**Charity number: 1115098**

**Company number: 05846105**

# CHIGWELL SCHOOL

**(A company limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**

**For the year ended 31 July 2020**

**CHIGWELL SCHOOL**

**CONTENTS**


| | Page |
|---|---|
| Strategic Report | 1 - 6 |
| Report of the Trustees | 7 - 9 |
| Consolidated Statement of Financial Activities | 10 |
| Balance Sheets | 11 |
| Consolidated Cash Flow Statement | 12 |
| Accounting Policies | 13 – 15 |
| Notes to the Consolidated Financial Statements | 16 – 31 |
| Directors and Officers | 32 |
| Reference and Administration | 33 |
| Report of the Auditor | 34 – 35 |

**CHIGWELL SCHOOL**
**STRATEGIC REPORT (CONTINUED)**
**For the year ended 31 July 2020**

**Achievements and performance**

Academic

At the start of the academic year, there were 970 pupils on roll, an increase on the previous year and the largest pupil population that the School has had. Applications for places at all entry points in 2020 was higher than in the previous year.

Students performed well in public examinations and at A level 59% of all grades awarded were at A* or A and 35% of students achieved at least three A grades. This enabled close to three quarters of those taking up places at university to move on to Russell Group institutions. The destinations of most Chigwell students this year were Nottingham, Durham, UCL, Birmingham, Exeter, KCL, Lancaster, Leeds, Newcastle and Warwick universities.

At GCSE, the results were the best ever with 30% of all grades being 9 and 83% being grades 7, 8 or 9. 71% of Chigwell pupils achieved at least eight grades at 7 or above, equivalent to eight grade As or better.

Music and Drama

For the first two terms of the year, pupils participated in a wide variety of co-curricular activities. Over this period there were a number of highly successful concerts, with the highlight being the choral concert at Cadogan Hall in January in which well over a hundred pupils participated.

In addition to GCSE drama performances, the bi-annual staff pantomime took place, expertly directed by three Sixth Form students, raising money for two local charities in the process.

Sport

More girls than ever before participated in netball with some impressive results against local schools. Amongst the many achievements within boys' hockey, the second XI were the most successful team and in girls' hockey the 1st XI were unbeaten for the latter part of the season. In football, the U12s reached the quarter finals of the Essex Cup and the U11s reached the national finals. Fifty boys travelled to Barcelona for a developmental tour with the highlight being a training session at the Salou complex.

Duke of Edinburgh (DofE) Award scheme

Once again, participation in outdoor education has been high. This extends to the very youngest children who all have regular outdoor learning and, for older students, the DofE Award Scheme remains popular. Sixty pupils were awarded their bronze award with the expedition centred on Skreens Park, Roxwell. Seventeen gained a silver award having either canoed along the Thames or walked across the South Downs, and seven gained their gold award having completed their expedition in the Kintail/Knoydart area of Scotland. The completion rate for the DofE Award was 73% which is well above average for the county.

Pupil engagement and awards

A variety of academic enrichment took place across the School including an excellent HPQ and EPQ evening in which Year 11 and 13 pupils presented the independent research projects they had carried out. Dr Tom Cardwell led a practical painting workshop. The Howard and Mitchell Essay Competition was fiercely contested once again and the School were runners-up in the Epping Forest Parliamentary Debating Competition. In the Rotary Debating Competition, both the intermediate and senior teams reached the regional rounds before the competition ended due to COVID. The School hosted a hustings style event for the four local MP candidates with a student chairing the occasion.

Charitable fundraising continues to be important to the Chigwell community with local and national charities chosen and supported.

Coronavirus Pandemic

When lockdown began in late March, so did remote teaching and although pupils across the School, with the exception of the children of key workers, were based at home, their education continued. In the Trinity Term, over 10,500 face-to-face lessons were delivered to children in Years 7 and above using Microsoft Teams. For younger pupils, remote teaching was carried out through a mixture of work packs sent home and online teaching. Staff engaged with this really well and there was a high degree of satisfaction from parents who praised their considerable effort.

Midway through the Trinity Term, the Government allowed three year groups to return to school in smaller bubbles and for the last few weeks of the school year, the vast majority of children below Year 7 returned to school. During this period, assemblies, pastoral support and Chapel services continued online and pupils in Year 7 and above took their end of year exams remotely. Following the cancellation of GCSE and A level exams, the School generated Centre Assessed Grades and new pre-A level and pre-university courses were developed so that students in these year groups were kept busy despite the lack of exams.

These and many other successes were celebrated at Speech Day in July which this year was delivered virtually.

**CHIGWELL SCHOOL**
**STRATEGIC REPORT (CONTINUED)**
**For the year ended 31 July 2020**

**Public benefit**

In setting the School's objectives and planning its activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and to its supplementary guidance on advancing education and on fee charging.

Working with the wider community has always been part of Chigwell's DNA. We believe it is important that we are good neighbours to those around us and indeed amongst the School's published aims is: *making a positive contribution to the community.*

We want pupils to go on to make their positive mark around the world and preparation for this begins when they are at school. They are encouraged to work with the local and wider community and the School itself sets an example by sharing facilities and collaborating with others for mutual benefit.

As an organisation, we enjoy working with partners and many of the activities listed in what follows have been running for many years. However, we are open to suggestions for further collaboration, within the limits of the School's resources, and if what is listed below stimulates ideas for other projects, please contact us so we can explore how we might work together in the future.

Volunteering

Opportunities are provided for Chigwell pupils to volunteer, both locally and further afield. We hope that this work is of benefit to the recipients of the volunteering, but also to the pupils themselves who learn about the work of the organisations and the needs of those who they are helping.

As part of the Duke of Edinburgh (DofE) Award scheme, Chigwell pupils volunteer at local scout and brownie groups, help elderly neighbours with gardening and other light duties, support local libraries, Epping Conservation Centre, the Chigwell Riding Trust and in local charity shops. In addition, a small group of pupils worked at a London shelter for the homeless last year while others help coach at local hockey, cricket and tennis clubs. DofE volunteering alone amounted to 1,820 hours in 2019/20 (1,500 hours in 2018/19).

The Chapel Choir CD, released in December 2018, continues to raise money and awareness for the work of ELHAP.

Sixth form students organised the collection and distribution of money and gifts at Harvest and Christmas for the Streets2Homes charity in Harlow.

Every year, a group of pupils, parents and staff volunteer for a week at the Tim Pruss Memorial School and a local ashram in India. Throughout the year, funds are raised to support this school and to help build housing in the local village.

Sharing expertise

Teachers from different schools gain a great deal from working in partnership, ultimately benefiting pupils in all associated schools.

Chigwell staff organise a mock interview evening for sixth form students applying to study medicine at university. Interviewees are students at Chigwell and other local schools.

The music department has delivered music sessions at four local primary schools with a view to encouraging pupils to enjoy and participate in musical activities. The Director of Music also worked with the music departments at three local secondary schools to share strategies for stretching the most able pupils.

The Librarian looks for schools with no budgets for their libraries and supports them with spare stock. Through the Library Association she has arranged to mentor a new school librarian and advised Croxley Danes School on what to look for in a school librarian, job descriptions and Library Management Systems.

Chigwell School helped establish and then was a partner for the London Academy of Excellence in Tottenham which opened in September 2017. Staff helped at admissions events and LAET students and staff visited Chigwell in September. The psychology departments at Chigwell and LAET are twinned. Four Chigwell teachers acted as interviewers in March for the LAET entrance interviews, and one colleague gave support to a LAET student taking Polish A level.

One of the Deputy Heads also provides timetabling support at Oaks Park School on an ongoing basis.

Hosting events

Chigwell is able to use its facilities and staff to host events that benefit pupils from schools across the local community.

Annually, Chigwell hosts: tournaments for local primary schools for netball - 15 schools (12 in 2018/19) and football - 15 schools(12 in 2018/19); a primary schools' music day (100 children) eleven schools; a primary schools' art, design and technology exhibition including a private view for families (at which 26 (30 in 2018/19) schools were represented), and the Rotary Youth Makes Music concert for 8 (8 in 2018/19) local schools.

