; A\* A: 76%; A\* B: 92%
- At GCSE, they were: 9: 26%; 9 8: 46%; 9 7: 66%; 9 6: 85%.

The Board's Rounded Education and Christian School Committees were also pleased with performance in the year, albeit the periods of online education restricted opportunities for broader pupil engagement and development. Both committees are continuing to develop both qualitative and quantitative measures of performance.

**c. Development of the School**

Additions to the tangible fixed assets of the School during the year amounted to £106,462 (2020: £741,440). The bulk of these comprised IT enhancements, both hardware and software.

***Financial review*****a. Results for the year**

There was a small surplus for the year of £9,883 (2020: £501,768). The net cash inflow from operating activities for the year was £739,738 (2020: £458,618) and cash in hand was £2,166,979 (2020: £1,704,294).

At 31 August 2021 funds totalled £11,535,096 (2020: £11,525,213), made up of unrestricted funds of £1,296,533 (2020: £1,163,800), designated funds of £10,177,513 (2020: £10,300,254) and restricted funds of £61,050 (2020: £61,159). These include fixed assets of £10,800,961 (2020: £11,097,150).

The surplus would have been greater had it not been for two decisions. The first was to give all staff a Christmas bonus of 2.5% in recognition of all that they had suffered and indeed achieved through the course of the pandemic and all that they were continuing to face and overcome. This bonus amounted to some £160,000. The second was to give parents a retrospective fee rebate for the period of the third lockdown in recognition of the lesser costs of the School during this period and also the reality of remote teaching and learning, whilst good, being not as good as face-to-face education in the classroom. This rebate amounted to £153,716.

**GOVERNORS' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 AUGUST 2021*

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**b. Reserves policy**

It remains the Governors' policy to invest surplus funds for the furtherance of the School's objects. From its annual budgets, termly management accounts and, most particularly, a rolling long term cash flow projection, the Governors ensure that the School is able to meet its ongoing commitments.

The Governors consider that the School should hold sufficient free reserves to cover both unexpected events and to prepare for planned future development. With regard to the former, the Governors consider that the School requires a buffer against an unforeseen fall in pupil numbers, quantified at around 40 or some 5% of pupils. It has therefore, historically, been considered that an appropriate minimum threshold of free reserves was approximately 5% of total income, namely some £435,000. For future development of the School buildings, which is now actively being pursued, free reserves in excess of £1 million will be required. At the year end the School had free reserves of £1,296,533 and the Governors consider that this level was appropriate and should continue to build in advance of a forthcoming capital development programme.

**c. Fixed asset revaluation**

The Governors have considered the merit of adopting a policy of revaluing freehold land and buildings. Because of the requirement to have an independent valuation on a regular basis and the burdensome cost of such valuations, it was decided not to adopt a revaluation policy. However, the difference between the actual value of the land and buildings and the book value of the same continues to be recognised. From a fairly recent valuation of the Senior School and a prior valuation of some of the School's properties for the purpose of the commercial mortgage, it is clear that the current open market value of the School's land and buildings is at least the current book value.

**d. Going concern**

The Governors have prepared detailed forecasts of income and expenditure and cash flow until at least 31 August 2023 and have subjected these forecasts to reasonable sensitivity analysis, which shows that the charity has sufficient reserves to be able to continue in operation throughout this period. The Governors will continue to monitor the impact on income and take appropriate action as necessary in order to ensure that the charity can continue in operation for the foreseeable future. Therefore, the Governors are satisfied that it is appropriate to prepare these financial statements on the going concern basis.

**e. Risk management**

The School has a corporate Risk Register which is periodically reviewed. The areas of risk to the School that have been identified are: Strategic, Law & Regulation, Governance & Management, External Factors, Operational, Human Resources, Environmental, Technological, Academic and Financial. The risks are scored on likelihood and impact. For all risks mitigating control measures are identified, as well as any necessary further action.

The School has successfully weathered three national coronavirus lockdowns since March 2020 and the latest pupil number projection for the future is healthy. However, the escalating costs of energy, broader inflationary pressures and the wider impact and consequences of the war in Ukraine are the greatest risk to the School in the short and medium term. The Governors will continue to monitor the situation carefully and take whatever protective action is necessary to safeguard the School.

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**GOVERNORS' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 AUGUST 2021*

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**Plans for the future**

The Board is delighted with the School's progressive transition to becoming fully co educational. At the date of this report, there are 28 girls in the Prep School, and this part of the School feels very much like a family environment for both girls and boys.

The principal focus for 2021-22 and beyond will be the development of facilities in the Senior School to ensure that Birkdale can deliver the best possible education across its three areas of focus: academic excellence, rounded education and a Christian school environment.

**Information on fundraising practices**

The School does not actively fundraise for itself. Should the School at some point in the future undertake a specific fundraising campaign or start to generate more income through fundraising, the Governors will look to signing up to a voluntary fundraising code.

**Statement of Governors' responsibilities**

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

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors 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 its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP 2019 (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) 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 charity will continue in business.

The Governors are responsible for keeping adequate accounting records that are 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 the Companies Act 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.

**Disclosure of information to auditor**

In so far as the Governors are aware:

- there is no relevant audit information of which the charitable company's auditor is unaware, and
- the Governors have taken all the steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

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**GOVERNORS' REPORT (CONTINUED)**  
*FOR THE YEAR ENDED 31 AUGUST 2021*

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**Auditor**

The auditor, BHP LLP, has indicated their willingness to continue in office. The Governors will propose a motion reappointing the auditor at a meeting of the Governors.

Approved by order of the members of the board of Governors and signed on their behalf by:



**David H Taylor (Company Secretary)**

Date: 16/5/2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRKDALE SCHOOL

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**Opinion**

We have audited the financial statements of Birkdale School (the 'charitable company') for the year ended 31 August 2021 which comprise the statement of financial activities, the balance sheet, the statement of cash flows and the related notes, 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 2021 and of its incoming resources and application of resources, including 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 United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the Governors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Governors with respect to going concern are described in the relevant sections of this report.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRKDALE SCHOOL (CONTINUED)

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**Other information**

The other information comprises the information included in the Governors' Report other than the financial statements and our auditor's report thereon. The Governors are responsible for the other information contained within the Governors' 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 (incorporating 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 the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of our 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 strategic report and the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRKDALE SCHOOL (CONTINUED)

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**Responsibilities of Governors**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, is detailed below:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the charitable company through discussions with management and Governors, and from our knowledge and experiences of the independent schools' sector;
- we focussed on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the charitable company, including the Charities Act 2011, Companies Act 2006, data protection, safeguarding, employment, health and safety legislation and Independent Schools Inspectorate guidance;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management;
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by;

