

Company No: 03245525 (England and Wales)

ELTHAM COLLEGE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

Eltham College

Directors' Report

For The Year Ended 31 August 2020

The Directors present their report and the audited financial statements for the year ended 31 August 2020 in accordance with the Companies Act 2006, the Charities Act 2011 and the Company's Memorandum and Articles of Association.

Reference and Administrative Information

Eltham College is a registered charity, number 1058438, and is also a company limited by guarantee, registered company number 03245525.

Trustees and officers

The Governing Body, in whom the governance of the School is vested and which forms the Board of Directors and the Charity Trustee body, was as follows during the year:

NAME	COMMITTEES				OTHER HS
	F	E	J	A	
Mr P Doyle (Chairman)	◇	◆			
Mr P Ashcroft*				◇	
Mrs F Brown*				◇	
Mr M Curry		◇			
Mr G Dransfield	◇				
Mrs A Edwards				◇	
Mr M Fosten				◆	
Rev W Hawkins			◇		
Mr L Jagger*	◇				
Mr A Neden	◆	◇			
Mr B O'Donoghue*			◇		
Mrs A Paterson			◇		
Mr A Spencer				◇	
Rev P Swaffield			◇		
Mr T Wilson		◇		◇	◇

After the year end, Rev P Swaffield and Mrs A Edwards resigned as governors on 12 October 2020 and 31 December 2020 respectively. Mr T Wilson sadly passed away on 1 March 2021.

Committees

F - Finance, E - Estate and Commercial, J - Junior School, A – Academic

◆ Denotes Chair of the committee

◇ Denotes Member of the committee

* Denotes school parent at the time of their appointment

Other governor oversight

HS – Health and Safety – a governor attends the termly meetings of the school's Health and Safety committee.

The Clerk to the Governors is Mr D Hammond.

No director had an interest in any contract or arrangement of a material nature during the period under review except as disclosed in note 20 to these financial statements.

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For The Year Ended 31 August 2020

Key management personnel

Headmaster:	Mr G Sanderson MA (Oxon) FRSA
Bursar:	Mrs S Roxby MA (Cantab) PGCE (resigned 27 March 2020) Mr A Butterworth MA (Cantab) DChA (from 4 May 2020)
Head of the Junior School:	Mr E Cavendish (until 31 August 2020) Mrs V Meier (from 1 September 2020)
Deputy Heads:	Mr J Martin Mrs A Massey Mr E Wright (from 1 September 2020) Mrs V Meier (Junior School – until 31 August 2020) Mrs N Devon (Junior School – from 1 September 2020) Mr A Taylor (Junior School – from 1 September 2020)
Director of Studies:	Mr E Wright (until 31 August 2020, now Deputy Head) Mrs N Devon (Junior School - until 31 August 2020, now Deputy Head)

Registered Office

Eltham College
Grove Park Road
Mottingham
London SE9 4QF

Advisers

Bankers:	Barclays Bank Plc 5 th Floor Corinthian House 17 Lansdowne Road Croydon CR0 2BX
	Lloyds Bank Plc Level 5, 110 St. Vincent Street Glasgow G2 5ER
Auditors:	Azets Audit Services 2nd Floor, Regis House 45 King William Street London EC4R 9AN
Solicitors:	Bircham Dyson Bell 50 Broadway London SW1H OBL
	GBH Law Ltd 7/8 Innovation Place Douglas Drive Godalming Surrey GU7 1JX

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Structure, Governance and Management

Governing Document

Eltham College was founded in 1842 as the School for the Sons of Missionaries, and incorporated in 1996. The School is a charity and is registered with the Charity Commission under Charity Number 1058438. The Charity is governed by the Articles of Association of Eltham College (Incorporated, registered company number 03245525), dating from 1 September 2019.

Group structure and relationships

FSSM Ltd (company number 03113910) is a wholly owned subsidiary of the school. It is a non-charitable limited company which operates the Eric Liddell Sports Centre for community use under a management agreement. FSSM Ltd has its own Board of Directors. From 3 February 2021, the Board comprises the College Bursar, the Headmaster and the Chairman of Governors.

The Headmaster is a member of the Headmasters' and Headmistresses' Conference, and the school is a member of the Independent Schools Bursars' Association and of the Association of Governing Bodies of Independent Schools.

Governing Body

The Trustees are the Governing Body. All members of the Governing Body are trustees of the Charity and act as Directors of the Company. As required under the Articles of Association, during the year the Governing Body consisted of a minimum of twelve governors, of whom a minimum of two were parents at the time of their appointment, and of whom three were nominated governors, one by each of the following:

- Baptist Missionary Society
- Council for World Mission
- United Reformed Church

Recruitment and Training of Governors

Eltham College has a policy on the Recruitment of Proprietors, Governors and Trustees which is available on the College website. The College makes use of training opportunities provided by AGBIS and other organisations within the sector providing specialist briefings for Governors, including the Independent School Bursars' Association. Specific training is provided for the governor with responsibility for safeguarding.

Organisational Management

The day to day running of the school is delegated to the Headmaster and through him to the Bursar and to the Senior Leadership team which includes the Deputy Heads and the Head of the Junior School. The Head and the Bursar attend all meetings of the Governing Body and its committees.

The remuneration of the Headmaster is set by the Board, with the objective of ensuring parity with equivalent posts in other schools, and appropriate reward for enhanced performance. The remuneration of the Bursar is set by the Headmaster with guidance from the Board. The remuneration of other key management personnel is set by the Head with the Bursar, within the budget parameters approved by the Governors, taking into account benchmarking information gathered by the HR Manager for equivalent posts within the sector.

A remuneration committee meets before the budget is prepared annually to hear feedback from staff body representatives to be taken into account during consideration of whether to award a cost of living increase to the entire staff body. These meetings are chaired by the Bursar and attended by the Chairs of the Finance and Academic Committees as well as the staff representatives. They are minuted for the record, and this information is provided to the Finance Committee with the draft budget.

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Recruitment policy for staff

Eltham College has a published recruitment policy which aims to achieve the following:

- to recruit staff of the highest possible quality who will maintain and indeed, improve the education that the school offers, and who will contribute to the academic, co-curricular and pastoral life of the school;
- to ensure that all staff are recruited on the basis of their merits, abilities and suitability for the position;
- to ensure that all staff appointments are made fairly and transparently, and that all job applicants are considered equitably and consistently;
- to ensure that no job applicant is treated unfairly on any grounds including race, colour, nationality, ethnic or national origin, religion or belief, gender, sexual orientation, marital status, disability or age;
- to ensure compliance with the relevant recommendations and guidance including Keeping Children Safe in Education, Safeguarding Children: Safer Recruitment and Selection in Education Settings and the Disclosure and Barring Service Code of Practice;
- to ensure that the school meets its commitment to safeguarding and promoting the welfare of children and young people by carrying out all necessary pre-employment checks.

Communication with staff

Termly whole staff briefings are led by the Headmaster at the beginning of each term and include routine matters such as health and safety briefings and financial updates as well as matters relating more specifically to teaching and learning and academic results. Regular "open-house" question and answer sessions are held with the Headmaster and the Bursar in both the senior school and the junior school to address topics raised anonymously that are of interest to staff. The items discussed are then published internally for reference. Internal staff information briefings take place weekly and are followed up with a written note for those unable to attend.

Objectives and Activities

Charitable Objectives

The College is established to advance the education of children and young people by the provision of:

- A preparatory and secondary day school for boys and girls with a preference for the sons of Protestant Christian Missionaries.
- A pre-preparatory school for boys and girls between the ages of three and seven.

Principal Activities

The College's aim is to educate children by the provision of a preparatory and secondary school for boys and girls within a Christian environment. We are committed to excellence within and beyond the classroom and it is intended that high expectations leading to achievement will contribute to the overall development of the child. We promote the concepts of respect and care.

The trustees confirm that they have referred to the guidance contained in the Charity Commission general guidance on public benefit when reviewing the charitable company's aims and objectives and in planning future activities.

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Aims and Intended Impact

- To encourage personal integrity and consideration for others and relationships based on respect, co-operation and courtesy within a clear Christian framework of values.
- To encourage intellectual enquiry and enthusiasm for learning through stimulating and challenging teaching that aims to stretch each pupil.
- To ensure that every pupil follows a broad and balanced curriculum incorporating science, humanities, mathematics and English as well as a range of the creative and performing arts of music, drama and art.
- To develop good health and team spirit through a range of sporting and adventurous activities.
- To provide a safe, healthy and sustainable environment.
- To prepare every pupil to move on from school into Higher Education and/or into employment.
- To develop a strong sense of community within the College, to foster strong links with the local community, and to promote greater awareness of the world wide community.
- To ensure that everyone who works at the College finds fulfilment in their work and is valued.
- To promote and preserve the College's independent and charitable status, respecting the College's founding spirit and continue to admit the children of missionaries.

The aims and objectives for FSSM Ltd are to operate the Eric Liddell Sports Centre in line with the Management Agreement, and to facilitate the achievement of the School's aims as above.