Chigwell is one of eleven ISFA focus schools and a hub for junior girls' football. In this capacity, the School has hosted Essex representative team games for girls and boys; Essex schools finals and semi-finals; an Epping Forest District Schools Sports Association tournament; a West Essex Schools Sports Partnership tournament; ISFA camps; multi skills events; and U11 regional tournaments, junior development tournaments, ISFA staff training courses and acted as a venue for local schools' fixtures. We also host IAPS U11 and U13 regional tournaments.

**Public benefit (continued)**

Sharing facilities

The School is very fortunate in terms of the facilities it has. These are made available to organisations which benefit young people:

- East 15 Acting School used the Drama Centre to rehearse and perform two productions. East 15 film students also used the Centre with the assistance of Chigwell staff.
- Loyola School Parents' Association holds their family fun day here each year.
- Stag Explorer Scouts held a sports evening which took place in the Gymnasium.
- The Epping Forest District Schools Sports Association held a football tournament.
- Chigwell FC held a safety presentation in the Drama Centre.
- The West Essex Schools Sports Partnership uses the School's pitches.
- Middlesex CC held a cricket match on the School's 1st XI Pitch.
- Colebrook Royals and Chigwell Boys Club play football fixtures here.

Facilities are also shared with local charitable or community organisations:

- The N.E. London Magistrates Welfare Committee meets regularly at the School.
- The Chigwell School Art Gallery exhibits the work of external artists and is open to the public.
- The School provides grazing land for use by the Chigwell Riding Trust.
- Rotary held their annual 'Youth Makes Music' and the RIGBI Young Musician 2020 events in New Hall.
- The Children's Society held a bridge event at the School.
- The BAPS Swaminarayan used the school car parks for their Diwali Festival.

Staff examiners

By acting as GCSE or A level examiners, Chigwell teachers help to ensure that candidates across the country have their papers marked accurately at a time when the public examination system is arguably under strain.

In 2019/20, staff acted as examiners for OCR A level Chemistry, Pearson 1 GCSE PE, Pearson 1 A level PE and Pearson BTEC Sport. One teacher was the Principal Examiner for CIE Biology O level.

Staff volunteers

Just as pupils take opportunities to use their time and expertise to help others in the community, staff are encouraged to do so too.

- The Chaplain conducted services in local churches, attended area Deanery meetings, and spoke at a number of local church and community groups. He provided holiday and inter-regnum service cover for local parishes. He visited training camps for the Army Reserve, conducting services and providing Adventure Training instruction. He also led the community Remembrance service in Chigwell.
- One teacher volunteers at Chigwell Riding Trust each week, one is a volunteer translator for Prisoners Abroad and another is part of the Education Group of the Royal Society of Chemistry.
- A member of staff is a volunteer supervisor on Smallpiece Trust courses.
- One teacher acts as a volunteer marshal at the Harlow Junior Park Run each Sunday.
- One teacher supports prospective foster parents and another has trained as a foster parent and provides respite care for children.
- One member of staff has been running a local Rainbow group for the past seven years and continues to be involved in girl-guiding.
- A Chigwell teacher is Chair of the Woodford Wells Open Tournament Committee which attracts five hundred tennis players aged eighteen or below from across the South East.
- A member of staff helps at the London Titans Wheelchair Basketball Club and at the Get Active Sports Day for cancer patients from Great Ormond Street.

Covid-19

Some outreach activities were not possible this year as a result of the pandemic but opportunities were taken to support the community in different ways.

The D&T department made over one thousand protective visors for use in GP surgeries, NHS hospitals, health centres, pharmacies, care homes, hospices, housing associations, food banks and for SEN staff working at other schools.

The Chaplain was released by School to provide chaplaincy support to the army, deployed across London. During this period, he also worked on the chaplain's rota at hospitals across the City.

The children of keyworkers were looked after at Chigwell through the lockdown period, and catering supplies were donated to a primary school for use with their own children of keyworkers.

Although the regular volunteering carried out by pupils for the service element of their DofE awards was limited by the pandemic, many took the opportunity to assist their local community such as undertaking small jobs for the elderly and vulnerable neighbours. Examples included shopping, gardening and cooking for neighbours.

Two members of staff reduced their salary and returned their Trinity Term fee reductions. Twenty-three other parents returned twenty-eight pupils' fee reductions and these contributions were all used to support other Chigwell families who were suffering financial hardship as a result of the pandemic.

**CHIGWELL SCHOOL**
**STRATEGIC REPORT (CONTINUED)**
**For the year ended 31 July 2020**

Economic impact

Although Chigwell School exists to provide the best well-balanced education for its pupils, as an organisation we recognise that we have an impact on the local and national economy and on some families who have a very low income.

In 2019/20, Chigwell contributed nearly £23m to the GDP of the UK, of which over £12m was to the GDP of the local area. 435 jobs are supported by the School and nearly £7m of UK tax is contributed by Chigwell School and its supply chain. Meanwhile, the total savings to the UK taxpayer through pupils attending Chigwell School rather than taking up a maintained sector school place is some £6m.

Access and Bursary policies

When the School was founded in 1629 by Samuel Harsnett, it was stipulated that some poor local scholars be offered places at Chigwell. Nearly 400 years later the Governors maintain a Bursary policy and a commitment to sharing the School's knowledge, skills and facilities which together contribute to a widening of access to the opportunities it offers.

A growing number of pupils in Year 7 and above receive means tested-financial support (bursaries) to enable them to attend Chigwell School. Bursaries help bright children who would really benefit from a Chigwell education, but whose parents/guardians of children would otherwise be unable to afford fees, to attend the School. Bursaries are advertised widely, including through the London Fee Assistance Consortium, and the Headmaster visits those families who are under consideration for an award. Currently 8% of children in Year 7 and above receive a bursary and of these, half receive a 100% award.

In the year ended 31 July 2020 the value of means-tested bursaries totalled £839,585 (2019: £772,968) and provided assistance to 50 pupils (2019: 53), of which 23 (2019: 17) benefited from a full remission of fees. The total includes £nil (2019: £46,863) in remissions in the form of restricted fund bursaries to no pupils (2019: 17).

Scholarship policy

Chigwell scholarships are awarded each year, primarily at ages 11 and 16, in recognition of academic merit, irrespective of financial means. Music, Art and Drama scholarships are also available. Scholarships are currently awarded with a fixed remission of fees of between 10% and 50%; some awards which commenced in earlier years remain at higher rates but these are gradually diminishing as the pupils concerned complete their schooling.

In the year ended 31 July 2020 the School awarded scholarships to 149 pupils (2019: 149), totalling £528,504 (2019: £519,467); several of these pupils also qualified for means-tested bursary support and are included in the figures relating to bursary awards.

The School is committed to attracting and retaining the highest calibre teachers and as part of this commitment discounts are available to those staff members who choose to educate their children at the School.

In total bursaries, scholarships and other remissions amounted to £1,742,911 (2019: £1,649,957), equivalent to 15% (2019: 16%) of eligible fees, or 10% (2019: 10%) of total gross fees.

**Financial review**

The Statement of Financial Activities shows an increase in total funds before investment gains and transfers of £306,687 (2019: a reduction of £367,470). Net fee income amounted to £14,522,548 (2019: £14,219,015) after bursaries, grants and allowances of £1,742,911 (2019: £1,649,957). Teaching costs totalled £7,862,889 (2019: £7,541,613) out of total educational expenditure of £15,193,562 (2019: £15,009,622).

The coronavirus pandemic lead to a partial School closure between March and June 2020, although some 500 pupils, including the whole of the Pre-prep, continued to attend when permitted by the Government. The School accessed the Government's Job Retention Scheme as a number of staff were furloughed, and cost savings were passed on to parents in the form of fee discounts in the final term.

The Governors are continuing their strategy of deploying all net income in investment in the educational purposes and fabric of the School. The Governors have retained a Building Maintenance Fund and earmarked it as a contribution to upcoming major expenditure projects, evidenced in the current year with the continuation of a rolling repair and maintenance project and construction of a new 3G sports pitch, completed early in the 2020-21 academic year. The Governors' commitment to these substantial facility improvement projects forms a core part of their 10 year Development Plan (see Plans for future periods on page 6).