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BIRKDALE SCHOOL (CONTINUED)**

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To address the risks of fraud through management bias and override controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates set out in note 2 were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

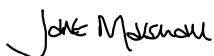
- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <https://www.frc.org.uk/auditors/audit-assurance/auditor-s-responsibilities-for-the-audit-of-the-fi/description-of-the-auditor%E2%80%99s-responsibilities-for>. 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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



**Jane Marshall (Senior statutory auditor)**

for and on behalf of

**BHP LLP**

Statutory Auditor

2 Rutland Park

Sheffield

S10 2PD

Date: 16 May 2022

**BIRKDALE SCHOOL**  
**(A company limited by guarantee)**

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

|                                    | Note | Unrestricted<br>funds<br>2021<br>£ | Restricted<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ | Total<br>funds<br>2020<br>£ |
|------------------------------------|------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| <b>Income from:</b>                |      |                                    |                                  |                             |                             |
| Donations and legacies             | 4    | 226                                | 629                              | 855                         | 5,451                       |
| Charitable activities              | 5    | 8,455,745                          | -                                | 8,455,745                   | 8,397,701                   |
| Other trading activities           | 6    | 115,567                            | -                                | 115,567                     | 113,842                     |
| Investments                        | 7    | 2,560                              | -                                | 2,560                       | 10,943                      |
| Other income                       | 8    | 142,679                            | -                                | 142,679                     | 627,333                     |
| <b>Total income</b>                |      | <b>8,716,777</b>                   | <b>629</b>                       | <b>8,717,406</b>            | <b>9,155,270</b>            |
| <b>Expenditure on:</b>             |      |                                    |                                  |                             |                             |
| Raising funds                      | 9    | 77,841                             | -                                | 77,841                      | 81,124                      |
| Charitable activities              | 10   | 8,628,944                          | 738                              | 8,629,682                   | 8,572,378                   |
| <b>Total expenditure</b>           |      | <b>8,706,785</b>                   | <b>738</b>                       | <b>8,707,523</b>            | <b>8,653,502</b>            |
| <b>Net movement in funds</b>       |      | <b>9,992</b>                       | <b>(109)</b>                     | <b>9,883</b>                | <b>501,768</b>              |
| <b>Reconciliation of funds:</b>    |      |                                    |                                  |                             |                             |
| Total funds brought forward        |      | 11,464,054                         | 61,159                           | 11,525,213                  | 11,023,445                  |
| Net movement in funds              |      | 9,992                              | (109)                            | 9,883                       | 501,768                     |
| <b>Total funds carried forward</b> |      | <b>11,474,046</b>                  | <b>61,050</b>                    | <b>11,535,096</b>           | <b>11,525,213</b>           |

All income and expenditure derives from continuing activities.

The Statement of financial activities includes all gains and losses recognised in the year.

**BIRKDALE SCHOOL**  
**(A company limited by guarantee)**  
REGISTERED NUMBER: 02792166

BALANCE SHEET  
AS AT 31 AUGUST 2021

|  | Note | 2021<br>£          | As restated<br>2020<br>£ |
|--|------|--------------------|--------------------------|
| <b>Fixed assets</b>  |      |                    |                          |
| Tangible assets  | 16   | <b>10,800,961</b>  | 11,097,150               |
|  |      | <u>10,800,961</u>  | <u>11,097,150</u>        |
| <b>Current assets</b>  |      |                    |                          |
| Debtors  | 17   | <b>464,192</b>     | 772,396                  |
| Cash at bank and in hand   |      | <b>2,166,979</b>   | 1,704,294                |
|  |      | <u>2,631,171</u>   | <u>2,476,690</u>         |
| Creditors: amounts falling due within one year   | 18   | <b>(1,322,368)</b> | (1,307,966)              |
| <b>Net current assets</b>  |      | <b>1,308,803</b>   | 1,168,724                |
| <b>Total assets less current liabilities</b>   |      | <b>12,109,764</b>  | 12,265,874               |
| Creditors: amounts falling due after more than one year                                | 19   | <b>(574,668)</b>   | (740,661)                |
| <b>Total net assets</b>  |      | <b>11,535,096</b>  | 11,525,213               |
| <b>Charity funds</b>   |      |                    |                          |
| Restricted funds   | 21   | <b>61,050</b>      | 61,159                   |
| Unrestricted funds   |      |                    |                          |
| Designated funds (including revaluation reserve:<br>2021 - £735,515 (2020 - £750,044)) | 21   | <b>10,177,513</b>  | 10,300,254               |
| General funds  | 21   | <b>1,296,533</b>   | 1,163,800                |
| Unrestricted funds   | 21   | <b>11,474,046</b>  | 11,464,054               |
| <b>Total funds</b>   |      | <b>11,535,096</b>  | 11,525,213               |

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**BIRKDALE SCHOOL**

**(A company limited by guarantee)**

REGISTERED NUMBER: 02792166

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**BALANCE SHEET (CONTINUED)**

AS AT 31 AUGUST 2021

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The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:



**Mr P R Houghton**

Chairman

Date: 16/5/2022

The notes on pages 19 to 42 form part of these financial statements.

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**BIRKDALE SCHOOL**  
**(A company limited by guarantee)**

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STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED 31 AUGUST 2021

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|   | Note | 2021<br>£        | 2020<br>£        |
|---|------|------------------|------------------|
| <b>Cash flows from operating activities</b>             |      |                  |                  |
| Net cash provided by operating activities               | 24   | <b>739,738</b>   | 458,618          |
|   |      | <hr/>            | <hr/>            |
| <b>Cash flows from investing activities</b>             |      |                  |                  |
| Bank interest   |      | <b>2,560</b>     | 10,943           |
| Proceeds from the sale of tangible fixed assets         |      | <b>297</b>       | 284              |
| Purchase of tangible fixed assets                       |      | <b>(106,462)</b> | (741,440)        |
|   |      | <hr/>            | <hr/>            |
| <b>Net cash used in investing activities</b>            |      | <b>(103,605)</b> | <b>(730,213)</b> |
|   |      | <hr/>            | <hr/>            |
| <b>Cash flows from financing activities</b>             |      |                  |                  |
| Repayments of borrowing                                 |      | <b>(173,448)</b> | (73,246)         |
|   |      | <hr/>            | <hr/>            |
| <b>Net cash used in financing activities</b>            |      | <b>(173,448)</b> | <b>(73,246)</b>  |
|   |      | <hr/>            | <hr/>            |
| <b>Change in cash and cash equivalents in the year</b>  |      | <b>462,685</b>   | <b>(344,841)</b> |
| Cash and cash equivalents at the beginning of the year  |      | <b>1,704,294</b> | 2,049,135        |
|   |      | <hr/>            | <hr/>            |
| <b>Cash and cash equivalents at the end of the year</b> | 25   | <b>2,166,979</b> | 1,704,294        |
|   |      | <hr/> <hr/>      | <hr/> <hr/>      |

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 AUGUST 2021*

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**1. General information**

The charity is a company limited by guarantee in England and Wales. The members of the company are the governors named on page 1. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 1 of these financial statements.