Objectives for the year 2020/21

The school's three-year development plan sets out the following strategic priorities for the period 2019-2021 under five headings. A new development plan for the next period is currently being prepared. Key projects include:

1. Academic

To offer a broad and challenging academic curriculum that seizes students' attention, engenders a love of learning for its own sake, and propels students to success

- Review and refresh programmes of study across the curriculum at every stage to ensure we offer a rich and appropriate curriculum in which both girls and boys attain excellent results;
- Upskill our Heads of Department through further clarification of roles, support for managing workload, personal professional development opportunities and opportunities to lead and develop others;
- Increase consistency within and between academic departments on core requirements for supporting student progress without suffocating departmental vitality and creativity;
- Build greater integration between Junior School and Senior School departments to promote a one-school ethos and shared understanding of the journey taken by EC students;
- Strengthen the integration of SEN provision in mainstream academic lessons; Provide high quality careers programme and support our highest achievers through a coherent Oxbridge/scholarship programme (SS); and
- Develop the use of standardised data in individual pupil tracking and target setting throughout the school journey

2. Well-being

To enhance the well-being of the staff and student body through the promotion of good emotional and mental health care

- Devise and implement a programme designed to tackle verbal, physical and indirect bullying among students
- To champion and increase adoption of good mental health practices for students and staff
- To reduce low level disruption within the classroom to a minimum
- Prepare and implement actions required to ensure that girls receive appropriate support as well as boys
- To engage all staff and parents in the pastoral care of students, making full use of role of the Form Tutor as the link between school and home.
- Develop the role and increase the skills and impact of pastoral middle leaders

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3. Co-Curricular

For prospective and current students and parents to be very satisfied with the balance and depth of our programme

- Extend and enrich the sport and co-curricular programme including ensuring excellent provision for girls, and communicate effectively to students and parents to encourage participation
- Review sports provision to tackle the perception that only elite sports performance is valued without losing the reputation for sporting excellence for boys and, over time, for girls.
- Further strengthen cultural/artistic opportunities for all students to ensure that all three main artistic subjects are seen to be on a par with each other
- Review and update range of opportunities, costs, information management and communications associated with school trips

4. Admissions

To meet or exceed our target pupil admissions numbers at each entry point without lowering entry standards

- Develop and implement a recruitment plan to target co-educational intake
- Develop and deepen practical relationships with existing and new feeder schools
- Plan for last single-sex entry in 2019
- Review our 7+ and 11+ entrance testing arrangements to ensure they appropriately identify students with the potential to be successful

5. Facilities/infrastructure

To maintain a funded and prioritised programme of investment that improves the working environment for everyone

- Agree and implement a prioritised programme of facilities enhancements for the period and identify and support fundraising requirements for Development
- Prepare and implement a refreshed IT strategy that sees the school move to the next stage in terms of best-in-class cloud infrastructure, data management and technology-enabled learning
- Prepare and implement a phased programme of relocations to optimise where staff and functions are based within the College site
- Improve School security through fencing, building and smart card technology.
- Identify cost-neutral or cost-saving ways to reduce our carbon footprint and increase our "green" credentials across the school

The Eltham ethos

Eltham College is a charitable Trust which seeks to benefit the public through the pursuit of its stated aims. Our fees are set at a level to ensure the financial viability of the College and at a level that is consistent with our aim of a first class education to boys and girls. In 2018 the Governors took the decision to extend co-education further down the school and the first intake of younger girls joined the school at Year 3 and Year 7 in September 2020.

We welcome pupils from all backgrounds. To admit a prospective pupil we need to be satisfied that we will be able to educate and develop the pupil to the best of their potential and in line with the standards achieved by their peers. Entrance examinations/ assessments and interviews are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, ethnicity, race, religion and, in most cases, disability, do not form part of our assessment processes.

Eltham College is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment. Parents are given regular information about their children's social and academic progress through parents' evenings and interim reports as well as the traditional full reports provided twice a year. We maintain regular contact with parents throughout the year through the weekly e-Bulletin, and regular operational communications (by e-mail or text messaging).

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sexual orientation or disability.

Bursary and scholarship policies

The Governors view bursary and scholarship awards as important in helping to ensure children from families who would not otherwise be able to afford the fees have access to the education we offer. The College does not have any endowment, and although we have recently established a fund through appeals to former pupils and existing parents to help finance such awards (the Bursary Fund), we have to be mindful that we must ensure a balance between fee-

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paying parents, many of whom make considerable personal sacrifices to fund their child's education, and those benefitting from the awards.

Our bursary awards are available to those who perform strongly in our general academic entry requirements and are made solely on the basis of parental means or to relieve temporary hardship where a pupil's education and future prospects would otherwise be at risk, for example, in the case of redundancy. We draw on the assistance of the charity Bursary Administration Ltd with the process of the objective assessment and validation of financial data. Awards range from 10% to 100% remission of fees and are re-assessed annually. We have a Travel Club fund that supplements bursary awards to fund curricular school trips.

We also have a staff discount scheme whereby staff members may be offered the opportunity to educate their children at Eltham College for a reduced fee at the discretion of the Headmaster.

Our scholarships are awarded on the basis of the individual's Academic, Sport or Artistic (Art, Drama, Music) merit or potential, subject to any conditions imposed for particular awards by the original donor (e.g. Leverhulme Trust). Scholarships are awarded with a fixed remission of fees of between 10% and 50%, which may be supplemented by a bursary.

Pupil Numbers and Fees

The College numbers remain strong, with 230 in the Junior School and 681 in the Senior School during the 2019-20 academic year. Our termly fees for the past year, before the deduction of any means-tested bursaries or scholarships, were:

- Junior School - £5,387
- Senior School - £6,162

Due to the lockdown, a 10% rebate of net fees was provided in the Summer Term (see note 2).

STRATEGIC REPORT

REVIEW OF ACTIVITIES AND ACHIEVEMENTS – 2019-20

Academic

The 2020 A level and GCSE results were based on Centre Assessed Grades rather than examinations due to COVID-19 restrictions cancelling exams. Nationwide, these results were slightly higher than normal. We were already anticipating our best results ever, prior to the pandemic and the Centre Assessed Grades ensured that all students fulfilled their potential as no student 'had a bad day'. The A level results were 44.3% A* grades, 86.1% A* and A grades and 97.8% A* to B grades. These were a significant improvement on the 2019 results. The 2020 A level cohort was just over half the size of a normal cohort due to a three-form intake in 2013. From this small year group, two went on to study at Oxford or Cambridge and seven went on to study medicine. This year, we also had a medic accepted from the 2019 cohort who has been benefitting from the same programme as our 2020 medics.

At GCSE the results were again significantly higher than the 2019 results, which were the best for many years. 48.9% of all grades were 9s, 78.3% of all grades were 9s or 8s, 95.0% were 9s, 8s or 7s and 99.4% were a 6 or above. 86% students achieved eight 9/8/7 grades or more, 61% achieved ten 9/8/7 grades or more and 58% of the year achieved eight 9/8 grades or more.

At both levels the results continue to place Eltham College among the most academic schools in the country.

Co-curricular activities

The school has a particular interest in, and focus on, co-curricular activities such as art, drama, music, sport and trips, and is recognised as providing tuition and opportunities in these areas which is excellent by national standards. Co-curricular during academic year 2019-20 reflects two separate periods: pre- and post-COVID-19.

Before March, Music performances included the Year 7 Showstoppers evening, which also provided a showcase opportunity for Year 8 and Sixth Form music scholars, a Choral and Orchestral Concert at the old Royal Naval College Chapel in Greenwich, a series of informal concerts, and various Christmas Concerts. In Drama, students performed a modern reinterpretation of Othello at RADA Studios as part of the Shakespeare Schools Festival, a five night run of Fiddler on the Roof, and The Marxist in Heaven, a National Theatre Connections partnership with St Thomas More School.

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Since March, faced with the challenges presented by COVID-19 restrictions, these departments have reimagined their typical offerings to ensure their activities are 'COVID-secure' whilst maintaining the opportunity for participation and excellence, which the co-curricular programme prides itself on. Beyond organising a Musical Duet competition, Drama and Art collaborated to perform a cross-curricular Alice in Wonderland production. The work of Sixth Form Art students features in the online Royal Academy's Young Artists' Summer Show. The Music Department have embraced technology to host a Virtual Soloist Competition and perform the iconic Dambusters March, students also creating virtual concerts for local nursing homes.

In Sport, pre-COVID, students continued to compete regularly in fixtures, tournaments and tours in our Rugby, Hockey and Netball with a number of individuals being selected for county, regional and international programmes. In addition, Eltham College was represented at the Norwich English Schools Ski Finals, British Finals in Stoke, and the DHO British schoolboys' international series in Wengen. Our fencers were selected for the Great Britain U17 Men's Cadet Tournament in Budapest, and the Blood Bowl Team finished 95/236 at the World Cup in Austria. Challenge. Students also enjoyed success in Cross-country, Golf, Chess, Swimming, Diving and Dance. Again, challenged since March, Sport continued to provide opportunities for all students to compete in virtual Athletics fixtures against other Trinity Group schools, offering students a much-needed screen break. Online Chess club continues to offer students an opportunity to play the game digitally.

The curriculum continues to be complemented by range of trips and expeditions, which this year included a European language trip to Spain, a study trip to Switzerland for students taking Geography, a Mandarin trip to China, an Art trip to Copenhagen, and sports/outdoor pursuits trips to Nottingham, France, Greece and Netherlands. Impacted by COVID-19, the travel programme halted in March. Unable to participate in the Sixth Form Humanitarian Aid trip to Buikwe, Uganda, students fundraised £4,000 for the International Needs partnership.