**CHIGWELL SCHOOL**
**STRATEGIC REPORT (CONTINUED)**
**For the year ended 31 July 2020**

**Reserves policy**

As shown in note 21 to the accounts, the School's total funds of £24.6m at the year end included £45,310 unspent restricted income and £3.8m endowment capital. After adding back the actuarially calculated but transient pension funding deficit, unrestricted funds stood at £20.9m at the year end of which £7.6m has been utilised in the partial funding of School premises and equipment; additionally, £10.9m has been loaned to fund improvements to permanent endowment land and buildings, and these loans could only be released by disposing of those permanent endowment assets. The remaining £2.4m represents funds intended to be used for future investment in the School. This compares with a policy level of £2.5m, which would cover up to two months' operating costs; combined with the strength of the School's balance sheet, and the increasing cash inflow from full student rolls, the Governors are confident that current reserves are more than sufficient for immediate needs.

The School has a policy of designating funds only for revenue and operating purposes and accordingly has designated funds for the identification of surpluses from letting its assets and resources, for bursaries and for the repair and maintenance of its buildings, particularly its older buildings. All of the balances in designated funds at the year end are intended to be applied to revenue and operating purposes within the next three years, though they may also be replenished in the meantime.

Some projects in the School's investment programme are equivalent in scale to the surpluses added to reserves and restricted funds over many years, and it is inevitable therefore that reserves and restricted funds will be subject to significant movement over time as surpluses are, at first, accumulated towards investment and then applied to it. Governors monitor the level of reserves against the policy level as stated above and, when they are below the policy level, seek to build up reserves until that level is reached, subject to the prior demands of further capital expenditure to equip the School with the up-to-date facilities needed to maintain the standard of educational services provided.

**Investment powers**

All investments relate to the Chigwell School General Prize Fund, a linked charity, and the trustees' policy is to invest through specialist charity sector investment managers in accordance with the various trust deeds. Cash surpluses and advances are held by the School's bankers in separate interest-bearing accounts where applicable.

**Risk management**

The Risk and Compliance Committee (see Governance and internal control on page 7) is responsible for advising the Governing Body on the management of risk. The Governing Body has approved its risk management policy and a process for the regular review and improvement of risk management, involving a risk register. The oversight of the management of particular risks is devolved to the appropriate Committees which check that policies and procedures controlling risks are implemented and regularly reviewed by 'risk owners' within senior management. The Risk and Compliance Committee has responsibility for the oversight of the management of the major risks for the School and reports on those to the School's Governing Body.

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

- Reputation. The School's success is built on its reputation for the education and well-being of our pupils. We manage this risk through safeguarding policies, staff recruitment policies, pastoral support for both pupils and staff and active identification and resolution of health and safety related issues.
- Revenue. The School's ability to continue to thrive is reliant on fee income and the ability to pay bills as they fall due. The risk is managed by focusing on the School's reputation for academic excellence, active management of working capital and comprehensive budgeting and management accounting procedures.
- Curriculum. Academic excellence requires the most able teachers with state of the art facilities delivering the curriculum to able students. Governors manage this risk by combining attractive salaries with on-going investment in our estate, an approach to enrolment that works with supportive parents whose children have an appetite for learning and, for those families who are unable to pay full fees, a bursary scheme that recognises pupil achievement and aptitude.

The additional challenges brought about by the coronavirus pandemic have exacerbated revenue risk, with the threat of School closures and the possibility of a depressed economy impacting parents' appetite or ability to pay fees. The comprehensive measures successfully implemented during the current year to maintain or replace operations, access to government support schemes and a willingness to pass on cost savings to parents in the form of fee discounts have been, and will continue to be, compensatory methods to offset this additional revenue risk.

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

**CHIGWELL SCHOOL**
**STRATEGIC REPORT (CONTINUED)**
**For the year ended 31 July 2020**

**Plans for future periods**

The Governors have agreed a building development plan to ensure the continued development of facilities for the highest possible educational provision. Substantial work has been completed on the refurbishment the Chapel, the construction of a new 3G sports pitch and there are plans to extend or rebuild the Sports Centre.

As stated above, the Governors are looking ahead and continue to review their 10-year Development Plan. The key elements of the future strategy will continue to be:

- sustained academic excellence within an holistic education;
- the generation of a modest surplus to enable the education and welfare of the pupils to be developed and improved by providing additional facilities and offering bursaries when appropriate;
- the provision of public benefit by sharing our facilities with the local community and finding opportunities for staff and pupils from Chigwell and other schools to work together for mutual benefit;
- the ongoing development of pastoral care to encourage pupils to obtain the maximum benefit from the education provided regardless of the stresses and strains in other elements of their lives, and to help them develop into resilient young adults, ready to lead worthwhile independent lives as well as encouraging their involvement in extra-curricular activities, with a focus on providing public benefit where possible; and
- the ongoing development of the spiritual character of the School, celebrating the many faiths that make up the pupil and parent body, within the Christian foundation of the School.

The Strategic Report was approved by the Board of Trustees (in their capacity as company directors) on 12 December 2020 and signed on its behalf by:

**C JONES**
**Company Secretary**
**Clerk to the Governors**

**CHIGWELL SCHOOL**
**REPORT OF THE TRUSTEES**
**For the year ended 31 July 2020**

The trustees present their annual report together with the financial statements of the charitable company for the year ended 31 July 2020.

The financial statements comply with the charitable company's governing document, the Charities Act 2011 and Accounting and Reporting by Charities: Statement of Recommended Practice (SORP 2015) (Second Edition effective 1 January 2019) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK (FRS 102) (effective 1 January 2015), and include the Strategic and Directors' Reports under the Companies Act 2006.

**Directors and trustees**

The Governors of the School are the directors of the charitable company (the School) and also its trustees for the purposes of charity law, and throughout this report are collectively referred to as the trustees.

Members of the Governing Body can be found on page 32.

**Structure**

The School was founded in 1629 by Samuel Harsnett who was at the time Archbishop of York.

The charitable company was incorporated on 14 June 2006, and commenced operations on 1 August 2006, at which time it received by transfer the whole of the undertaking and assets, other than permanent endowment and restricted assets of the Chigwell School Trust and the Chigwell School General Prize Fund. A uniting direction of the Charity Commission gives the charitable company powers to deal with the permanently endowed and restricted assets and to record these assets in its own accounts.

The incorporated charity is a company limited by guarantee; each member's liability is restricted to £10.

On 1 August 2014, the School acquired the whole of the issued share capital and undertaking of Chigwell Mitre Enterprises Limited. Chigwell Mitre Enterprises Limited is a company which, by agreement with the School, makes the School's assets and facilities available for commercial and charitable use.

**Objectives**

The object of the charity is to advance education by the provision and conduct of a day and/or boarding school in or near Chigwell or by such other means as the governors shall determine.

The school is primarily a day school for boys and girls aged from 4 to 18, with boarding provision for sixth formers. The aim is to develop high academic standards and well-balanced and self-confident young men and women.

**Governance and internal control**

The School is governed by a Governing Body of up to seventeen directors and trustees, usually known as Governors. Two are ex-officio members of the local clergy. Up to fifteen are appointed by the Governing Body and may be re-elected. New trustees are usually elected for a term of four years. New trustees undergo orientation to brief them on their legal obligations under charity and company law, the content of the Trust deed, the Committee structure and decision-making processes, the development plan and the recent financial performance of the charity. Trustees are encouraged to attend appropriate external training events where these will facilitate the understanding of their role.