**2. Accounting policies**

**2.1 Basis of preparation of financial statements**

The charity meets the definition of a public benefit entity under FRS 102. The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) issued in October 2019, the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Accounting Practice.

The financial statements are prepared under the historical cost convention, unless otherwise stated in the relevant accounting policy. The financial statements are presented in sterling which is the functional currency of the charity, and rounded to the nearest £.

**2.2 Going concern**

The Governors have considered the impact of COVID-19 on the charity's activities, workforce and supply chain, and the potential wider economic challenges which may affect the ability of some parents to fund their children's independent school education. Whilst it is not considered practical to assess accurately the duration and extent of the ongoing COVID-19 disruption or the extent of future economic challenges, the Governors are confident that they have in place plans to deal with the financial losses and cash deficits that may arise. Although there is an inherent level of uncertainty surrounding these matters, the Governors have prepared detailed forecasts of income and expenditure and cash flow until at least 31 August 2021 and subjected these forecasts to reasonable sensitivity analysis which shows that the charity has sufficient reserves to be able to continue in operation throughout this period. The Governors will continue to monitor the impact on income and take appropriate action as necessary in order to ensure that the charity can continue in operation for the foreseeable future. Therefore the Governors are satisfied that it is appropriate to prepare these financial statements on the going concern basis.

**2. Accounting policies (continued)**

**2.3 Income**

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably.

Fee income consists of charges billed, on a termly basis, less bursaries, scholarships and other discounts. Fees are recognised in line with the term to which they relate.

For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are any conditions attached to the donation and this requires a level of performance before entitlement can be obtained then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Income from trading activities includes income from extra tuition fees, the school shop and rent to raise funds for the charity. Income is received in exchange for supplying goods or services in order to raise funds and is recognised when entitlement has occurred.

Interest income is recognised as the charity's right to receive payment is established.

Other income includes grant income received from the Government to cover the salaries of furloughed employees through the Coronavirus Job Retention Scheme. This is included on a receivable basis.

**2.4 Expenditure**

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit 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.

Support costs are those costs incurred directly in support of expenditure on the objects of the charity.

Costs of raising funds are costs incurred directly in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and governance costs are costs incurred on the charity's educational operations, including support costs and costs relating to the governance of the charity apportioned to charitable activities.

All expenditure is inclusive of irrecoverable VAT.

**2.5 Interest receivable**

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the charity; this is normally upon notification of the interest paid or payable by the institution with whom the funds are deposited.

## **2. Accounting policies (continued)**

### **2.6 Tangible fixed assets and depreciation**

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably. Amounts less than this may be capitalised if part of a specific project.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

A review for impairment of a fixed asset is carried out if events or changes in circumstances indicate that the carrying value of any fixed asset may not be recoverable. Shortfalls between the carrying value of fixed assets and their recoverable amounts are recognised as impairments. Impairment losses are recognised in the statement of financial activities incorporating income and expenditure account.

Tangible fixed assets are carried at cost or valuation, net of depreciation and any provision for impairment. Depreciation is provided at rates calculated to write off the cost or valuation of fixed assets, less their residual value, over their estimated useful lives.

Depreciation is provided on the following bases:

|                               |                               |
|-------------------------------|-------------------------------|
| Freehold buildings            | - 50 years straight line      |
| Long-term leasehold buildings | - 50 years straight line      |
| Motor vehicles                | - 3 - 5 years straight line   |
| Fixtures and fittings         | - 10 - 25 years straight line |
| Equipment                     | - 5 years straight line       |
| ICT equipment                 | - 5 years straight line       |

As permitted under FRS102, the charity has elected not to adopt a policy of revaluation of tangible fixed assets. The charity will retain the book value of land and buildings, previously revalued at 31 March 1993 and will not update that valuation.

An amount equal to the excess of the annual depreciation charge on revalued assets over the notional historical cost depreciation charge on those assets, is transferred annually from the revaluation reserve to the income and expenditure reserve.

### **2.7 Refurbishment of property**

In line with relevant accounting standards, where the governors identify that a trigger indicating impairment may have occurred, the carrying value of each property in the school's estate affected by the identified trigger is assessed for impairment by comparison with the greater of open market value and value in use. Where there are inherent difficulties in determining appropriate assumptions for establishing value in use in excess of open market value, open market value is used. Consequently, refurbishment costs on a property which would cause the net book value of that property to exceed open market value are taken directly to the statement of financial activities and categorised as investment in the property estate.

**NOTES TO THE FINANCIAL STATEMENTS**  
*FOR THE YEAR ENDED 31 AUGUST 2021*

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**2. Accounting policies (continued)**

**2.8 Operating leases**

Rentals paid under operating leases are charged to the statement of financial activities on a straight line basis over the lease term.

**2.9 Debtors**

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

**2.10 Cash at bank and in hand**

Cash at bank and 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.

**2.11 Liabilities and provisions**

Liabilities 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.

Liabilities are recognised at the amount that the charity anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

**2.12 Financial instruments**

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

**2. Accounting policies (continued)**

**2.13 Employee benefits**

**Termination benefits**

Termination benefits are employee benefits payable as a result of the charity's decision to terminate an employee's employment before the normal retirement date.

**Defined contribution pension scheme**

The charity contributes to a defined contribution pension scheme for the benefit of the salaried non-teaching employees. The pension costs charged against net incoming resources are the contributions payable to the scheme in respect of the accounting period in accordance with FRS102.

**Defined benefit pension scheme**

The charity participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. This is a multi-employer defined benefits pension scheme and it is not possible or appropriate to consistently identify the liabilities of the TPS which are attributable to the charity. As required post FRS102, the charity accounts for this scheme as if it were a defined contribution scheme and therefore the pension costs charged in the statement of financial activities are the contributions payable to the scheme in respect of the accounting period.

**2.14 Fund accounting**

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the charity and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the charity for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**3. Critical accounting estimates and areas of judgment**

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The charity makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results.

Critical areas of judgment:

The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually.