A group of Sixth form students won the UK Space Design Final at Imperial College London in March, as did the twelve Year 9 students who won the Galactic Challenge at the same venue in December. More success for Year 9 came through winning their regional heat in the Faraday Challenge at Queen Mary University, London. Christopher Cook's (Head of English) rejuvenation of Debating continues, as senior teams qualify for Regional Finals of the English Speaking Union's MACE competition and the Oxford Schools' Finals Day. The Eltham College Hans Woyda Maths team finished top of their group and qualified for the knockout competition.

The year concluded with the Junior and Senior School Speech Days, which this year took place online.

Gerald Moore Gallery

The Gerald Moore Gallery is in its eighth year and saw record numbers of visitors attending its exhibitions and classes from September to March. The gallery continues to bring in many new and repeat visitors and is an excellent resource to the school, to help both new students settle into school life and attract students considering Eltham College. We continue to deliver outreach to local schools and began our Art Therapy in Schools project, using works from the exhibitions as a stimulus in Art Therapy to support Primary aged children in the local area.

During the 2019/2020 season the gallery hosted a series of exhibitions, including:

- NOW: New Original Work from 12 September to 5 October
- Connections: New York Studio School Exhibition from 19 October to 9 November
- Tolerance by Patrick Altes from 19 November to 25 January
- Environmental Crisis from 13 February to 14 March

The gallery closed at the end of March due to lockdown.

The highlights of the year included: an artist-led sculptural workshop for 6th formers by Alexandra Searle who exhibited as part of NOW; the Gallery shortlisted by the New York Studio School for their alumni Art exhibition and hosting a dinner for the event at the gallery; a tour by Algerian born artist Patrick Altes to linguistic students on the theme of Tolerance and a panel discussion on 'Tolerance, Migration and Identity' with writer and black British historian S.I. Martin.; a series of workshops also led by Altes to Eltham College Juniors, and to local schools on the theme of 'Tolerance'; Eltham College students aged 14-18 shortlisting 60 different artists from 120 entries to exhibit in the Environmental Crisis exhibition.

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Junior School

2019/20 saw 230 pupils on the roll of the Junior School. A primary focus for the year was the recruitment of our first co-educational cohort in Year 3; 64 pupils accepted a place for 2020/21, 48% of those girls. We also continued to see an increase in ad-hoc applications for all other year groups.

During the first half of the year, we enjoyed success in sports fixtures and tournaments and hosted several concerts and drama productions, particular highlights including the Year 3 and 4 Nativity, the concert for St. Cecilia at a local church in Beckenham and the Year 6 Fireside event in Central Hall. The second half of the year was very different to the first; as the country entered a national lockdown, the Junior School introduced our 'Eltham@home' online learning programme, delivering lessons via Zoom and Microsoft Teams. We also continued to offer a full co-curricular provision, scheduling over 20 weekly lunchtime clubs online whilst also providing childcare for the children of Key Workers on site.

Although we were unable to host parents on site during this time, their support was invaluable, as were the continued contributions from our Parent Association committee.

PUBLIC BENEFIT – 2019-20

In accordance with its status as a Registered Charity, the Trustees are mindful of its obligations to provide public benefit over and above its normal educational services. We audit on an annual basis the public benefit provided by the school.

- We educated 911 children during 2019-20.
- As a matter of policy, we provide access to our education to children from families who would not otherwise be able to afford the fees. In this year we provided financial help to 324 pupils in the school as follows:

Yr 7	4 bursaries, 37 scholarships
Yr 8	2 bursaries, 35 scholarships
Yr 9	1 bursary, 36 scholarships
Yr 10	13 bursaries, 45 scholarships
Yr 11	11 bursaries, 43 scholarships
L6	7 bursaries, 71 scholarships
U6	5 bursaries, 37 scholarships

The school's contribution for the year was £2,004,456. In addition, the school contributed £28,900 towards music lessons for 34 pupils. Pupils in receipt of a scholarship may have been awarded multiple scholarship types. Some pupils hold both a means-tested bursary and a scholarship, and we are aware that in a significant number of instances the award of a scholarship has provided financial support which would otherwise have been required on a means tested basis.

- Eltham College provides education up to A level in subjects which are seen to be in decline elsewhere in the country, particularly within the maintained sector, such as Biology, Chemistry, Physics, Geology, French, German and Spanish. Many students go onto study these subjects at University, thus keeping these departments open for the future development of science and language education at the Higher level.
- In addition there are partnerships with Thomas More school for opportunities in drama performance and the teaching of Latin.
- The school's Charities Committees raised almost £9,000 in the Senior and Junior Schools for charities.

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Local community engagement and use of facilities

- The school has a nationally recognised programme of Community Service and almost all students take part in this for a portion of their time in the Sixth Form. This involves co-operation with Primary and Nursery Schools, Special Schools, care or nursing homes, community or day care centres, charity shops, a hospital and a number of individuals in the community.
- Over 100 pupils in Year 10 and above took part in the Duke of Edinburgh Award Scheme, which includes volunteering as one of its elements. This involves all pupils providing extra help within the community in activities that range from assisting Scouts, Guides, Cubs and Brownies, to working in Charity Shops. A lot of students also volunteer within Eltham College, assisting in the library, as mentors to younger students or helping run a co-curricular club. These activities teach students more about society and the needs of others as part of their education.

Gerald Moore Gallery

Our ongoing outreach programme has continued to work with schools, local community groups and teachers. We work closely with these audiences to foster deeper community relationships:

- In October we hosted the New York Studio School exhibition and artists from NYSS delivered drawing workshop to children during the Half Term. We also had live animal Life Drawing with Owls and birds of prey led by Animal Life Drawing.
- In November we ran a free CPD event for Primary School teachers, teaching Art, with practical workshops and tips. 11 teachers from Rangefield Primary School attended and the feedback was excellent with teachers signing up to our free Art Therapy in Schools project.
- In December we hosted 8 students in Year's 7, 8 and 9, from Townley Grammar School for a workshop led by Patrick Altes on Tolerance, creating posters through printing processes with messages of tolerance. We also hosted a Christmas Fair and invited local sellers to participate and rent a table space with funds raised towards the Art Therapy in Schools project.
- In February-March the Environmental Crisis exhibition coincided with Science Week. The gallery led some natural dyes workshops and there was a public talk by Professor Tom Oliver from the University of Reading on the Climate Crisis.
- Throughout the year the gallery continued running art clubs at Marvel's Lane Primary and St Olave's Prep. We also partnered with Newhaven School to help their Year 12 and 13 SEN students achieve their Bronze Arts Award through gallery visits.

Eltham A focus for this year has been on 'Art and Wellbeing' and how we can support young people to engage in Art for the benefit of their physical and mental health. We piloted an art therapy programme for children at Rangefield Primary School, the funding for which was raised through events at the gallery, supported by parents and pupils. The pilot then supported a funding bid to expand the project which has since been approved so we can look forward to expanding the project with more schools in 2021.

Eric Liddell Sports Centre

Eltham College is the home of Eric Liddell Sports Centre, a dual use facility originally funded by the National Lottery and the London Borough of Bromley, cited by Sports England as the model of good practice. The Centre plays a key role in our engagement with the local community:

- Concessionary membership is extended to the unemployed, to families in receipt of job seekers allowance and income support, the over-60, full time students, armed forces, and emergency services.
- Nine local primary schools conducted their student swimming programmes before the centres subsequent temporary closure in March due to COVID-19. Eric Liddell Sports Centre were scheduled to be the venue for the Bromley Schools Integrated Swimming Gala (for disabled and able-bodied children combined for twelve different state schools). For 25 years the pool has been made available on weekly basis and free of charge to the local disabled swimming association (The Sharks of Mottingham), some of whose members have achieved international success in competition.

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- The Centre is also a venue for the government-led "Top-up Swimming Week" programme, providing free swimming lessons for pupils from local primary schools who have not yet met the minimum 25m National Curriculum swimming target. Unfortunately, we were not able to provide our usual support for the initiative due in July 2020, due to COVID-19.
- The Centre was not able to support Swimathon 2020, again due to COVID-19 restrictions. The Centre usually runs this event which raises funds for Cancer Research UK and Marie Curie.
- The Astro-turf all-weather pitch on College Meadow and the Multi-Use Games area nearby is available for hire through the Centre to local hockey and football clubs for use outside normal school hours and at the weekend.

The College is the home of the Old Elthamians Sports Clubs: Junior Rugby and Cricket sections, as well as Blackheath and Elthamians Hockey Club. These partnerships permit many local children and adults to participate in hockey, cricket and rugby at all levels on the College site, making full use of the excellent facilities outside core College hours.

Financial Review and Reserves Policy

The School's operating surplus was £57,847. Taking into consideration restricted and other funds the total of net incoming resources before investment gains as shown in the Statement of Financial Activities was a deficit of £205,380. Note 15 to the accounts shows the assets and liabilities attributable to the various funds by type and also describes the various trusts of the Charity and summarises the year's movements on each fund. After transfers to and from restricted and other funds the General reserve (the "free reserves") within unrestricted funds at 31 August 2020 totalled £9,213,967 (2019: £2,333,361). The Board's policy is to strengthen the school's financial position to enable further development of school facilities.