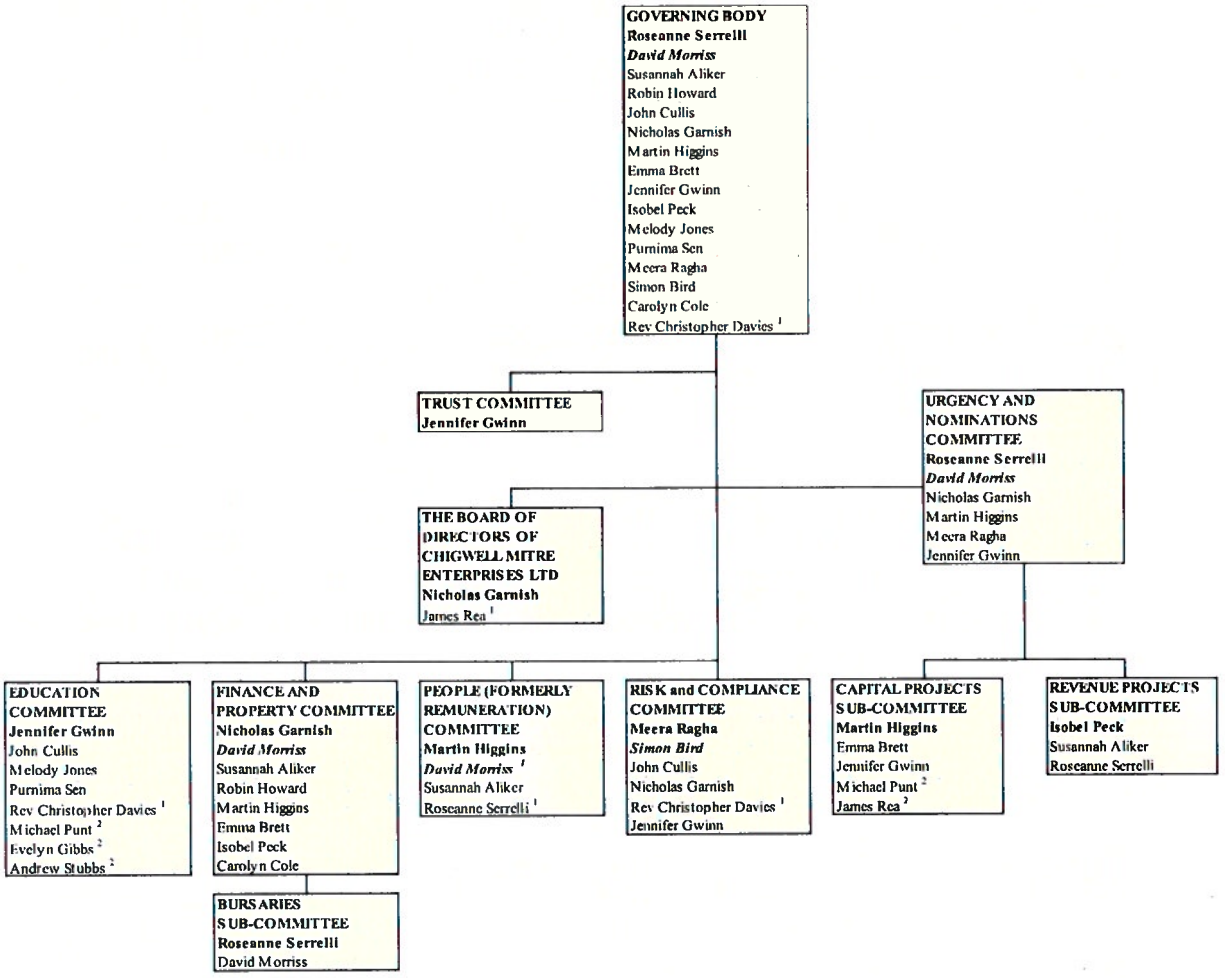
The Governing Body meets formally three times a year, once in each School term, with an additional strategy meeting, to which the Senior Management Team is also invited. Once a year the School holds an informal Visitation Day at which many Governors observe the School in operation and meet with staff and students to discuss issues without the pressure of decision-making, most of which takes place in the evenings and at weekends.

Each year the Governing Body reviews the business of its Committees and considers the establishment, terms of reference, constitution and membership of its Committees and sub-Committees. The principal Committees are the Finance and Property Committee, the Education Committee, the Risk and Compliance Committee, the Trust Committee, the People Committee (formerly the Remuneration Committee) and the Urgency and Nominations Committee. Most of the Committees have very limited delegated powers and the most important outcomes from them are typically in the form of recommendations to the Governing Body. The Trust Committee has total delegated powers in relation to the funds and assets of the Chigwell School Trust and the Chigwell School General Prize Fund. The Urgency and Nominations Committee has very wide delegated powers on matters which the Chair of the Governing Body has agreed can be referred to it as being sufficiently uncontentious and insufficiently important to require an unscheduled meeting of the Governing Body. The Urgency and Nominations Committee meets as and when required. The Committees generally meet once a term, however the Risk and Compliance Committee holds additional meetings as appropriate to consider the matters delegated to it. The new structure also includes three sub-Committees. The Bursaries Committee reports to the Finance and Property Committee. The Capital Projects sub-Committee reports to the Urgency and Nominations Committee on major building projects and the Revenue Projects sub-Committee reports to the Urgency and Nominations Committee on the diversification of the School's income.

**CHIGWELL SCHOOL**
**REPORT OF THE TRUSTEES (CONTINUED)**
**For the year ended 31 July 2020**

**Governance and internal control (continued)**

The structure and membership of the Committees of the Board during the year were as follows:




Notes

Bold = Chair of Committee
Bold Italics = Vice-Chair of Committee
1. Ex officio Governor, Committee member or Director, as appropriate
2. Non-Governor member of Committee

The trustees have devolved the day-to-day responsibility for educational matters to the Headmaster and financial and estate matters to the Bursar and they in turn are supported by their Senior Management Teams.

The remuneration of key management personnel is set by the People Committee, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the School's success.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere.

The School aims to recruit, subject to experience, at the lower to medium point within a band, providing scope for rewarding excellence. Delivery of the School's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

The Board of Directors of Chigwell Mitre Enterprises Limited reports to the Governing Body. The Finance and Property Committee is responsible to the Governing Body for reviewing the effectiveness of the control environment and seeks assurances from management on the effectiveness of internal controls.

**CHIGWELL SCHOOL**
**REPORT OF THE TRUSTEES (CONTINUED)**
**For the year ended 31 July 2020**

**Employment and remuneration policy**

Chigwell School is an equal opportunities employer and therefore there is no discrimination between men and women or between full and part time workers in deciding their remuneration.

The remuneration of all staff, including key management personnel, is reviewed each year by the Governors' People Committee which makes recommendations to the Governing Body.

Basic remuneration for members of the teaching staff is based on national teaching scales. Basic remuneration for members of the Leadership Team is based on national leadership scales. In addition to basic pay teachers may receive Responsibility Allowances for significant additional responsibilities, such as for a Head of Department, and Chigwell points for additional duties of a less significant nature. Fee discounts are also available to eligible staff members who chose to educate their children at the School in accordance with its commitment to attracting and retaining the highest calibre teachers. Overtime is not paid.

Remuneration for support staff is agreed at the time of appointment and is also reviewed annually.

Bonuses for teaching and support staff are occasionally paid at the discretion of the Governing Body. Within agreed parameters, the Headmaster has discretion to make smaller gestures of thanks. All staff are encouraged to belong to an appropriate pension scheme and may opt out only by giving notice in writing.

**Statement of Accounting and Reporting Responsibilities**

The trustees (who are also directors of Chigwell School for the purposes of company law) are responsible for preparing the Strategic Report, the Trustees' Annual 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 group and the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. 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 sound judgements and estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

**Statement as to disclosure of information to auditors**

In so far as the trustees are aware:

(a) there is no relevant audit information of which the charitable company's auditor is unaware, and

(b) 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.

**Auditors**

A resolution will be proposed at the Annual General Meeting that Haysmacintyre LLP be re-appointed as auditors to the charitable company for the ensuing year in accordance with section 485 of the Companies Act 2006.