**4. Income from donations and legacies**

|            | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Restricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | Total<br>funds<br>2020<br>£ |
|------------|--|--|---------------------------------------|-----------------------------|
| Donations  | 226  | 629  | <b>855</b>                            | 5,451                       |
| Total 2020 | <u>405</u>                                   | <u>5,046</u>                               | <u>5,451</u>                          |                             |

**5. Income from charitable activities**

|                                     | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | Total<br>funds<br>2020<br>£ |
|-------------------------------------|--|---------------------------------------|-----------------------------|
| Fee income                          | 9,668,957                                    | <b>9,668,957</b>                      | 9,298,652                   |
| Discounts, bursaries & scholarships | (1,319,910)                                  | <b>(1,319,910)</b>                    | (1,246,434)                 |
| Other ancillary fees                | 106,698                                      | <b>106,698</b>                        | 345,483                     |
| <b>Total 2021</b>                   | <u>8,455,745</u>                             | <u><b>8,455,745</b></u>               | <u>8,397,701</u>            |
| Total 2020                          | <u>8,397,701</u>                             | <u>8,397,701</u>                      |                             |

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**BIRKDALE SCHOOL**  
**(A company limited by guarantee)**

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

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**6. Income from other trading activities**

|                     | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | Total<br>funds<br>2020<br>£ |
|---------------------|--|---------------------------------------|-----------------------------|
| Rent received       | 47,950                                       | <b>47,950</b>                         | 45,764                      |
| Sundry income       | 10,883                                       | <b>10,883</b>                         | 15,176                      |
| Breakfast club      | 7,384  | <b>7,384</b>                          | 8,555                       |
| After school club   | 17,386                                       | <b>17,386</b>                         | 20,096                      |
| School bus services | 31,964                                       | <b>31,964</b>                         | 24,251                      |
|                     | <hr/> 115,567 <hr/>                          | <hr/> <b>115,567</b> <hr/>            | <hr/> 113,842 <hr/>         |
| Total 2020          | <hr/> 113,842 <hr/>                          | <hr/> 113,842 <hr/>                   |                             |

**7. Investment income**

|                     | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | Total<br>funds<br>2020<br>£ |
|---------------------|--|---------------------------------------|-----------------------------|
| Interest receivable | 2,560  | <b>2,560</b>                          | 10,943                      |
|                     | <hr/> 2,560 <hr/>                            | <hr/> <b>2,560</b> <hr/>              | <hr/> 10,943 <hr/>          |
| Total 2020          | <hr/> 10,943 <hr/>                           | <hr/> 10,943 <hr/>                    |                             |

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**BIRKDALE SCHOOL**  
**(A company limited by guarantee)**

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

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**8. Other income**

|   | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | Total<br>funds<br>2020<br>£ |
|---|--|---------------------------------------|-----------------------------|
| Coronavirus Job Retention Scheme income | 142,679                                      | <b>142,679</b>                        | 627,333                     |
|   | <hr/>  | <hr/>                                 | <hr/>                       |
| Total 2020                              | 627,333                                      | 627,333                               |                             |
|   | <hr/>  | <hr/>                                 |                             |

**9. Expenditure on raising funds**

|                   | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> | Total<br>funds<br>2020<br>£ |
|-------------------|--|---------------------------------------|-----------------------------|
| Bus service       | 64,229                                       | <b>64,229</b>                         | 53,435                      |
| Other expenditure | 13,612                                       | <b>13,612</b>                         | 27,689                      |
|                   | <hr/>  | <hr/>                                 | <hr/>                       |
|                   | 77,841                                       | <b>77,841</b>                         | 81,124                      |
|                   | <hr/>  | <hr/>                                 | <hr/>                       |
| Total 2020        | 81,124                                       | 81,124                                |                             |
|                   | <hr/>  | <hr/>                                 |                             |

**BIRKDALE SCHOOL**  
**(A company limited by guarantee)**

NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 AUGUST 2021

**10. Analysis of expenditure on charitable activities**

*Summary by fund type*

|                                   | Unrestricted<br>funds<br>2021<br>£ | Restricted<br>funds<br>2021<br>£ | Total<br>funds<br>2021<br>£ | Total<br>funds<br>2020<br>£ |
|-----------------------------------|------------------------------------|----------------------------------|-----------------------------|-----------------------------|
| Teaching costs                    | 6,424,396                          | 738                              | <b>6,425,134</b>            | 6,262,853                   |
| Welfare costs                     | 761,771                            | -                                | <b>761,771</b>              | 751,708                     |
| Premises                          | 678,338                            | -                                | <b>678,338</b>              | 580,568                     |
| Support costs                     | 657,159                            | -                                | <b>657,159</b>              | 611,597                     |
| Interest                          | 17,100                             | -                                | <b>17,100</b>               | 23,977                      |
| Governance costs                  | 11,295                             | -                                | <b>11,295</b>               | 12,522                      |
| Cost of generating ancillary fees | 78,885                             | -                                | <b>78,885</b>               | 329,153                     |
|                                   | <u>8,628,944</u>                   | <u>738</u>                       | <u><b>8,629,682</b></u>     | <u>8,572,378</u>            |
| Total 2020                        | <u>8,567,441</u>                   | <u>4,937</u>                     | <u>8,572,378</u>            |                             |

*Summary by expenditure type*

|                                   | Staff costs<br>2021<br>£ | Other costs<br>2021<br>£ | Total<br>funds<br>2021<br>£ | Total<br>funds<br>2020<br>£ |
|-----------------------------------|--------------------------|--------------------------|-----------------------------|-----------------------------|
| Teaching costs                    | 5,852,344                | 572,790                  | <b>6,425,134</b>            | 6,262,853                   |
| Welfare costs                     | 131,253                  | 630,518                  | <b>761,771</b>              | 751,708                     |
| Premises                          | -                        | 678,338                  | <b>678,338</b>              | 580,568                     |
| Support costs                     | 536,924                  | 120,235                  | <b>657,159</b>              | 611,597                     |
| Interest                          | -                        | 17,100                   | <b>17,100</b>               | 23,977                      |
| Governance costs                  | -                        | 11,295                   | <b>11,295</b>               | 12,522                      |
| Cost of generating ancillary fees | 8,567                    | 70,318                   | <b>78,885</b>               | 329,153                     |
|                                   | <u>6,529,088</u>         | <u>2,100,594</u>         | <u><b>8,629,682</b></u>     | <u>8,572,378</u>            |
| Total 2020                        | <u>6,263,907</u>         | <u>2,308,471</u>         | <u>8,572,378</u>            |                             |