Tangible fixed assets are held for use by the School. The Governors are unable to estimate whether the current material value of these assets is materially different from that shown in the accounts.

Investment Policy

The trustees' investment powers are governed by the Articles of Association, which permit the Charity's funds to be invested in any security listed on the London Stock Exchange.

Grant-Making Policy

The Governors' policy, in line with that of other Independent Schools, is to make these awards on the basis of the individual's educational ability, subject to the particular conditions imposed by the donor where the award is out of restricted funds. All scholarships and other awards are subject to annual review.

Fundraising

Fundraising is undertaken by the Development Office, which exists to assist future, current and former pupils. Much of the fundraising is for the Bursary Fund to support those who otherwise would not be able to attend the school. We also seek to provide funds for facilities which both enrich the experience of current pupils and those who will benefit in the future.

Our work includes fostering a lively and well-connected Old Elthamians alumni community, with almost 4000 active members, and our work this is in no small amount due to the new website on the Graduway platform which encourages networking and social contact between former classmates. Our colleagues in the Careers Office have encouraged new engagement supporting current and recent students through offering work experience placements and career mentoring. Sadly, last year's hard work came to nothing as no one was able to take up their placements due to the pandemic.

The Development Office held another successful Teleraise campaign in August amongst former pupils of the school and parents of current and former pupils. This year (in addition to the ongoing fund raising towards the Bursary Foundation) we were able to allocate funds to the refurbishment of the seating in the Antony Barnard Theatre and the upgrading of the floodlights on the school fields to enable more children to take part in outdoor activities after school. In October 2019 we held a very successful reunion at school for those who left in 1999, 1994, 1989. It was however our last major reunion as those planned for the New Year had to be cancelled. In lieu of the reunions members of the Development Office rang OEs around the country to let them know we were still here for them. These calls were very

Eltham College

Directors' Report

For The Year Ended 31 August 2020

well received. We also continued to keep a high profile on social media platforms and the monthly email update all of which generated traffic amongst those working from home.

Plans for Future Periods

As noted earlier in this report, the school continues to focus on the priorities identified in its three-year development plan under five headings, with associated key projects:

1. **Academic:** To offer a broad and challenging academic curriculum that seizes students' attention, engenders a love of learning for its own sake, and propels students to success
2. **Well-being:** To enhance the well-being of the staff and student body through the promotion of good emotional and mental health care
3. **Co-Curricular:** For prospective and current students and parents to be very satisfied with the balance and depth of our programme
4. **Admissions:** To meet or exceed our target pupil admissions numbers at each entry point without lowering entry standards
5. **Facilities/infrastructure:** To maintain a funded and prioritised programme of investment that improves the working environment for everyone

Work will continue on each of these themes during the academic year 2020-21.

Principal risks and uncertainties

The Board has examined the principal areas of the School's operations and considers the risks faced in each of these areas through regular review of the Risk Register at governors' meetings. There are thirteen key risks for which the various mitigating actions are kept under review and updated regularly by the Senior Leadership Team.

1. Not recruiting the correct number of high calibre students of both genders
2. Failure to maintain high level of academic standards
3. Failure to maintain vibrant co-curricular programme
4. Failure to recruit or retain high quality staff
5. Decline in pastoral provision or failure to deal appropriately with welfare and safeguarding of children
6. Failure to provide adequate IT facilities
7. A major Health and Safety incident occurs
8. Failure to maintain and adequately develop the school's premises, grounds and facilities impacts on recruitment or ability to function
9. Inadequate Governance
10. The College's finances fail to provide for the needs or aspiration of the school
11. Failure to stay ahead of, or prepare for, risks in the wider political and economic environment
12. Inspection Failure
13. Unplanned or unexpected loss of Headmaster

Each of the mitigating actions is planned into the annual budget and responsibility for the mitigating actions allocated to a named senior member of staff. In the opinion of the Governors, the College has established resources and review systems which, under normal conditions, should allow these risks to be mitigated to an acceptable level in its day-to-day operations.

Eltham College

Directors' Report

For The Year Ended 31 August 2020

Going Concern

The Governors have considered the potential impact of the COVID-19 virus on the future viability of the School. The School continues to maintain as full a teaching programme as possible, using a range of virtual teaching techniques, while managing its cost base and addressing the health concerns of pupils and staff. Fee discounts and delayed fee increases have been made, as appropriate, and the school has benefited from the government's furlough schemes.

The school has budgeted to achieve a profit in 2020/2021 and current pupil numbers are strong.

Consequently, the Governors have a reasonable expectation that the School will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

Trustees' responsibilities in relation to the financial statements

The trustees (who are also directors of Eltham College for the purposes of company law) are responsible for preparing the Trustees' 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 trustees to prepare financial statements for each financial year, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for the year. In preparing these financial statements, the trustees are required to:

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

The trustees are responsible for keeping adequate accounting records that 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.

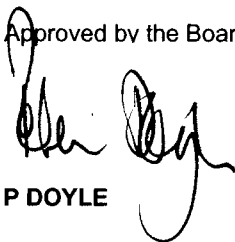
In so far as the trustees are aware:

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

On 7 September 2020, Wilkins Kennedy (trading as Wilkins Kennedy Audit Services) changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly have signed their report in their new name.

This report has been prepared in accordance with the Statement of Recommended Practice: 'Accounting and Reporting by Charities'.

Approved by the Board of Governors on 29th April 2021 and signed on its behalf by:



P DOYLE

Chair

Eltham College

Consolidated Statement of Financial Activities

For The Year Ended 31 August 2020

Independent auditor's report to the members of Eltham College

Opinion

We have audited the financial statements of Eltham College (the 'charitable parent company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated Summary of Income and Expenditure Accounts, the Consolidated and Charitable Company Balance Sheet, the Consolidated Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the charitable parent company's affairs as at 31 August 2020 and of the group's incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- 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 group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and the provisions available for small entities, in the circumstances set out in note 1 to the financial statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the charitable parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

However, because the impact of COVID-19 cannot be predicted, this statement is not a guarantee as to the group's ability to continue as a going concern. We draw attention to the going concern note in the accounting policies of these financial statements.

Other information

The trustees are responsible for the other information. The other information comprises the Board of Governors report incorporating the directors report and the strategic report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the trustees' report, which includes the directors' report and strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

Eltham College

Consolidated Statement of Financial Activities

For The Year Ended 31 August 2020

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the charitable parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report included within the trustees' report.

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

- adequate accounting records have not been kept by the charitable parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the charitable parent company's financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of trustees

As explained more fully in the trustees' responsibilities statement, the trustees (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 trustees 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 trustees are responsible for assessing the group's and the charitable parent 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 trustees either intend to liquidate the group or the charitable parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements


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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the charitable parent 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 parent 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 parent company and the charitable parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

On 7 September 2020, Wilkins Kennedy (trading as Wilkins Kennedy Audit Services) changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly have signed their report in their new name


John Howard FCA (Senior Statutory Auditor)
For and on behalf of Azets Audit Services
Statutory Auditor
2nd Floor, Regis House
45 King William Street
London
EC4R 9AN

Date: 12 May 2021

Eltham College

Consolidated Statement of Financial Activities

For The Year Ended 31 August 2020

	Notes	Unrestricted Funds School £	Other Funds £	Restricted Funds £	Endowed Funds £	Total 2020 £	Total 2019 £
INCOME							
Income from charitable activities:							
School fees receivable	2	16,341,156	-	-	-	16,341,156	15,771,890
Less: awards	2	(2,251,376)	-	(436,449)	-	(2,687,825)	(2,135,800)
Other educational income	3	156,542	-	-	-	156,542	155,481
Other ancillary trading income	3	1,022,095	-	21,487	-	1,043,582	1,684,455
Income from other trading activities:							
FSSM Ltd income	9	-	463,667	-	-	463,667	486,750
Income from generated funds:							
Investment income		15,616	11,076	2,996	52	29,740	46,176
Donations and appeal receipts		-	27,458	146,094	-	173,552	287,071
Rents and Lettings		78,158	-	-	-	78,158	132,200
Total		15,362,191	502,201	(265,872)	52	15,598,572	16,428,223
EXPENDITURE							
Costs of raising funds:							
Fund-raising		55,732	18,783	62,101	-	136,616	171,473
Financing costs		435,904	-	-	-	435,904	405,412
Loan breakage costs		-	-	-	-	-	-
FSSM Ltd costs		-	418,504	-	-	418,504	427,612
		491,636	437,287	62,101	-	991,024	1,004,497
Charitable Activities:							
Schools and grant making		14,815,657	-	220	-	14,815,877	14,887,973
Pension scheme deficit funding arrangement	22	(2,949)	-	-	-	(2,949)	(4,406)
Capitalised costs of discontinued project now expensed	23	-	-	-	-	-	296,441
Exceptional bad debt provision	23	-	-	-	-	-	363,672
Total	5	15,304,344	437,287	62,321	-	15,803,952	16,548,177
NET INCOMING/(OUTGOING) RESOURCES		57,847	64,914	(328,193)	52	(205,380)	(119,954)
Transfers between funds	6	6,822,760	(6,766,847)	(55,861)	(52)	-	-
Investment gains	9	-	8,446	2,385	-	10,831	26,336
		6,880,607	(6,693,487)	(381,669)	-	(194,549)	(93,618)
NET INCOME/(DEFICIT)		187,120		(381,669)	-	(194,549)	(93,618)
Fund Balances at 1 September 2019		9,097,030		555,702	32,559	9,685,291	9,778,909
Fund Balances at 31 August 2020		9,284,150		174,033	32,559	9,490,742	9,685,291

The notes on pages 21 to 39 form part of these financial statements.