The Trustees' Annual Report was approved by the Board of Trustees (in their capacity as company directors) on 12 December 2020 and signed on its behalf by:

**C JONES**
**Company Secretary**
**Clerk to the Governors**

**CHIGWELL SCHOOL**
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES**
**(including an income and expenditure account)**
**For the year ended 31 July 2020**

| | Notes | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | Total 2020 £'000 | Total 2019 £'000 |
|---|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS** | | | | | | |
| **Income from charitable activities:** | | | | | | |
| School fees receivable | 3 | 14,523 | - | - | 14,523 | 14,219 |
| Other educational income | 3 | 350 | - | - | 350 | 285 |
| Ancillary trading income | 3 | 18 | - | - | 18 | 24 |
| **Income from other sources:** | | | | | | |
| Trading subsidiary turnover | 4 | 118 | - | - | 118 | 205 |
| Rental income | 4 | 28 | - | - | 28 | 26 |
| Miscellaneous income | 4 | 28 | - | - | 28 | 41 |
| **Investments:** | | | | | | |
| Investment income | 5 | 29 | 1 | 3 | 33 | 38 |
| **Voluntary sources:** | | | | | | |
| Grants, donations and legacies | 6 | 428 | 37 | - | 465 | 9 |
| **Total income** | | 15,522 | 38 | 3 | 15,563 | 14,847 |
| **EXPENDITURE** | | | | | | |
| **Expenditure on raising funds:** | | | | | | |
| Ancillary trading expenditure | 3 | 7 | - | - | 7 | 18 |
| Trading subsidiary expenditure | 4 | 55 | - | - | 55 | 86 |
| **Total expenditure on raising funds** | | 62 | - | - | 62 | 104 |
| **Expenditure on charitable activities:** | | | | | | |
| Education and grant-making | 7 | 15,108 | 1 | 85 | 15,194 | 15,110 |
| **Total expenditure** | | 15,170 | 1 | 85 | 15,256 | 15,214 |
| **Net (expenditure)/income from operations before investment gains and transfers** | | 352 | 37 | (82) | 307 | (367) |
| Unrealised gains on investments | 14 | - | - | - | - | 8 |
| Transfers between funds | 11 | (1) | 3 | (2) | - | - |
| **Net (expenditure)/income for the year** | | 351 | 40 | (84) | 307 | (359) |
| Movement in pension scheme funding deficit | 9 | 38 | - | - | 38 | 62 |
| **Net movement in funds for the year** | | 389 | 40 | (84) | 345 | (297) |
| Fund balances brought forward at 1 August 2019 | | 20,343 | 7 | 3,870 | 24,220 | 24,517 |
| **Fund balances carried forward at 31 July 2020** | 20 | 20,732 | 47 | 3,786 | 24,565 | 24,220 |

All activities derive from continuing operations.

All gains and losses recognised in the year are included in the Statement of Financial Activities.

Details of the comparative figures by fund type can be found in note 24.

The accompanying notes form part of these financial statements.

**CHIGWELL SCHOOL**
**BALANCE SHEETS**
**as at 31 July 2020**

| | Notes | Group 2020 £'000 | Group 2019 £'000 | Charity 2020 £'000 | Charity 2019 £'000 |
|---|---|---|---|---|---|
| **Fixed assets** | | | | | |
| School buildings and equipment | 13 | **22,055** | 22,100 | **22,055** | 22,100 |
| Investments | 14 | **94** | 94 | **95** | 95 |
| | | **22,149** | 22,194 | **22,150** | 22,195 |
| **Current assets** | | | | | |
| Stocks | 15 | **21** | 29 | **19** | 26 |
| Debtors | 16 | **285** | 168 | **338** | 177 |
| Cash and deposits | | **4,569** | 4,333 | **4,503** | 4,243 |
| | | **4,875** | 4,530 | **4,860** | 4,446 |
| **Current liabilities** | | | | | |
| Creditors payable within one year | 17 | **(2,038)** | (2,009) | **(2,024)** | (1,926) |
| **Net current assets** | | **2,837** | 2,521 | **2,836** | 2,520 |
| **Total assets less current liabilities** | | **24,986** | 24,715 | **24,986** | 24,715 |
| **Long-term liabilities** | | | | | |
| Creditors payable after one year | 19 | **(217)** | (253) | **(217)** | (253) |
| Pension scheme funding deficit | 9 | **(204)** | (242) | **(204)** | (242) |
| **Net assets** | | **24,565** | 24,220 | **24,565** | 24,220 |
| **Represented by:** | | | | | |
| **Unrestricted funds** | | | | | |
| Designated funds | 20 | **2,579** | 2,335 | **2,579** | 2,335 |
| General School funds | 20 | **18,357** | 18,250 | **18,357** | 18,250 |
| Pension reserve | 20 | **(204)** | (242) | **(204)** | (242) |
| | | **20,732** | 20,343 | **20,732** | 20,343 |
| **Restricted funds** | 20 | **47** | 7 | **47** | 7 |
| **Endowment funds** | 20 | **3,786** | 3,870 | **3,786** | 3,870 |
| **Total funds** | | **24,565** | 24,220 | **24,565** | 24,220 |

**Statement of Charity net income:**

| | | |
|---|---|---|
| Net income of the charity for the year | **345** | (297) |

These financial statements were approved by the Governing Body on 12 December 2020 and were signed on their behalf by:

**Ms R Serrelli**
**Director**
**Chair of the Governing Body**

**Company registration number: 05846105 (England & Wales)**

The accompanying notes form part of these financial statements.

# CHIGWELL SCHOOL
## CONSOLIDATED CASH FLOW STATEMENT
**For the year ended 31 July 2020**

| | Notes | 2020 £'000 | 2020 £'000 | 2019 £'000 | 2019 £'000 |
|---|---|---|---|---|---|
| **Net incoming funds from operations** | | | **307** | | (367) |
| Depreciation charges | 13 | | **167** | | 172 |
| Loss on disposal of land and buildings | 13 | | **78** | | - |
| Decrease in stocks | 15 | | **8** | | - |
| (Increase)/Decrease in debtors | 16 | | **(117)** | | 7 |
| Increase in creditors | 17 & 19 | | **72** | | 83 |
| Movements on advance fees | 18 | | **(84)** | | 184 |
| Movements on admission deposits | 17 & 19 | | **5** | | 5 |
| **Net cash inflow from operations** | | | **436** | | 84 |
| **Cash flow from investing activities** | | | | | |
| School buildings and equipment | 13 | **(200)** | | (522) | |
| **Net cash used in investing activities** | | | **(200)** | | (522) |
| **Increase/(Decrease) in cash in the year** | | | **236** | | (438) |
| **Analysis of changes in net funds:** | | | | | |
| Cash at bank and in hand at 31 July 2020 | | | **4,569** | | 4,333 |
| Cash at bank and in hand at 1 August 2019 | | | **(4,333)** | | (4,771) |
| Net cash inflow/(outflow) | | | **236** | | (438) |
| **Reconciliation of net cash flow to movement in net funds:** | | | | | |
| Increase/(Decrease) in cash in the year | | | **236** | | (438) |
| Movement in net funds in the year | | | **236** | | (438) |
| Net surplus at 1 August 2019 | | | **4,333** | | 4,771 |
| **Net surplus at 31 July 2020** | | | **4,569** | | 4,333 |
| Net surplus is represented by: | | | | | |
| Cash at bank and in hand | | | **4,569** | | 4,333 |

The accompanying notes form part of these financial statements.

**CHIGWELL SCHOOL**
**NOTES TO THE FINANCIAL STATEMENTS**
**For the year ended 31 July 2020**

## 1 Accounting policies

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

### a) Basis of preparation

The financial statements have been prepared under the Companies Act 2006 and in accordance with the Statement of Recommended Practice for Charities (SORP 2015) (Second Edition effective 1 January 2019) and Financial Reporting Standard 102.

Chigwell School meets the definition of a public benefit entity under FRS 102. The financial statements are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments held as fixed assets, which are included at market value, and those land and buildings which were revalued in 1939 (note 13).

### b) Preparation of the accounts on a going concern basis

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future. Their review included the potential financial impact of the coronavirus pandemic and the possibility of future local lockdowns. In light of the latest available financial forecasts, stable first term outcomes for the 2020-21 academic year, the extensive compensatory measures already taken and the advanced plans in place to mitigate further interruption, no material uncertainties were identified in this respect which would compromise ongoing operations.

Accordingly, the Governors continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 8.

### c) Group financial statements

The financial statements present the Consolidated Statement of Financial Activities (SoFA), the consolidated and charity Balance Sheets and the Consolidated Cash Flow Statement comprising the consolidation of the charity with its wholly owned subsidiary Chigwell Mitre Enterprises Limited. The results of the subsidiary are consolidated on a line by line basis. No separate SoFA has been presented for the charity alone as permitted by section 408 of the Companies Act 2006. The net income of the charity is disclosed in note 2.