**BIRKDALE SCHOOL**  
**(A company limited by guarantee)**

**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**11. Analysis of expenditure by activities**

|                                   | <b>Direct costs</b> | <b>Support costs</b> | <b>Total</b>            | <b>Total</b>     |
|-----------------------------------|---------------------|----------------------|-------------------------|------------------|
|                                   | <b>2021</b>         | <b>2021</b>          | <b>funds</b>            | <b>funds</b>     |
|                                   | <b>£</b>            | <b>£</b>             | <b>2021</b>             | <b>2020</b>      |
|                                   |                     |                      | <b>£</b>                | <b>£</b>         |
| Teaching costs                    | 6,425,134           | -                    | <b>6,425,134</b>        | 6,262,853        |
| Welfare costs                     | 761,771             | -                    | <b>761,771</b>          | 751,708          |
| Premises                          | 678,338             | -                    | <b>678,338</b>          | 580,568          |
| Support costs                     | -                   | 657,159              | <b>657,159</b>          | 611,597          |
| Interest                          | 17,100              | -                    | <b>17,100</b>           | 23,977           |
| Governance costs                  | -                   | 11,295               | <b>11,295</b>           | 12,522           |
| Cost of generating ancillary fees | 78,885              | -                    | <b>78,885</b>           | 329,153          |
|                                   | <u>7,961,228</u>    | <u>668,454</u>       | <u><b>8,629,682</b></u> | <u>8,572,378</u> |
| Total 2020                        | <u>7,948,259</u>    | <u>624,119</u>       | <u>8,572,378</u>        |                  |

**Analysis of support costs**

|                  | <b>Teaching</b> | <b>Other costs</b> | <b>Total</b>          | <b>Total</b>   |
|------------------|-----------------|--------------------|-----------------------|----------------|
|                  | <b>costs</b>    | <b>2021</b>        | <b>funds</b>          | <b>funds</b>   |
|                  | <b>2021</b>     | <b>£</b>           | <b>2021</b>           | <b>2020</b>    |
|                  |                 |                    | <b>£</b>              | <b>£</b>       |
| Staff costs      | 536,924         | -                  | <b>536,924</b>        | 492,637        |
| Governance costs | -               | 11,295             | <b>11,295</b>         | 12,522         |
| Office costs     | 66,045          | -                  | <b>66,045</b>         | 63,401         |
| Other            | 54,190          | -                  | <b>54,190</b>         | 55,559         |
|                  | <u>657,159</u>  | <u>11,295</u>      | <u><b>668,454</b></u> | <u>624,119</u> |
| Total 2020       | <u>611,597</u>  | <u>12,522</u>      | <u>624,119</u>        |                |

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**12. Governance costs**

|                        | <b>2021</b>   | 2020   |
|------------------------|---------------|--------|
|                        | £             | £      |
| Auditor's remuneration | <b>11,295</b> | 12,522 |

**13. Corporation Tax**

The charitable company is considered to pass the tests set out in Sch. 6, para. 1 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the charitable company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Pt. 11, Ch. 3 of the Corporation Tax Act 2010 or s. 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

**14. Net income/(expenditure)**

|  | <b>2021</b>    | 2020    |
|--|----------------|---------|
|  | £              | £       |
| <i><b>This is stated after charging:</b></i> |                |         |
| Depreciation of tangible fixed assets:       |                |         |
| - owned by the charity                       | <b>402,644</b> | 405,051 |
| Auditor's remuneration                       | <b>11,295</b>  | 12,522  |
| Operating lease rentals                      | <b>749,342</b> | 748,266 |
| (Profit)/loss on sale of fixed assets        | <b>(290)</b>   | 14,844  |

**15. Staff costs**

|  | <b>2021</b>      | 2020      |
|--|------------------|-----------|
|  | £                | £         |
| Wages and salaries                                   | <b>5,069,700</b> | 4,846,116 |
| Social security costs                                | <b>518,431</b>   | 489,839   |
| Contribution to defined contribution pension schemes | <b>940,957</b>   | 927,952   |

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**BIRKDALE SCHOOL**  
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NOTES TO THE FINANCIAL STATEMENTS  
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**15. Staff costs (continued)**

The average number of persons employed by the charity during the year was as follows:

|                    | <b>2021</b>            | 2020            |
|--------------------|------------------------|-----------------|
|                    | <b>No.</b>             | No.             |
| Teaching staff     | <b>99</b>              | 97              |
| Non teaching staff | <b>83</b>              | 71              |
|                    | <hr/> <b>182</b> <hr/> | <hr/> 168 <hr/> |

The average headcount expressed as full-time equivalents was:

|                     | <b>2021</b>            | 2020            |
|---------------------|------------------------|-----------------|
|                     | <b>No.</b>             | No.             |
| Teaching staff      | <b>88</b>              | 87              |
| Non- teaching staff | <b>47</b>              | 44              |
|                     | <hr/> <b>135</b> <hr/> | <hr/> 131 <hr/> |

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

|                                 | <b>2021</b> | 2020 |
|---------------------------------|-------------|------|
|                                 | <b>No.</b>  | No.  |
| In the band £60,001 - £70,000   | -           | 3    |
| In the band £70,001 - £80,000   | <b>3</b>    | 1    |
| In the band £80,001 - £90,000   | <b>1</b>    | -    |
| In the band £110,001 - £120,000 | -           | 1    |
| In the band £130,001 - £140,000 | <b>1</b>    | -    |

The total amount of employee benefits received by key management personnel, including employer's pension and employer's national insurance, is £374,966 (2020: £333,594). The school considers its key management personnel to comprise of the two Heads and the bursar, detailed on page 1.

Total termination payments amounted to £24,604 (2020: £46,402).

The governors neither received nor waived any remuneration during the year (2020: £nil).

£nil expenses have been reimbursed in the year, or during the prior year.