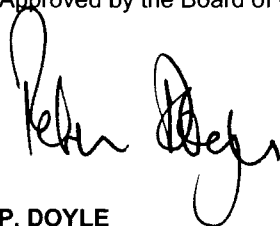
Eltham College

Balance Sheets

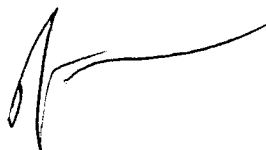
As at 31 August 2020

	Notes	Group		School	
		2020 £	2019 £	2020 £	2019 £
Fixed assets					
Intangible assets	7	6,285	6,285	-	-
Tangible assets	8	28,275,096	28,090,968	28,199,377	28,003,434
Investment assets	9	451,321	440,490	451,323	440,492
		<u>28,732,702</u>	<u>28,537,743</u>	<u>28,650,700</u>	<u>28,443,926</u>
Current assets					
Stocks		1,858	1,857	-	-
Debtors	10	534,354	553,500	531,645	548,860
Cash		3,752,779	581,611	3,732,893	576,992
		<u>4,288,991</u>	<u>1,136,968</u>	<u>4,264,538</u>	<u>1,125,852</u>
Creditors: Amounts falling due within one year	11	<u>(4,456,163)</u>	<u>(3,733,669)</u>	<u>(4,419,891)</u>	<u>(3,687,874)</u>
Net current liabilities		<u>(167,172)</u>	<u>(2,596,701)</u>	<u>(155,353)</u>	<u>(2,562,022)</u>
Total assets less current liabilities		<u>28,565,530</u>	<u>25,941,042</u>	<u>28,495,347</u>	<u>25,881,004</u>
Creditors: Amounts falling due after more than one year	12	<u>(19,059,423)</u>	<u>(16,237,437)</u>	<u>(19,059,423)</u>	<u>(16,237,437)</u>
Provisions for liabilities	21	<u>(15,365)</u>	<u>(18,314)</u>	<u>(15,365)</u>	<u>(18,314)</u>
Net assets		<u>9,490,742</u>	<u>9,685,291</u>	<u>9,420,559</u>	<u>9,626,153</u>
Endowed funds	15a	32,559	32,559	32,559	32,559
Restricted funds	15b	174,033	555,702	174,033	555,702
Unrestricted funds					
Designated and general funds	15c	9,284,150	9,097,030	9,213,967	9,037,892
Total funds	15	<u>9,490,742</u>	<u>9,685,291</u>	<u>9,420,559</u>	<u>9,626,153</u>

Approved by the Board of Governors on 29th April 2021 and signed on its behalf by:



P. DOYLE



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The notes on pages 21 to 39 form part of these financial statements.

Eltham College**Consolidated Cash Flow statement****For the Year Ended 31 August 2020**

		2020		2019	
	Notes	£	£	£	£
Cash flows from operating activities	17		1,879,964		642,414
Cash flows from investing activities:					
Investment income received		14,124		14,454	
Interest received		13,049		31,722	
Interest paid		(435,904)		(405,412)	
Sale of tangible fixed asset		3,000		-	
Payment for tangible fixed assets		(1,482,548)		(6,100,365)	
			(1,888,279)		(6,459,601)
Net cash flow before financing activities			(8,315)		(5,817,187)
Cash flow from financing activities	18				
New loans advanced			3,484,116		6,099,687
Repayment of borrowing			(304,633)		(212,093)
Change in cash and cash equivalents in the year	19		3,171,168		70,407
Cash and cash equivalents brought forward			581,611		451,436
Cash acquired with subsidiary			-		59,768
Cash and cash equivalents at 31 August 2020	19		3,752,779		581,611

The notes on pages 21 to 39 form part of these financial statements.

Eltham College

Summary Income and Expenditure Account

For the Year Ended 31 August 2020

	2020 £	2019 £
Gross charitable income	15,598,572	16,428,223
Charitable expenditure	15,803,952	16,184,505
Net income for the year	<u>(205,380)</u>	<u>243,718</u>

Notes

1. Gross charitable income is net of bursaries , grants and allowances and consists of the School's income of £15,362,191, restricted income of £(265,872), other income of £502,201 and Endowed income of £52. Receipts for school projects and productions used to fund these activities has been excluded from income from 1 September 2019. A detailed analysis of income by source is provided in the Statement of Financial Activities.
2. Charitable expenditure consists of the Schools' direct charitable expenditure and management and administration totalling £14,812,708 plus costs of generating funds of £491,636 plus restricted funds expenditure of £62,321 plus other expenditure of £437,287. Expenditure shown for 2019 excludes the exceptional bad debt write-off of £363,672. Costs of school projects and productions funded by receipts from participants has been excluded from expenditure from 1 September 2019. A detailed analysis of the expenditure is provided in the Statement of Financial Activities and notes 4 to 6.
3. Net income is before investment gains and inter-fund transfers and consists of the Net Incoming Resources of the Unrestricted Funds (Schools and Other) of £122,761, Restricted Funds of £(349,680) and Endowed income of £52.
4. The Summary Income and Expenditure Account is derived from the Statement of Financial Activities on page 17 which together with notes to the financial statements on pages 21 to 39 provides the full information on the movements during the year on all the funds of the School.
5. Gross charitable income includes development income of £27,458 (unrestricted) and £146,094 (restricted). Gross charitable expenditure includes £18,783 of direct and apportioned unrestricted development expenditure (before transfers) and £62,101 apportioned restricted development expenditure (before transfers). In addition to this the fundraising and publicity costs in the school includes the development director's salary. The unrestricted development reserve at the year end stands at £nil after transfers & appropriations (2019: £132,542) and the restricted £61,052 after transfers (2019: £449,261).

1. ACCOUNTING POLICIES

The Charity is a registered Charitable Company limited by guarantee in the United Kingdom. The address of the registered office is given in the reference and administrative details, on page 3.

a) Basis of preparation

The financial statements of the charitable company, which is a public benefit entity under FRS 102, 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 England and Wales and the Republic of Ireland (FRS 102) (effective 1 January 2015)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in England and Wales and the Republic of Ireland' and the Companies Act 2006. The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements are prepared in sterling which is the functional currency of the charitable company.

Basis of consolidation

These financial statements consolidate the results of the Charity and its wholly owned subsidiary FSSM Limited on a line by line basis in accordance with FRS 102 Section 9 and the SORP (FRS102) section 24.

Details of the subsidiaries are given in note 9 of the financial statements.

A separate statement of financial activities for the charitable company has not been present because the charitable company has taken advantage of the exemption afforded by Section 408 of the Companies Act 2006.

The charity prepares a consolidated cashflow statements and has therefore taken advantage of the exemption conferred by FRS102 Section 1 not to prepare a cashflow statement for the school.

The accounts include the results of the unincorporated charity 'Eltham College'. This unincorporated charity continues to hold certain endowed funds not transferred to the charitable company following its incorporation in 1996.

Going concern

The Governors have considered the potential impact of the COVID-19 virus on the future viability of the School. The School continues to maintain as full a teaching programme as possible, using a range of virtual teaching techniques, while managing its cost base and addressing the health concerns of pupils and staff. Fee discounts and delayed fee increases have been made, as appropriate, and the school has benefited from the government's furlough schemes. The school has budgeted to achieve a profit in 2020/2021 and current pupil numbers are strong. Consequently, the Governors have a reasonable expectation that the School will have sufficient funds to continue to meet its liabilities as they fall due for the foreseeable future and therefore have prepared the financial statements on a going concern basis.

b) Intangible assets

Intangible assets are measured at cost less accumulated amortisation and any impairment losses.

Amortisation is charged, when impairment has occurred, so as to allocate the cost of intangibles less their residual value over their estimated useful lives, using straight line method. The intangible assets are amortised over the following useful economic lives:

Goodwill - 10 years. Goodwill relates to the acquisition of FSSM Ltd, the school's trading subsidiary in September 2019.

c) Tangible Fixed Assets

School Buildings and Equipment

The original School land and buildings are carried at original cost as the Directors consider it is not appropriate to apply a modern value to such property. The School is responsible for keeping these properties in fit and useful condition and these costs are written off as incurred. Items costing less than £500 are written off when the expenditure is incurred.

Eltham College

Notes to the Financial Statements

For the Year Ended 31 August 2020

1. **ACCOUNTING POLICIES - continued**

c) **Tangible Fixed Assets - continued**

Depreciation

The freehold land and building work in progress are not depreciated. Depreciation is provided on all other assets at rates calculated to spread each asset's cost, less its estimated residual value at current market prices, evenly over its expected useful economic life, which for each class of assets is initially assessed at averaging:

Leasehold Land	Over the period of the lease, to a maximum of 50 years
Buildings	20 - 50 years
Improvements and refurbishments	3 - 20 years
Computer equipment	3 years
Other equipment	5 -10 years
Motor vehicles	4 years

d) **Investments**

Investments are valued in the balance sheet at their market value at the balance sheet date.