### d) Critical accounting estimates and judgements

***General***
In preparing the consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of the School's accounting policies and the reported assets, liabilities, income and expenditure and the disclosures made in the consolidated financial statements. 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.

***Plant and equipment***
Management estimates the useful lives of plant and equipment based on judgement and experience. Where management identifies that actual useful lives differ materially from the estimates used to calculate depreciation, that charge is adjusted prospectively. Due to the significance of plant and equipment investment to the company, variations between actual and estimated useful economic lives could impact on operating results both positively and negatively, although historically no changes have been required.

***Bad debt provision***
The School evaluates the need for a bad debt provision at each reporting date. The School's accounting policy is to provide against specific debts at the year end.

### e) Income

- Fees receivable and charges for services are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, bursaries, scholarships and other remissions granted by the School; these are recognised in full in the year in which they are receivable.
- Donations subject to specific wishes of the donors are carried to the relevant restricted funds.
- Income from ancillary trading activities is recognised as earned. Ancillary trading turnover includes the value of facilities provided free of charge or at a reduced rate to various charitable and local community organisations during the year, calculated on the basis of the foregone standard charges.
- Government revenue grants are recognised on a systematic basis over the periods in which the School recognises the related costs for which the grant is intended to compensate.
- Investment income is recognised on a receivable basis.

1 **Accounting policies (continued)**

**f) Donated services and equipment**

Where services and equipment that would normally be purchased from the School's suppliers are provided to the charity as a donation, this expenditure is included in the financial statements at the estimated value of the contribution to the charity.

**g) Expenditure**

Expenditure is recognised as soon as a liability is considered probable, discounted to present value for longer term liabilities where applicable. Expenditure is classified under the following activity headings:

- Costs of raising funds are those costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.
- Charitable activities include expenditure associated with teaching, welfare and School buildings and equipment undertaken to further the purposes of the charitable company.

Irrecoverable VAT is charged as a cost against the activity for which the expenditure was incurred.

**h) Leases and hire purchase contracts**

Tangible fixed assets acquired under finance leases and hire purchase contracts are capitalised at an estimated fair value at the date of inception of each lease or contract. The total finance charges are allocated over the period of the lease in such a way as to give a reasonably consistent charge on the outstanding liability.

Rentals paid under operating leases are expensed as incurred.

**i) Tangible fixed assets**

Freehold land and buildings, including projects under development, are all functional assets and are therefore shown at cost, except as disclosed in note 13 c). Their value is maintained by a full programme of repair and renovation and the book value is substantially less than the present value for insurance purposes. Therefore, no provision for depreciation of the land and buildings is made, with the exception of certain sporting facilities and fixtures, fittings and equipment which are separately identifiable and are deemed to have a finite life. An impairment review is conducted annually.

Equipment is shown at cost and includes movable items purchased for installation in new buildings, mechanical equipment and minibuses. Individual items of equipment over £2,000 are capitalised unless they are replacement items which are included in the relevant department's expenditure budget for the year, in which case they are expensed. All equipment purchases below £2,000 are also expensed.

Depreciation on equipment is provided on cost, less estimated residual value based on current market prices, to write off the asset in equal instalments over its useful life, as follows:

| | |
|---|---|
| Sports surface | - over 7 years |
| Computer equipment | - over 4 years |
| Other equipment | - over 5 years |

**j) Financial instruments**

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

**k) Investments**

Listed investments are a form of basic financial instrument and are initially stated in the consolidated financial statements at market value at the balance sheet date. The Statement of Financial Activities includes the net gains and losses arising on revaluations throughout the year.

Profits and losses on the realisation of investments are shown as realised gains and losses in the Statement of Financial Activities. Realised gains and losses on investments are calculated between sales proceeds and their opening carrying values or their purchase value if acquired subsequent to the first day of the financial year. Unrealised gains and losses are calculated as the difference between the fair value at the year end and their carrying value. Realised and unrealised investment gains and losses are combined in the Statement of Financial Activities.

Investment in the subsidiary is valued at attributable cost less provision for impairment.

**1 Accounting policies (continued)**

**l) Stock**

Stock is included at the lower of cost or net realisable value.

**m) Debtors**

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

**n) Cash and deposits**

Cash in hand and deposits held with banks include cash and highly liquid short term investments.

**p) Creditors and provisions**

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

**q) Fund accounting**

General School funds are unrestricted funds which are available for use at the discretion of the trustees in furtherance of the general objectives of the charitable company and which have not been designated for specific purposes.

The trustees retain part of the unrestricted funds:
i) to help parents in cases of financial hardship and to enable pupils from the poorest of backgrounds to attend the School, having set up a designated Bursary Fund to facilitate this; and
ii) to provide for future site development projects with a view to improving School facilities.

The School has a number of restricted income funds to account for situations where a donor requires that a donation is spent on a particular purpose or where funds have been raised for a specific purpose.

The Endowment Fund represents expendable bursary and prize endowments, together with permanent endowment assets held in trust.

The funds held in each of these categories are disclosed in note 20.

**r) Employee benefits**

***Short term benefits***
Short term benefits, including holiday pay where material, are recognised as an expense in the period in which the benefit is received.

***Employee termination payments***
Termination payments are accounted for on an accruals basis and in line with FRS 102.

***Pensions***
The School participates in the Teachers' Pension Scheme (England and Wales) for its teaching staff. This is a multi-employer defined benefits pension scheme under which the pension liability is the responsibility of Teachers' Pensions. As a result it is not possible to identify the assets and liabilities of the Scheme that are attributable to the School. In accordance with FRS 102, the Scheme is accounted for as if it were a defined contributions scheme.

The School also contributes to personal pension schemes for non-teaching staff at the rate of 10% of annual basic pay.

The pension costs charges in the consolidated financial statements represent the contributions payable during the year. Full details of the two schemes are given in note 9.

**CHIGWELL SCHOOL**
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**For the year ended 31 July 2020**

| | 2020 £'000 | 2019 £'000 |
|---|---|---|

## 2 Results of the charity

The financial activities shown in the SoFA represent those of the charity and its wholly owned subsidiary company, Chigwell Mitre Enterprises Limited. A summary of the financial activities undertaken by the charity alone is set out below:

| | | |
|---|---|---|
| Total income | **15,487** | 14,741 |
| Total expenditure on charitable activities | **(15,174)** | (15,090) |
| Expenditure on raising funds | **(7)** | (18) |
| Investment gains | **1** | 8 |
| Movement in pension scheme funding deficit | **38** | 62 |
| **Net income** | **345** | (297) |
| Total funds brought forward | **24,220** | 24,517 |
| **Total funds carried forward** | **24,565** | 24,220 |
| **Represented by:** | | |
| Unrestricted income funds | **20,733** | 20,343 |
| Restricted income funds | **46** | 7 |
| Endowment funds | **3,786** | 3,870 |
| | **24,565** | 24,220 |

## 3 Income from charitable activities

### a) School fees receivable

| | | |
|---|---|---|
| Gross School fees | **16,266** | 15,807 |
| Less: Bursaries, scholarships and other remissions and discounts | **(1,743)** | (1,635) |
| | **14,523** | 14,172 |
| Bursaries met through restricted funds | **-** | 47 |
| Net fees | **14,523** | 14,219 |

In total, bursaries, scholarships and other remissions were awarded to 230 pupils (2019: 232). The value of means-tested bursaries totalled £839,585 (2019: £772,968) and provided assistance to 50 pupils (2019: 53), of which 23 (2019: 17) benefited from a full remission of fees.

### b) Other educational income

| | | |
|---|---|---|
| School trips and other pupil activities | **230** | 220 |
| Entrance and registration fees | **120** | 65 |
| | **350** | 285 |

The income on School trips and other extra-curricular activities is fully expended, and this cost is included under other teaching costs (note 7).