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**16. Tangible fixed assets**

|                          | Freehold<br>property<br>£ | Long-term<br>leasehold<br>property<br>£ | Fixtures and<br>fittings<br>£ | Other fixed<br>assets<br>£ | Total<br>£               |
|--------------------------|---------------------------|---|-------------------------------|----------------------------|--------------------------|
| <b>Cost or valuation</b> |                           |   |                               |                            |                          |
| At 1 September 2020      | 12,214,798                | 2,578,697                               | 1,205,023                     | 1,920,305                  | 17,918,823               |
| Additions                | 24,589                    | -                                       | 3,151                         | 78,722                     | 106,462                  |
| Disposals                | (6,819)                   | -                                       | (155,545)                     | (123,019)                  | (285,383)                |
| At 31 August 2021        | <u>12,232,568</u>         | <u>2,578,697</u>                        | <u>1,052,629</u>              | <u>1,876,008</u>           | <u>17,739,902</u>        |
| <b>Depreciation</b>      |                           |   |                               |                            |                          |
| At 1 September 2020      | 3,551,866                 | 824,365                                 | 708,095                       | 1,737,347                  | 6,821,673                |
| Charge for the year      | 211,338                   | 51,716                                  | 57,018                        | 82,572                     | 402,644                  |
| On disposals             | (6,819)                   | -                                       | (155,545)                     | (123,012)                  | (285,376)                |
| At 31 August 2021        | <u>3,756,385</u>          | <u>876,081</u>                          | <u>609,568</u>                | <u>1,696,907</u>           | <u>6,938,941</u>         |
| <b>Net book value</b>    |                           |   |                               |                            |                          |
| At 31 August 2021        | <u><u>8,476,183</u></u>   | <u><u>1,702,616</u></u>                 | <u><u>443,061</u></u>         | <u><u>179,101</u></u>      | <u><u>10,800,961</u></u> |
| At 31 August 2020        | <u><u>8,662,932</u></u>   | <u><u>1,754,332</u></u>                 | <u><u>496,928</u></u>         | <u><u>182,958</u></u>      | <u><u>11,097,150</u></u> |

The land and buildings were valued at £3,375,000 based on open market values (except for Heeley Hall, which was assessed on the basis of depreciated replacement cost) on 1 April 1993 by Mark Jenkinson & Son, Surveyors and Valuers of Sheffield. Since this date all assets have been included at cost and the 1993 valuation has not been updated in accordance with UK GAAP.

The relevant historical cost information for the land and buildings as at 31 August 2021 is as follows:

|                                 | Land and<br>buildings<br>£ |
|---------------------------------|----------------------------|
| At cost                         | 14,075,749                 |
| At revaluation, at 1 April 1993 | 735,515                    |
|                                 | <u><u>14,811,264</u></u>   |

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NOTES TO THE FINANCIAL STATEMENTS  
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**16. Tangible fixed assets (continued)**

If the freehold land and buildings had not been included at valuation they would have been included under the historical cost convention as follows:

|                          | <b>2021</b>             | 2020             |
|--------------------------|-------------------------|------------------|
|                          | £                       | £                |
| Cost                     | <b>11,084,187</b>       | 11,066,418       |
| Accumulated depreciation | <b>(3,344,148)</b>      | (3,153,530)      |
|                          | <u><b>7,740,039</b></u> | <u>7,912,888</u> |

**17. Debtors**

|                                | <b>2021</b>           | 2020           |
|--------------------------------|-----------------------|----------------|
|                                | £                     | £              |
| Trade debtors                  | <b>239,383</b>        | 267,314        |
| Other debtors                  | <b>17,444</b>         | 21,823         |
| Prepayments and accrued income | <b>207,365</b>        | 483,259        |
|                                | <u><b>464,192</b></u> | <u>772,396</u> |

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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021

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**18. Creditors: Amounts falling due within one year**

|  | <b>2021</b>                  | 2020                  |
|--|------------------------------|-----------------------|
|  | £                            | £                     |
| Bank loans                             | <b>48,780</b>                | 56,235                |
| Trade creditors                        | <b>134,752</b>               | 109,128               |
| Taxation and social security           | <b>120,473</b>               | 118,037               |
| Other creditors                        | <b>218,489</b>               | 236,581               |
| Accruals and deferred income           | <b>799,874</b>               | 787,985               |
|  | <hr/> <b>1,322,368</b> <hr/> | <hr/> 1,307,966 <hr/> |
|  | <b>2021</b>                  | 2020                  |
|  | £                            | £                     |
| Deferred income at 1 September 2020    | <b>662,745</b>               | 759,382               |
| Resources deferred during the year     | <b>625,963</b>               | 662,745               |
| Amounts released from previous periods | <b>(662,745)</b>             | (759,382)             |
|  | <hr/> <b>625,963</b> <hr/>   | <hr/> 662,745 <hr/>   |

Deferred income represents fees received in advance.

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NOTES TO THE FINANCIAL STATEMENTS  
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**19. Creditors: Amounts falling due after more than one year**

|            | <b>2021</b>    | 2020    |
|------------|----------------|---------|
|            | £              | £       |
| Bank loans | <b>574,668</b> | 740,661 |

Included within the above are amounts falling due as follows:

|  | <b>2021</b>    | 2020    |
|--|----------------|---------|
|  | £              | £       |
| <b><i>Between one and two years</i></b>  |                |         |
| Bank loans                               | <b>50,065</b>  | 57,702  |
| <b><i>Between two and five years</i></b> |                |         |
| Bank loans                               | <b>158,235</b> | 182,268 |
| <b><i>Over five years</i></b>            |                |         |
| Bank loans                               | <b>366,368</b> | 500,691 |

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

|                          | <b>2021</b>    | 2020    |
|--------------------------|----------------|---------|
|                          | £              | £       |
| Repayable by instalments | <b>366,368</b> | 500,691 |
|                          | <b>366,368</b> | 500,691 |

There is now one bank loan, which incurs interest at 2.7% and is repayable over 15 years. See note 31 for details of loan security.

**20. Prior year adjustments**

There has been a presentational restatement of the unrestricted fund balances, to reflect a designated fixed asset fund instead of the previous capital reserve and revaluation reserve. The fund represents the net book value of the fixed assets less the balance on the mortgages on these properties. There is no impact on the net income or net assets position of the school as a result of this adjustment.

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NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE YEAR ENDED 31 AUGUST 2021

**21. Statement of funds**

**Statement of funds - current year**

|                                 | As restated<br>Balance at 1<br>September<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in/out<br>£ | Balance at 31<br>August 2021<br>£ |
|---------------------------------|---|------------------|--------------------|--------------------------|-----------------------------------|
| <b>Unrestricted funds</b>       |   |                  |                    |                          |                                   |
| <b>Designated funds</b>         |   |                  |                    |                          |                                   |
| Designated fixed asset fund     | <b>10,300,254</b>                                     | -                | -                  | (122,741)                | <b>10,177,513</b>                 |
| <b>General funds</b>            |   |                  |                    |                          |                                   |
| Income & expenditure reserve    | <b>1,163,800</b>                                      | <b>8,716,777</b> | <b>(8,706,785)</b> | <b>122,741</b>           | <b>1,296,533</b>                  |
| <b>Total Unrestricted funds</b> | <b>11,464,054</b>                                     | <b>8,716,777</b> | <b>(8,706,785)</b> | -                        | <b>11,474,046</b>                 |
| <b>Restricted funds</b>         |   |                  |                    |                          |                                   |
| Rudston School fund             | <b>60,000</b>   | -                | -                  | -                        | <b>60,000</b>                     |
| Gillespie Gap Year              | <b>750</b>  | -                | -                  | -                        | <b>750</b>                        |
| Sanderson Keyboard Prize fund   | <b>300</b>  | -                | -                  | -                        | <b>300</b>                        |
| Friends of Birkdale School      | <b>109</b>  | <b>629</b>       | <b>(738)</b>       | -                        | -                                 |
|                                 | <b>61,159</b>   | <b>629</b>       | <b>(738)</b>       | -                        | <b>61,050</b>                     |
| <b>Total of funds</b>           | <b>11,525,213</b>                                     | <b>8,717,406</b> | <b>(8,707,523)</b> | -                        | <b>11,535,096</b>                 |