Investments in subsidiaries are accounted for at cost less impairment in individual financial statements.

e) **Stock**

Stock is valued at the lower of cost and net realisable value.

f) **Cash at bank and in hand**

Cash at bank and in hand are short-term, highly liquid investments that are readily convertible to known amounts of cash that are subject to an insignificant risk of changes in value

g) **Debtors and creditors receivable/payable within one year**

Debtors and creditors with no stated interest rate and receivable or repayable within one year are recorded at transaction price. Any losses arising from impairment are recognised in expenditure.

h) **Fees and similar income**

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school, but include contributions received from restricted funds for scholarships, bursaries and other grants. Fees received for education to be provided in future years are carried forward as deferred income.

Receipts under the government's furlough scheme have been included within income (see note 3).

FSSM income refers to the revenue earned from from the Company's principal activity, the provision of sports and leisure activities and services, and is recognised in the period in which the service is provided. Membership income relating to future periods is carried forward as deferred income within creditors.

The revenue shown in the statement of comprehensive income represents amounts invoiced during the year. Exclusive of Value Added Tax.

i) **Donations**

Donations received for the general purposes of the School are credited to voluntary income. Donations subject to specific wishes of the donors are carried to relevant restricted funds or to endowed funds where the amount is required to be held as permanent capital.

j) **Expenditure**

Expenditure is allocated to functional headings either on a direct cost basis or apportioned accordingly. The irrecoverable element of VAT is included with the item of expense to which it relates. Supplies of books, expenditure and sundry equipment are written off when the expenditure is incurred.

Support costs are those that assist the work of the charity but do not directly represent charitable activities and include office costs, governance costs, and administrative payroll costs. They are incurred directly in support of expenditure on the objects of the charity. Where support costs cannot be directly attributed to

Eltham College

Notes to the Financial Statements

For the Year Ended 31 August 2020

particular headings they have been allocated to cost of rising funds and expenditure on charitable activities on a basis consistent with use of the resource.

Governance costs include those incurred in the governance of the charitable company and are primarily associated with constitutional and statutory requirements.

k) Operating leases

Rentals payable under operating leases are charged to the Statement of Financial Activities on a straight line basis over the lease term.

l) Pension schemes

The School contributes to the Teachers' Pension Defined Benefits Scheme. This scheme is a multi-employer pension scheme. It is not possible to identify the College's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The College's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The School also contributes to personal pension schemes for non-teaching staff. Pension contributions are charged to the Statement of Financial Activities in the year in which they fall due.

m) Fund accounting

Unrestricted funds comprise those funds which the Governors may use in the furtherance of the objects of the School.

Designated funds are unrestricted funds set aside by the Governors for specific future purposes or objects.

Restricted funds consist of funds that can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes. From 1 September income and expenditure related to school projects and productions have been reclassified as recharge accounts rather than restricted funds.

Permanent endowment funds represent assets which must be held permanently by the charity. Income arising on these funds may be used for general purposes.

n) Hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible assets and depreciated over the shorter of the lease term and their useful lives. Obligations under such agreements are included in creditors net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the profit and loss account on a straight line basis.

o) Judgements and Uncertainty

Accounting estimates and judgements 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. The charitable company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful economic lives of tangible assets

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 reassessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See note 7 for the carrying amount of the property, plant and equipment, and note 1 'tangible fixed assets' for the useful economic lives for each class of assets.

Eltham College

Notes to the Financial Statements

For the Year Ended 31 August 2020

Defined benefit pension scheme

The present value of the defined benefit pension deficit contributions payable depends on a number of factors that are determined on an actuarial basis using a variety of assumptions. The assumptions used in determining the future recovery plan contributions due include the discount rate. Any changes in these assumptions, which are disclosed in note 21, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation has been used by the actuary in valuing the pension liability. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

Bad debt provision

The value of trade debtors is sensitive to the recoverability in full of school fees. Once a debt becomes overdue it is chased and periodically reviewed to ensure it is recoverable in full. If a provision is deemed necessary this is included on an annual basis.

2. SCHOOL FEES	2020 £	2019 £
The school's fee income comprised:		
Gross fees	16,341,156	15,771,890
Less: Total bursaries, grants and allowances	(2,227,908)	(2,135,800)
Less: Summer Term rebate	(459,917)	-
	<u>13,653,331</u>	<u>13,636,090</u>

The above educational awards were made to 324 individuals (2019:316).

3. OTHER INCOME	2020 £	2019 £
Other educational charitable activities		
Exam Fees	66,123	90,303
Entrance and registration fees	90,419	65,178
	<u>156,542</u>	<u>155,481</u>
Other ancillary activities		
School meals	397,964	553,145
School buses	272,757	342,466
Government Grant (furlough)	351,004	-
Other	370	6,880
Total School	1,022,095	902,491
Restricted funds: trips, projects and productions	21,487	781,964
	<u>1,043,582</u>	<u>1,684,455</u>

Proceeds from participants in trips, projects and productions received after 1 September 2019 have been excluded from income

Eltham College

Notes to the Financial Statements

For the Year Ended 31 August 2020

4. EXPENDITURE	2020 £	2019 £
Governance expenditure includes:		
Auditors' remuneration:		
For audit services (of which £2,350 for subsidiary)	17,350	14,000
For other services	-	-
	<u> </u>	<u> </u>
Total staff costs comprised:		
	£	£
Wages and salaries	8,013,429	7,717,277
Social security costs	839,853	805,766
Pension contributions	1,488,152	978,681
	<u>10,341,434</u>	<u>9,501,724</u>

In addition there were staff costs of £337,003 (2019: £340,891) incurred by the trading subsidiary included within FSSM Ltd costs in the Statement of Financial Activities.

The average number of employees in the year was:	<u>Number</u>	<u>Number</u>
Academic	131	130
Administration	43	40
Other	66	67
	<u>240</u>	<u>237</u>

Neither the Governors nor persons connected with them received any remuneration from the School during the year.

The number of employees whose emoluments exceeded £60,000 were:

£60,001 - £70,000	13	17
£70,001 - £80,000	3	1
£80,001 - £90,000	1	2
£90,001 - £100,000	3	1
£100,001 - £110,000	1	1
£170,000 - £180,000	-	-
£180,000 - £190,000	1	1
	<u> </u>	<u> </u>

Pension contributions totalling £375,094 (2019: £268,637) were made to the pension schemes (Teachers Pensions and Royal London) in respect of these higher paid employees.

Eltham College

Notes to the Financial Statements

For the Year Ended 31 August 2020

5. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff costs (note 4) £	Other £	Depreciation £	Total £	2019 £
Costs of raising funds:					
Fund-raising	134,896	1,720	-	136,616	171,473
Finance costs	-	435,904	-	435,904	405,412
Trading costs of subsidiary	-	418,504	-	418,504	427,612
	<u>134,896</u>	<u>856,128</u>	<u>-</u>	<u>991,024</u>	<u>1,004,497</u>
Charitable activities:					
Teaching costs	8,398,474	678,600	-	9,077,074	8,242,437
Welfare	-	485,253	-	485,253	650,904
Premises	812,890	604,696	1,281,193	2,698,779	2,522,613
Support costs	977,674	1,540,720	-	2,518,394	3,396,845
	<u>10,189,038</u>	<u>3,309,269</u>	<u>1,281,193</u>	<u>15,409,926</u>	<u>14,812,799</u>
School's operating costs					
Grants Awards and prizes	-	2,665	-	2,665	4,109
Governance costs	17,500	16,213	-	33,713	71,065
	<u>10,206,538</u>	<u>3,328,147</u>	<u>1,281,193</u>	<u>14,815,878</u>	<u>14,887,973</u>
Total					
Pension scheme deficit arrangement	-	(2,949)	-	(2,949)	(4,406)
Expensing of capitalised costs	-	-	-	-	296,441
Exceptional bad debt provision	-	-	-	-	363,672
	<u>10,341,434</u>	<u>4,181,325</u>	<u>1,281,193</u>	<u>15,803,952</u>	<u>16,548,177</u>

Other expenditure in respect of support costs includes £nil (2019 £812,456) paid out of restricted funds which in 2019 related mainly to costs paid in respect of school excursions, outings and similar activities, funded by participants. These costs have now been excluded from expenditure.

6. TRANSFERS

Within unrestricted funds, a total of £6,766,847 was transferred to general reserve from designated unrestricted funds, which have now been closed. Income totalling £52 (2019: £65) received on our endowed funds was transferred to general reserve. A total of £55,861 (2019: £483,880) was transferred to general reserve from restricted funds (see note 14b) to cover capital expenditure incurred for the purpose of the funds. Transfers were within the terms of the original gifts where relevant.

Eltham College

Notes to the Financial Statements

For the Year Ended 31 August 2020

7. INTANGIBLE ASSETS

	Goodwill
Group	
Cost	£
At start of year	6,285
Acquisition	-
	<hr/>
At end of year	6,285
	<hr/>
Amortisation	
At start of year	-
Charge for the year	-
	<hr/>
At end of year	-
	<hr/>
Net book value	6,285
	<hr/>

Goodwill relates to the acquisition of FSSM Ltd, the school's trading subsidiary, in September 2019. The value of goodwill was deemed to remain static during the year as the subsidiary continues to trade profitably.