**CHIGWELL SCHOOL**
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**For the year ended 31 July 2020**

| | 2020 £'000 | 2019 £'000 |
|---|---|---|

**3 Income from charitable activities (continued)**

**c) Ancillary trading income**

Ancillary trading income comprises the coffee shop and gifted or reduced rate use of facilities. Profits are generated as follows:

| | | |
|---|---|---|
| Turnover | **18** | 24 |
| Cost of sales: | | |
| Purchases, including impairment losses | **(1)** | (5) |
| Gifted or reduced rate use of facilities | **(6)** | (13) |
| | **11** | 6 |

The value of facilities provided free of charge or at a reduced rate to various charity and local community organisations, estimated at £6,188 (2019: £12,691), has been included in turnover calculated on the basis of the foregone standard charges. The related costs and charges of £6,188 (2019: £12,691) have been expended as above.

**4 Income from other sources**

**a) Trading subsidiary**

The wholly owned trading subsidiary, Chigwell Mitre Enterprises Limited, hires out the School's sports and other facilities. A summary of the trading results for the year is shown below:

| | | | |
|---|---|---|---|
| Turnover | - external | **118** | 205 |
| Cost of sales | - external | **(9)** | (38) |
| Gross profit | | **109** | 167 |
| Administration costs | - Chigwell School | **(48)** | (59) |
| | - external | **(47)** | (48) |
| Operating profit | | **14** | 60 |
| Interest receivable and similar income | | **1** | - |
| Other income | | **25** | - |
| Profit for the year | | **40** | 60 |
| Donation under Gift Aid to Chigwell School | | **(40)** | (60) |
| Net profit | | **-** | - |

**b) Rental income from the hire of land and buildings**

| | | |
|---|---|---|
| Staff accommodation | **25** | 22 |
| Music peripatetics - room hire | **3** | 4 |
| | **28** | 26 |

**c) Miscellaneous income**

| | | |
|---|---|---|
| Interest on late and unpaid fees | **3** | 9 |
| Extra-curricular clubs | **24** | 31 |
| Sundry | **1** | 1 |
| | **28** | 41 |

**CHIGWELL SCHOOL**
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**For the year ended 31 July 2020**

| | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | Total 2020 £'000 | Total 2019 £'000 |
|---|---|---|---|---|---|
| **5 Investment income** | | | | | |
| Dividends from listed investments | - | - | 3 | 3 | 2 |
| Bank deposit interest receivable | 29 | 1 | - | 30 | 36 |
| | 29 | 1 | 3 | 33 | 38 |
| **6 Grants, donations and legacies** | | | | | |
| **Government grants** | | | | | |
| Job Retention Scheme (JRS) grant income | 395 | - | - | 395 | - |
| Retail, Hospitality and Leisure grant income | 25 | - | - | 25 | - |
| **Total government grants** | 420 | - | - | 420 | - |
| **Donations and legacies** | | | | | |
| Scholarship and prize funds | - | 1 | - | 1 | 1 |
| Bursary Fund | - | 36 | - | 36 | - |
| Friends of Chigwell | 1 | - | - | 1 | - |
| Charity fundraising events | 7 | - | - | 7 | 7 |
| General donations | - | - | - | - | 1 |
| **Total donations and legacies** | 8 | 37 | - | 45 | 9 |
| **Total grants, donations and legacies** | 428 | 37 | - | 465 | 9 |

**Government grants**

Certain members of School staff were furloughed between April and August 2020 under the Government's Job Retention Scheme (JRS). While claims under the JRS, amounting to £395,115 in the current year, were limited to 80% of payroll costs in accordance with the conditions of the scheme, all furloughed staff received full pay and benefits during this period.

Job Retention Scheme (JRS) grant income is recognised in the period to which the underlying furloughed staff costs relate. The payroll liabilities for the payroll period specified above have been incurred in full by the School, and the conditions to claim for those payroll accounting periods have therefore been met.

**Donations and legacies**

The School receives an annual contribution from the OC Lodge towards the Prize Fund (note 20).

A restricted Bursary Fund was initiated in the current year, intended to compliment the School's existing designated Bursary Fund (note 20). A number of parents contributed towards fundraising efforts by way of foregone fee discounts as well as in cash.

Friends of Chigwell paid a contribution in the year of £1,540 for a playhouse 'Beach Hut' for the Pre-prep School.

Charity fundraising events above represent monies raised by the School's pupils, parents and staff during the year, which were distributed to various charitable causes. These distributions are included under other welfare costs (note 7).

CHIGWELL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 July 2020

## 7 Analysis of expenditure

| | Staff costs (note 8) £'000 | Depreciation (note 13) £'000 | Other costs £'000 | Total 2020 £'000 | Total 2019 £'000 |
|---|---|---|---|---|---|
| **Costs of raising funds** | | | | | |
| Ancillary trading expenditure | - | - | 7 | 7 | 18 |
| Trading subsidiary expenditure | - | - | 55 | 55 | 86 |
| **Total costs of raising funds** | - | - | 62 | 62 | 104 |
| **Charitable expenditure** | | | | | |
| ***Education and grant making:*** | | | | | |
| Teaching | 6,965 | 8 | 890 | 7,863 | 7,542 |
| Welfare | 430 | 4 | 1,315 | 1,749 | 1,990 |
| Premises repair and maintenance | 469 | 98 | 1,897 | 2,464 | 3,127 |
| Finance costs | - | - | 37 | 37 | 28 |
| Grants, awards and prizes | - | - | 1 | 1 | 54 |
| Support costs and governance | 1,450 | 57 | 1,573 | 3,080 | 2,369 |
| **Total charitable expenditure** | 9,314 | 167 | 5,713 | 15,194 | 15,110 |
| **Total expenditure** | 9,314 | 167 | 5,775 | 15,256 | 15,214 |

Included in grants, awards and prizes above is £nil (2019: £46,583) relating to bursaries met through restricted funds (note 20).

Governance costs amounting to £74,419 (2019: £79,987) represent expenditure incurred in the governance of the charity and its assets and are primarily associated with constitutional and statutory requirements. The charity trustees were neither paid nor received any other benefits from the School or its subsidiary in the year (2019: £nil), nor were they reimbursed expenses during the year (2019: £nil). No charity trustee received payment for professional or other services supplied to the charity (2019: £nil).

Auditors' remuneration of £19,260 (2019: £17,550), included in governance costs above, related solely to the audit. Further remuneration for additional taxation services in relation to the subsidiary company amounted to £648 (2019: £630).

## 8 Analysis of staff costs

| | | |
|---|---|---|
| Wages and salaries | 7,233 | 7,111 |
| Social Security costs | 727 | 725 |
| Pension contributions | 1,354 | 1,004 |
| | 9,314 | 8,840 |
| Aggregate employee benefits of key management personnel | 341 | 339 |

The average number of employees in the year was 196 (2019: 198), represented as follows:

| | 2020 Number | 2019 Number |
|---|---|---|
| Teaching | 119 | 121 |
| Welfare | 2 | 2 |
| Premises | 31 | 30 |
| Support and administration | 44 | 45 |
| | 196 | 198 |

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

| | | |
|---|---|---|
| £60,000 - £70,000 | 4 | 1 |
| £70,000 - £80,000 | 3 | 3 |
| £80,000 - £90,000 | 1 | 1 |
| £90,000 - £100,000 | - | 1 |
| £100,000 - £110,000 | 1 | - |
| £160,000 - £170,000 | 1 | 1 |

All bar one of the above were members of the Teachers' Pension defined benefit pension scheme; that one employee was a member of the TPT Retirement Solutions defined benefit pension scheme.

**CHIGWELL SCHOOL**
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**For the year ended 31 July 2020**

## 9 Pensions

### a) Teaching staff

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,107,498076 (2019: £776,076). At the year end £135,859 (2019: £103,946) was accrued in respect of contributions to this scheme.

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

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

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

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.

### b) Non-teaching support staff

The School also participates in a scheme administered by TPT Retirement Solutions (formerly The Pensions Trust) for its non-teaching support staff. This is a multi-employer defined benefits scheme and it is again not possible or appropriate to identify the assets and liabilities of the Scheme which are attributable to the School. The School also therefore accounts for this scheme as if it were a defined contributions scheme.

The pension charge for the year includes ordinary contributions payable to TPT Retirement Solutions of £198,523 (2019: £186,598) plus Deficit Contribution payments of £42,334 (2019: £41,126) and Life Assurance premiums of £5,867 (2019: £nil). At the year end £27,796 (2019: £27,500) was accrued in respect of contributions to this scheme.