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NOTES TO THE FINANCIAL STATEMENTS  
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**21. Statement of funds (continued)**

**Statement of funds - prior year**

|                                 | As restated<br>Balance at<br>1 September<br>2019<br>£ | Income<br>£      | Expenditure<br>£   | As restated<br>Transfers<br>in/out<br>£ | As restated<br>Balance at<br>31 August<br>2020<br>£ |
|---------------------------------|---|------------------|--------------------|---|---|
| <b>Unrestricted funds</b>       |   |                  |                    |   |   |
| <b>Designated funds</b>         |   |                  |                    |   |   |
| Designated fixed asset fund     | 9,905,743   | -                | -                  | 394,511                                 | 10,300,254  |
| <b>General funds</b>            |   |                  |                    |   |   |
| Income & expenditure reserve    | 1,056,652   | 9,150,224        | (8,648,565)        | (394,511)                               | 1,163,800   |
| <b>Total Unrestricted funds</b> | <b>10,962,395</b>                                     | <b>9,150,224</b> | <b>(8,648,565)</b> | <b>-</b>                                | <b>11,464,054</b>                                   |
| <b>Restricted funds</b>         |   |                  |                    |   |   |
| Rudston School fund             | 60,000  | -                | -                  | -                                       | 60,000  |
| Gillespie Gap Year              | 750   | -                | -                  | -                                       | 750   |
| Sanderson Keyboard Prize fund   | 300   | -                | -                  | -                                       | 300   |
| Friends of Birkdale School      | -   | 5,046            | (4,937)            | -                                       | 109   |
|                                 | 61,050  | 5,046            | (4,937)            | -                                       | 61,159  |
| <b>Total of funds</b>           | <b>11,023,445</b>                                     | <b>9,155,270</b> | <b>(8,653,502)</b> | <b>-</b>                                | <b>11,525,213</b>                                   |

**BIRKDALE SCHOOL**  
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NOTES TO THE FINANCIAL STATEMENTS  
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**21. Statement of funds (continued)**

**Designated funds**

The designated fixed asset fund arises from the transfer of the assets of the former charitable trust to the charitable company upon its incorporation in 1993, less the balance on the mortgages held on these properties.

**Transfers**

The fund movements represent the movements on the fixed assets and the mortgage during the year from the general income and expenditure reserve to the designated fixed asset fund.

**Restricted funds**

Rudston School fund. This is to assist children located in Rotherham to have access to attend Birkdale School. At the year end the fund balance is £60,000 (2020: £60,000).

The Gillespie Gap Year Trust Fund provides bursaries for successful applicants for their gap year projects. The fund balances now stand at £750 (2020: £750).

Sanderson Keyboard Prize Fund. This is a music prize fund to be distributed to students. At the year end the fund balance is £300 (2020: £300).

Friends of Birkdale School. This is to organise social events to support Birkdale School and its activities by helping to harness the good will and expertise of present and former parents, Old Birkdalians and other friends of the School.

**22. Summary of funds**

**Summary of funds - current year**

|                  | Balance at 1<br>September<br>2020<br>£ | Income<br>£      | Expenditure<br>£   | Transfers<br>in/out<br>£ | Balance at 31<br>August 2021<br>£ |
|------------------|--|------------------|--------------------|--------------------------|-----------------------------------|
| Designated funds | 10,300,254                             | -                | -                  | (122,741)                | 10,177,513                        |
| General funds    | 1,163,800                              | 8,716,777        | (8,706,785)        | 122,741                  | 1,296,533                         |
| Restricted funds | 61,159                                 | 629              | (738)              | -                        | 61,050                            |
|                  | <b>11,525,213</b>                      | <b>8,717,406</b> | <b>(8,707,523)</b> | <b>-</b>                 | <b>11,535,096</b>                 |

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**22. Summary of funds (continued)**

**Summary of funds - prior year**

|                  | Balance at<br>1 September<br>2019<br>£ | Income<br>£      | Expenditure<br>£   | As restated<br>Transfers<br>in/out<br>£ | Balance at<br>31 August<br>2020<br>£ |
|------------------|--|------------------|--------------------|---|--------------------------------------|
| Designated funds | 9,905,743                              | -                | -                  | 394,511                                 | 10,300,254                           |
| General funds    | 1,056,652                              | 9,150,224        | (8,648,565)        | (394,511)                               | 1,163,800                            |
| Restricted funds | 61,050                                 | 5,046            | (4,937)            | -                                       | 61,159                               |
|                  | <u>11,023,445</u>                      | <u>9,155,270</u> | <u>(8,653,502)</u> | <u>-</u>                                | <u>11,525,213</u>                    |

**23. Analysis of net assets between funds**

**Analysis of net assets between funds - current year**

|                                     | <b>Unrestricted<br/>funds<br/>2021<br/>£</b> | <b>Restricted<br/>funds<br/>2021<br/>£</b> | <b>Total<br/>funds<br/>2021<br/>£</b> |
|-------------------------------------|--|--|---------------------------------------|
| Tangible fixed assets               | 10,800,961                                   | -  | <b>10,800,961</b>                     |
| Current assets                      | 2,570,121                                    | 61,050                                     | <b>2,631,171</b>                      |
| Creditors due within one year       | (1,322,368)                                  | -  | <b>(1,322,368)</b>                    |
| Creditors due in more than one year | (574,668)                                    | -  | <b>(574,668)</b>                      |
| <b>Total</b>                        | <u>11,474,046</u>                            | <u>61,050</u>                              | <u><b>11,535,096</b></u>              |

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 FOR THE YEAR ENDED 31 AUGUST 2021