Eltham College

Notes to the Financial Statements

For the Year Ended 31 August 2020

8. TANGIBLE FIXED ASSETS

	Freehold Land and Buildings £	Leasehold Land £	Furniture and Equipment £	Motor Vehicles £	Total £
GROUP					
Cost					
At 1 September 2019	34,971,655	825,000	4,169,446	31,506	39,997,607
Additions	1,143,487	-	339,061	-	1,482,548
Disposals	-	-	(4,000)	-	(4,000)
At 31 August 2020	36,115,142	825,000	4,504,507	31,506	41,476,155
Depreciation					
At 1 September 2019	8,613,971	270,875	2,990,288	31,506	11,906,640
Charge for year	928,765	16,500	352,721	-	1,297,986
Disposals	-	-	(3,567)	-	(3,567)
At 31 August 2020	9,542,736	287,375	3,339,442	31,506	13,201,059
Net book values					
At 31 August 2020	26,572,406	537,625	1,165,065	-	28,275,096
At 31 August 2019	26,357,684	554,125	1,179,159	-	28,090,968
SCHOOL					
Cost					
At 1 September 2019	34,971,655	825,000	4,071,010	31,506	39,899,171
Additions	1,143,487	-	334,082	-	1,477,569
Disposals	-	-	(4,000)	-	(4,000)
At 31 August 2020	36,115,142	825,000	4,401,092	31,506	41,372,740
Depreciation					
At 1 September 2019	8,613,971	270,875	2,979,385	31,506	11,895,737
Charge for year	928,765	16,500	335,928	-	1,281,193
Disposals	-	-	(3,567)	-	(3,567)
At 31 August 2020	9,542,736	287,375	3,311,746	31,506	13,173,363
Net book values					
At 31 August 2020	26,572,406	537,625	1,089,346	-	28,199,377
At 31 August 2019	26,357,684	554,125	1,091,625	-	28,003,434

Eltham College

Notes to the Financial Statements

For the Year Ended 31 August 2020

9. INVESTMENTS	Unrestricted Designated £	Restricted £	Total £
Balance at 1 September 2019 (COIF shares)	342,950	97,540	440,490
Increase in market value	8,446	2,385	10,831
	<u>351,396</u>	<u>99,925</u>	<u>451,321</u>
Balance at 31 August 2020 (Group)	351,396	99,925	451,321
Shares in subsidiary	2	-	2
	<u>351,398</u>	<u>99,925</u>	<u>451,323</u>
Balance at 31 August 2020 (School)			
Income shares in COIF* at cost			<u>292,170</u>

*A common investment fund established by a scheme of the Charity Commissioners under Section 24 of the Charities Act 1992 for the benefit of any charity within the meaning of the Act.

Net income from the subsidiary trading activities

FSSM Limited is a 100% subsidiary company number 03113910 whose registered office is Eltham College, Grove Park Road, Mottingham, London SE9 4QF. The company was acquired for £2 on 1 September 2019. During the year it was the sole trading subsidiary with the principal activities of the provision of sports and leisure activities and services.

The results for this subsidiary were as follows:-

Profit and loss account	2020 £
Turnover	298,761
Cost of sales	(15,892)
	<u>282,869</u>
Gross profit/(loss)	282,869
Other income	164,906
Administrative and other expenses	(402,612)
	<u>£45,163</u>
Net profit prior to Gift Aid to the school	
	<u>63,900</u>
Net assets as at 31 August 2020	

10. DEBTORS	Group		School	
	2020 £	2019 £	2020 £	2019 £
Due within one year:				
School fees	49,326	52,639	49,326	52,639
Trade debtors	1,276	23,271	-	-
Sundry debtors	137,738	192,268	137,717	218,165
Inter-company debtor	-	-	34,118	-
Prepayments	310,484	279,842	310,484	278,056
Accrued income	35,530	5,480	-	-
	<u>534,354</u>	<u>553,500</u>	<u>531,645</u>	<u>548,860</u>

Eltham College

Notes to the Financial Statements

For the Year Ended 31 August 2020

11. CREDITORS: Amounts falling due within one year	Group		School	
	2020 £	2019 £	2020 £	2019 £
Bank loans and overdraft (note 13)	695,932	304,647	695,932	304,647
Fees received in advance	1,265,874	1,132,954	1,265,874	1,132,954
Advance fee payments under contract (note 14)	1,194,333	1,152,845	1,194,333	1,152,845
Other creditors	822,537	780,648	793,150	751,599
Social security & other taxes	4,096	-	-	-
Accruals	214,491	178,225	211,702	161,479
Fee deposits	258,900	184,350	258,900	184,350
	4,456,163	3,733,669	4,419,891	3,687,874

12. **CREDITORS:** Amounts falling due after more than one year

Group and School	2020 £	2019 £
Bank loans (note 13)	15,997,676	13,209,479
Fee deposits	2,050,450	1,813,500
Advance fee payments under contract (note 14)	1,011,297	1,214,458
	19,059,423	16,237,437

13. **FINANCIAL INSTRUMENTS**

Group and School	2020 £	2019 £
The bank loans and overdraft are repayable by instalments:		
Between one and two years		
Bank loan	719,363	525,153
Between two and five years		
Bank loan	2,293,020	1,728,717
Due after more than five years		
Bank loan	12,985,293	10,955,609
	15,997,676	13,209,479
Due within one year		
Bank loan & overdraft	695,932	304,647
Total borrowings	16,693,608	13,514,126

Financial instruments, measured at amortised cost, comprise the loan financing provided by Lloyds Bank plc. Three loan agreements have been entered into with Lloyds Bank plc.

Loan 1, for £2.6m, was drawn down in full on 5 June 2017. This loan is repayable over twenty years and interest is payable at a fixed rate of 3.495%. The balance outstanding at 31 August 2020 was £2,299,269 (2019: £2,397,694).

Loan 2 is for £12.138m, of which £6m has been fixed at a rate of 3.62% for ten years from 5 September 2019 and £6.138m has been fixed at a rate of 2.674% for ten years from 28 August 2020. On the expiry of the fixed rate terms the interest will be variable at 2.05% over base rate. Repayments commenced February 2020, with the final repayment February 2039. The balance outstanding at 31 August 2020 was £11,804,189 (2019: £11,215,920).

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Notes to the Financial Statements

For the Year Ended 31 August 2020

Loan 3 is for £2,707m and was drawn down on 25 August 2020. This loan is repayable over twenty years and interest is payable at a variable rate of 2.25% over base rate %. The balance outstanding at 31 August 2020 was £2,707,183. (2019: £nil). Repayments commence September 2020, with the final repayment January 2039.

The borrowings are secured by way of a fixed charge and debenture over the School's land and buildings.

14. ADVANCE FEE PAYMENTS UNDER CONTRACT

Parents may enter into a contract to pay to the school up to the equivalent of eleven years' tuition in advance, subject to current terms and conditions. Assuming pupils will remain in the school, advance fees will be applied as follows:

	2020 £	2019 £
Group and School		
After 5 years	68,961	-
Within 2 to 5 years	446,565	557,439
Within 1 to 2 years	495,771	657,019
	<u>1,011,297</u>	<u>1,214,458</u>
Within 1 year	1,194,333	1,152,845
	<u>2,205,630</u>	<u>2,367,303</u>

The balance represents the accrued liability under the contract. The movements during the year were:

	£	£
Balance at 1 September 2019	2,367,303	1,896,534
New contracts	991,172	1,241,774
	<u>3,358,475</u>	<u>3,138,308</u>
Amounts utilised in payment of fees	(1,152,845)	(771,005)
Balance at 31 August 2020	<u>2,205,630</u>	<u>2,367,303</u>

Eltham College

Notes to the Financial Statements

For the Year Ended 31 August 2020

15. ALLOCATION OF THE CHARITY NET ASSETS

The net assets are held for the various funds as follows:

Group	Tangible Fixed Assets £	Investments & Goodwill £	Net Current Assets £	Long Term Liabilities £	Total £
Endowed funds	-	-	32,559	-	32,559
Restricted funds	-	99,926	74,107	-	174,033
Unrestricted funds	28,275,096	357,680	(273,838)	(19,074,788)	9,284,150
	<u>28,275,096</u>	<u>457,606</u>	<u>(167,172)</u>	<u>(19,074,788)</u>	<u>9,490,742</u>
School	£	£	£	£	£
Endowed funds	-	-	32,559	-	32,559
Restricted funds	-	99,926	74,107	-	174,033
Unrestricted funds	28,199,377	351,397	(262,019)	(19,074,788)	9,213,967
	<u>28,199,377</u>	<u>451,323</u>	<u>(155,353)</u>	<u>(19,074,788)</u>	<u>9,420,559</u>

15a. ENDOWED FUNDS	Balance 1 September 2019 £	Incoming Resources £	Resources Expended £	Transfers £	Balance 31 August 2020 £
Other Endowed Funds	23,208	52	-	(52)	23,208
Prize Trust Fund	7,203	-	-	(-)	7,203
ECPA (Neville Wood) Leaving Trust	2,148	-	-	(-)	2,148
	<u>32,559</u>	<u>52</u>	<u>-</u>	<u>(52)</u>	<u>32,559</u>

The above endowed funds represent amounts invested in the original Eltham College Charity (Charity number 1058438 -1) and included within the School accounts.

Other Endowed Funds (previously called scholarships and bursaries) include the capital element of the Morton Paton Memorial, Edwin Unwin bursary, Eltham College Endowment Fund, WAT Green Memorial Fund, JE Salmon Fund, GP Janes Fund and the Anthony Callard Memorial Trust Fund.

The Prize Trust Fund is a general fund to support the books awarded on Speech Day.

The ECPA (Neville Wood) Leaving Trust provides leaving awards to the sons of missionaries.

Eltham College

Notes to the Financial Statements

For the Year Ended 31 August 2020

15b. RESTRICTED FUNDS	Balance 1 September 2019 £	Incoming Resources £	Resources Expended £	Transfers Investment Gains (losses) £	Balance 31 August 2020 £
School projects and productions	(21,487)	21,487	-	-	-
Prizes and Alumni Support Fund	127,928	2,996	(20,329)	2,386	112,981
Development Fund	449,261	146,094	(478,441)	(55,862)	61,052
	555,702	170,577	(498,770)	(53,476)	174,033

School projects and productions incorporate all school activities including ECCO and the Travel Club. From 1 September these accounts have been reclassified as recharge accounts rather than funds.

Prizes and Alumni Support Fund (previously called scholarships and bursaries) consists of various small funds donated to provide prizes for particular achievements and funding for alumni (especially for the sons of missionaries).

The Development Fund consists of a number of separate funds, which are as follows:

1. Junior School £1,821: this fund is for any costs associated with the future development of the Junior School.
2. Sports & Outdoor Pursuits £9,251: this fund is to be used for the promotion of sports and outdoor pursuits in the school.
3. Culture & Arts £37,491: this fund is to be used for the promotion of cultural and arts within the school.
4. Sponsor-a-Tree £738: this fund is to be used for tree planting in the school grounds
5. Bell Family JS legacy: £10,000: this fund is for use in the Junior School
6. Annual Fund £972: this is to be allocated for purposes of benefit to the school
7. Eric Liddell Sports Centre £779: this fund is to be allocated for sports related expenditure

15c. UNRESTRICTED FUNDS

	Balance 1 September 2019 £	Incoming Resources £	Resources Expended £	Transfers Investment Gains (losses) £	Balance 31 August 2020 £
Designated:					
Scholarship and bursary fund	2,058,535	11,076	-	(2,069,611)	-
Development & appeal fund	132,541	27,458	(18,782)	(141,217)	-
Property reserve	4,513,455	-	-	(4,513,455)	-
Not designated:					
General reserve	2,333,361	15,362,191	(15,304,344)	6,822,759	9,213,967
	9,037,892	15,400,725	(15,323,126)	98,476	9,213,967
Trading Subsidiary	59,138	463,667	(418,504)	(34,118)	70,183
	9,097,030	15,864,392	(15,741,630)	64,358	9,284,150

After a review of the designated funds, the governors decided to allocate funds to the general reserves as this better represents the School's reserves policy. The General reserve represents the "free reserves" of the School.

Transfers are detailed in note 6.

16. CONTRACTS, COMMITMENTS AND CONTINGENCIES

Capital commitments

As at 31 August 2020 the capital commitments of Eltham College were £213,743 (2019 £817,635). This relates to final payments due in relation to two refurbishment contracts.

Contingent liability

There are no contingent liabilities.

17. RECONCILIATION OF NET INCOMING RESOURCES TO NET CASH INFLOW FROM OPERATIONS

	2020		2019
	£	£	£
Net (Outgoing) Resources		(205,380)	(119,954)
Depreciation charge	1,297,986		1,097,420
Expensed capitalised costs	-		296,441
Investment income received	(14,124)		(14,454)
Profit on sale of fixed asset	(2,567)		
Interest received	(13,049)		(31,722)
Interest paid	435,904		405,412
Increase in stock	-		(381)
Decrease in debtors	19,146		205,877
Increase/(decrease) in creditors	364,997		(1,191,819)
(Decrease) in provision	(2,949)		(4,406)
	<u>2,085,344</u>		<u>762,368</u>
Net cash inflow from operations		<u>1,879,964</u>	<u>642,414</u>

18. ANALYSIS OF CHANGES IN FINANCING

	2020	2019
	£	£
Loans :		
Balance 1 September 2019	13,514,126	7,626,532
New loans advanced	3,484,116	6,099,687
Loan repayments	(304,633)	(212,093)
Balance at 31 August 2020	<u>16,693,609</u>	<u>13,514,126</u>

19. ANALYSIS OF CASH AND CASH EQUIVALENTS

	Balance 1 September 2019	Cash flows	Other changes	Balance 31 August 2020
	£	£	£	£
Cash at bank and in hand	581,611	3,171,168	-	3,752,779
Bank overdraft	-	-	-	-
	<u>581,611</u>	<u>3,171,168</u>	<u>-</u>	<u>3,752,779</u>

20. RELATED PARTY TRANSACTIONS

Four trustees paid school fees for children who were pupils at the school. Total fees payable in respect of these pupils, before scholarships and bursaries, were £101,616 (2019: £86,790).

Scholarships were awarded to the children of one of these trustees, which reduced the fees payable by £11,092 (2019: £14,220).

A scholarship was awarded to the child of another of these trustees, which reduced the fees payable by £5,546 (2019: £5,333). A bursary was also awarded to this child, which reduced the fees payable by £4,622 (2019: £5,925). This child also received funding of school bus costs totalling £938 (2019: £1,353).

No Trustee paid reduced school fees as a result of their office. Fees for the other children of trustees were charged in full.

Amounts due from Trustees in respect of net fees payable were settled in full by the year end.

The subsidiary company, FSSM Ltd, paid £4,738 (2019: £3,584) for payroll management services to Abacus London Ltd. Mrs S Wickerson was a director of both companies during the year.

Key management personnel received £1,046,639 during the year (2019: £966,706).

21. PROVISIONS FOR LIABILITIES

	2020	2019
	£	£
Net present value of pension deficit contributions payable (note 22)	<u>15,365</u>	<u>18,314</u>

22. PENSION COSTS

Teachers Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,304,837 (2019: £848,497). At the end of the year there were outstanding employer and employee contributions payable of £157,739 (2019: £123,496).

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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

Until the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

Under the definitions set out in Financial Reporting Standard 102 (FRS 102), the TPS and the Pensions Trust Scheme (below) are both multi-employer pension schemes. The School is unable to identify its share of the underlying assets and liabilities of these schemes. Accordingly, the School has taken advantage of the exemption in FRS 102 and has accounted for its contributions to the schemes as if they were defined contribution schemes.

Pensions Trust's Growth Plan

The School also participates in the Pensions Trust's Growth Plan (PTGP) for former members of the non-academic staff, another multi-employer scheme which provides benefits to some 1,300 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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For the Year Ended 31 August 2020

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions (from all participating employers):

From 1 April 2019 to 30 September 2025: £12,945,440 per annum (payable monthly and increasing by 3% each on 1st April).

From 1 April 2019 to 30 September 2028: £54,560 per annum (payable monthly and increasing by 3% each on 1st April).

Unless a concession has been agreed with the Trustee the term to 30 September 2025 applies.

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

22. PENSION COSTS - continued

PRESENT VALUES OF PROVISION

	2020	2019
	£	£
Value of closing provision	15,365	18,314

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	2020	2019
	£	£
Provision at start of period	18,314	22,720
Unwinding of the discount factor (interest expense)	161	356
Deficit contribution paid	(3,250)	(3,127)
Remeasurements - impact of any change in assumptions	140	344
Remeasurements - amendments to the contribution schedule	-	(1,979)
Provision at end of period	15,365	18,314

INCOME AND EXPENDITURE IMPACT

	2020	2019
	£	£
Interest expense	161	356
Remeasurements – impact of any change in assumptions	140	344
Remeasurements – amendments to the contribution schedule	-	(1,979)

ASSUMPTIONS

	2020	2019
	% per annum	% per annum
Rate of discount	0.55	0.97

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The School recognises a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the School's balance sheet liability.

The School also makes contributions to other personal pension schemes and auto-enrolment pension schemes for non-teaching staff. The pension cost for the year relating to these schemes was £183,522 (2019: £131,009). At the end of the year there were outstanding employer and employee contributions payable of £17,288 (2019: £16,221).

23. EXCEPTIONAL ITEMS

In the year ended 31 August 2020 there were no exceptional items. In the year ended 31 August 2019, preliminary costs totalling £296,441 previously capitalised in respect of a project to be funded by the OERFC were expensed during the year as it was uncertain whether the project would proceed; and a provision was made in full against debts totalling £363,672 due from the OERFC as it was uncertain whether these would be settled.

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24. FINANCIAL COMMITMENTS

The total of future minimum lease payments under non-cancellable operating leases as at 31 August 2020 were as set out below:

Office equipment	2020	2019
	£	£
Operating leases which expire:		
Under one year	13,582	41,017
Between two and five years	10,348	7,600
	<u>23,830</u>	<u>48,617</u>

25. TRUSTEES' REMUNERATION AND BENEFITS

There were no trustees' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Trustees' expenses

No travel expenses were paid to trustees for the year ended 31 August 2020 (2019: £nil).