**23. Analysis of net assets between funds (continued)**

**Analysis of net assets between funds - prior year**

|                                     | Unrestricted<br>funds<br>2020<br>£ | Restricted<br>funds<br>2020<br>£ | Total<br>funds<br>2020<br>£ |
|-------------------------------------|------------------------------------|----------------------------------|-----------------------------|
| Tangible fixed assets               | 11,097,150                         | -                                | 11,097,150                  |
| Current assets                      | 2,415,531                          | 61,159                           | 2,476,690                   |
| Creditors due within one year       | (1,307,966)                        | -                                | (1,307,966)                 |
| Creditors due in more than one year | (740,661)                          | -                                | (740,661)                   |
| <b>Total</b>                        | <b>11,464,054</b>                  | <b>61,159</b>                    | <b>11,525,213</b>           |

|  |                    |             |
|--|--------------------|-------------|
|  | <b>2021</b>        | 2020        |
|  | <b>£</b>           | <b>£</b>    |
| <b>Free reserves</b>                         |                    |             |
| Current assets - unrestricted                | <b>2,570,121</b>   | 2,415,531   |
| Less current liabilities                     | <b>(1,322,368)</b> | (1,307,966) |
| Add back current liabilities re fixed assets | <b>48,780</b>      | 56,235      |
|  | <b>1,296,533</b>   | 1,163,800   |

**24. Reconciliation of net movement in funds to net cash flow from operating activities**

|  | 2021<br>£      | 2020<br>£ |
|--|----------------|-----------|
| Net income for the year (as per Statement of Financial Activities) | <b>9,883</b>   | 501,768   |
| <b>Adjustments for:</b>  |                |           |
| Depreciation charges   | <b>402,644</b> | 405,051   |
| Bank interest  | <b>(2,560)</b> | (10,943)  |
| (Profit)/loss on the sale of fixed assets                          | <b>(290)</b>   | 14,844    |
| Decrease/(increase) in debtors                                     | <b>308,204</b> | (211,890) |
| Increase/(decrease) in creditors                                   | <b>21,857</b>  | (240,212) |
| <b>Net cash provided by operating activities</b>                   | <b>739,738</b> | 458,618   |

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NOTES TO THE FINANCIAL STATEMENTS  
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**25. Analysis of cash and cash equivalents**

|  | 2021<br>£        | 2020<br>£        |
|--|------------------|------------------|
| Cash in hand                           | 2,166,979        | 1,704,294        |
| <b>Total cash and cash equivalents</b> | <b>2,166,979</b> | <b>1,704,294</b> |

**26. Analysis of changes in net debt**

|                          | At 1<br>September<br>2020<br>£ | Cash flows<br>£ | At 31 August<br>2021<br>£ |
|--------------------------|--------------------------------|-----------------|---------------------------|
| Cash at bank and in hand | 1,704,294                      | 462,685         | 2,166,979                 |
| Debt due within 1 year   | (56,235)                       | 7,455           | (48,780)                  |
| Debt due after 1 year    | (740,661)                      | 165,993         | (574,668)                 |
|                          | <b>907,398</b>                 | <b>636,133</b>  | <b>1,543,531</b>          |

**27. Pension commitments**

**Teachers' Pension Scheme**

The charity participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff.

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

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

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016 and in accordance with the Public Service

NOTES TO THE FINANCIAL STATEMENTS  
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**27. Pension commitments (continued)**

Pensions (Valuations and Employer Cost Cap) Directions 2014 (amended). The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- employer contribution rates set at 23.68% of pensionable pay, (including a 0.08% employer administration charge)
- total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million, and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million giving a notional past service deficit of £22,000 million
- the SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%.

The TPS valuation for 2012 determined an employer rate of 16.48%, which was payable from September 2015. As a result of the latest valuation based on membership data as at 31 March 2016, TPS employees will pay an increased contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.08%).

The employer's pension costs paid to TPS in the period amounted to £889,028 (2020: £873,702).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website. The next valuation result is due to be implemented from 1 April 2023.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The charity has accounted for its contributions to the scheme as if it were a defined contribution scheme. The charity has set out above the information available on the scheme.

**Defined contribution pension scheme**

The charity contributes to a defined contribution pension scheme for the benefit of the non-teaching employees. The assets of the scheme are administered by trustees independent of the charitable company. The pension charge for the year includes contributions payable to this scheme of £51,929 (2020: £54,250).

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**BIRKDALE SCHOOL**  
**(A company limited by guarantee)**

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**NOTES TO THE FINANCIAL STATEMENTS**  
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**28. Operating lease commitments**

At 31 August 2021 the charity had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

|  | <b>2021</b>                | 2020                |
|--|----------------------------|---------------------|
|  | £                          | £                   |
| Not later than 1 year                        | <b>487,516</b>             | 239,712             |
| Later than 1 year and not later than 5 years | <b>20,380</b>              | 7,162               |
| Later than 5 years                           | <b>25,000</b>              | 25,250              |
|  | <hr/> <b>532,896</b> <hr/> | <hr/> 272,124 <hr/> |

**29. Related party transactions**

Children of three current Governors, Mr N Birchenall, Mr P R Houghton and Mr S Ushewokunze, plus the children of Mr J E Oliver and Mr G R Dunn who resigned during the year, attended the School during the year. Children of Mr G R Dunn and Mr P R Houghton received scholarships and one child received a 3rd child discount. Mr J E Oliver's partner is a member of teaching staff, and their child was in receipt of a staff discount.

Mrs C Harris, Mrs P Burch and Mrs M Oliver, spouses of governors and senior leadership, were employed by the school and their aggregate remuneration was £70,783 (2020: £56,595).

Mr C J Burch and Mr P C H Harris, members of the senior management team, have children who attended the school and were in receipt of a staff discount.

During the prior year the school purchased a property from the Sheffield Diocesan Board of Finance at a cost of £557,399 by way of a sealed bid. The spouse of a governor of the school, Mr I Walker, is Chairman of the Sheffield Diocesan Board of Finance.

**30. Indemnity insurance**

The charitable company has taken out professional indemnity and Directors' and Officers' Liability insurance.

**31. Bank security**

The bank loan with HSBC is secured by a debenture with first legal charges over the following properties:

Johnson Memorial Building, 4 Endcliffe Crescent, Sheffield, S10 3ED  
Birkdale Preparatory School, Clarke House, Clarke Drive, Sheffield, S10 2NS  
Grayson Building, 3 Endcliffe Crescent and 117 Ashdell Road, Sheffield, S10 3ED  
Belmayne House, 99 Clarkehouse Road, Sheffield, S10 2LN  
9 Endcliffe Crescent, Sheffield, S10 3EB