The Scheme Trustee commissions an actuarial valuation of the Plan every three years. The purpose of the actuarial valuation is to determine the funding position of the Plan by comparing the assets with the past service liabilities as at the valuation date. The latest full valuation was carried out at 30 September 2017. The market value of the Plan's assets at the valuation date was £794.9 million and the Plan's Technical Provisions (i.e. past service liabilities) were £926.4 million. The valuation therefore revealed a shortfall of assets compared with the value of liabilities of £131.5 million, equivalent to a funding level of 86%; the School's share of this shortfall is estimated at 30 September 2020 at £197,084. The full shortfall falls due in the event of the employer ceasing to participate in the Plan or the Plan winding up, neither of which is envisaged at the present time.

**9 Pensions (continued)**

**b) Non-teaching support staff (continued)**

The proposed recovery plan for the Scheme aims to eliminate the deficit via a combination of additional contributions from employers and investment returns over a period from 1 April 2016 to 30 September 2025. The additional contributions payable by the School amounted to £41,925 for the year to 31 March 2020; the annual increase on 1 April each year of 3% compound, allowing for membership changes, results in a contribution of £43,182 for the year to 31 March 2021.

Under FRS 102, organisations participating in a defined benefits pension scheme with an agreed deficit funding arrangement in place are required to identify a liability for this obligation in their accounts, on the basis of the net present value of the deficit reduction contributions payable.

The present value is calculated using the discount rate, which is recognised as a finance cost, detailed in the following Disclosure Report:

| | **31 July 2020 £'000** | **31 July 2019 £'000** | **31 July 2018 £'000** |
|---|---|---|---|
| Present value of provision | **204** | **242** | **304** |
| Assumptions: | | | |
| Rate of discount % per annum | **0.60** | **1.00** | **1.72** |

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.

| | **£'000** | **31 July 2020 £'000** | £'000 | 31 July 2019 £'000 |
|---|---|---|---|---|
| Reconciliation of opening and closing provisions: | | | | |
| **Provision at start of year** | | **242** | | 304 |
| Unwinding of the discount factor (interest expense) | **2** | | 5 | |
| Re-measurements - impacts of any change in assumptions | **2** | | 5 | |
| Re-measurements - amendments to the contribution schedule | **-** | | (31) | |
| Income and expenditure impact of FRS 102 | **4** | | (21) | |
| Deficit contribution paid | **(42)** | | (41) | |
| Net income and expenditure impact | | **(38)** | | (62) |
| **Provision at end of year** | | **204** | | 242 |

**10 Movement in total funds for the period**

| | **2020 £'000** | 2019 £'000 |
|---|---|---|
| This is stated after charging: | | |
| Operating lease rentals - hire of equipment | **80** | 89 |
| Depreciation of equipment - owned assets | **167** | 172 |
| Auditors' remuneration for audit | **19** | 18 |
| Estate property repairs (see below) | **135** | 1,363 |

Estate property repairs amounting to £135,378 (2019: £1,363,109) relate to the replacement of the roof and windows in Old School, part of an essential maintenance programme covering key historic School buildings. This work is being carried out in accordance with relevant local authority planning permissions.

**CHIGWELL SCHOOL**
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**For the year ended 31 July 2020**

## 11 Transfers between funds

| | School Fund £'000 | Designated Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 |
|---|---|---|---|---|
| CME Disbursement Fund: Gift Aid | (40) | 40 | - | - |
| CME Disbursement Fund: Building improvement projects | 6 | (6) | - | - |
| Means-tested bursaries | 840 | (840) | - | - |
| Bursary Fund replenishment | (1,185) | 1,185 | - | - |
| Building Fund re-imbursement | 135 | (135) | - | - |
| Expendable endowment released | - | - | 3 | (3) |
| Notional interest on monies held in School bank account | (1) | - | - | 1 |
| | (245) | 244 | 3 | (2) |

Further information regarding transfers between funds is contained in note 20.

## 12 Taxation

The parent company, Chigwell School, is a registered charity and is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992, to the extent that these are applied to its charitable objects.

## 13 Tangible fixed assets

| | Group and Charity | | | | |
|---|---|---|---|---|---|
| | Freehold endowment land & buildings £'000 | Freehold other operating land & buildings £'000 | Projects in the course of development £'000 | Plant & machinery £'000 | Total £'000 |
| **Cost** | | | | | |
| At 1 August 2019 | 14,658 | 7,461 | 167 | 709 | 22,995 |
| Additions | - | - | 200 | - | 200 |
| Completed projects | - | - | - | - | - |
| Disposals | (7) | (50) | (21) | (4) | (82) |
| At 31 July 2020 | 14,651 | 7,411 | 346 | 705 | 23,113 |
| **Depreciation** | | | | | |
| At 1 August 2019 | 255 | 121 | - | 519 | 895 |
| On disposals | - | - | - | (4) | (4) |
| Charge for the year | 85 | - | - | 82 | 167 |
| At 31 July 2020 | 340 | 121 | - | 597 | 1,058 |
| **Net book value** | | | | | |
| At 31 July 2020 | 14,311 | 7,290 | 346 | 108 | 22,055 |
| At 31 July 2019 | 14,403 | 7,340 | 167 | 190 | 22,100 |

a) Included in freehold land and buildings above are depreciable assets, as follows:

- Synthetic sports surface, net book value £nil (2019: £nil); depreciation £121,007 (2019: £121,007)
- Sixth Form Centre fixtures, fittings and equipment, net book value £85,084 (2019: £170,174); depreciation £340,360 (2019: £255,270).

b) The freehold properties of Chigwell School known as Haylands House, Haylands Cottage and the Land to the Back of 119-121 High Road, Chigwell, IG7 6QQ are all charged to the company's bankers as security for former bank facilities.

c) Freehold land and buildings includes endowed properties held by Chigwell School Trust, whose trustees have given the company power to hold and administer those properties; their inclusion in the company's balance sheet is sanctioned by a uniting direction issued by the Charity Commission. It is not possible, given the long history of the School, to analyse fully the cost between endowed and non-endowed properties. The combined total is made up of a valuation in 1939 of £68,885 plus additions since less, prior to their transfer to the company, the application of monies received as specific or general donations. The book value is substantially less than the present value for insurance purposes. Following a review, no impairment has been identified.

**CHIGWELL SCHOOL**
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**For the year ended 31 July 2020**

## 13 Tangible fixed assets (continued)

d) Projects in the course of development at 31 July 2020 represent the construction of new sports facilities and refurbishment of the Chapel, £120,700 (2019: £84,948) of which related to improvements to endowed land and buildings.

e) Included in freehold endowment land and buildings above are properties purchased from School income funds amounting to £10,955,089 (2019: £10,955,089); these assets are wholly used for charitable purposes and form the basis of the loan from general School funds to permanent endowments (note 21).

f) The trading subsidiary does not own any fixed assets.

| | Group | | Charity | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **£'000** | £'000 | **£'000** | £'000 |
| **14 Investments** | | | | |
| **a) Quoted investments** | | | | |
| Market value at 1 August 2019 | **94** | 86 | **94** | 86 |
| Unrealised gains | **-** | 8 | **-** | 8 |
| Market value at 31 July 2020 | **94** | 94 | **94** | 94 |
| Historical cost at 31 July 2020 | **37** | 37 | **37** | 37 |

The School holds income shares in the CCLA Charities Official Investment Fund (COIF) and the M&G Group Charities Narrower Range Common Investment Fund (Charibond).

**b) Unquoted investments**

| | | | | |
|---|---|---|---|---|
| Wholly owned subsidiary | **-** | - | **1** | 1 |

The School owns the whole of the issued share capital and undertaking of Chigwell Mitre Enterprises Limited, a company incorporated in the United Kingdom.

| | **2020** | 2019 |
|---|---|---|
| | **£'000** | £'000 |
| The assets and liabilities of the subsidiary were: | | |
| Current assets | **68** | 155 |
| Current liabilities | **(67)** | (154) |
| Total net assets | **1** | 1 |
| Aggregate share capital and reserves | **1** | 1 |

| | Group | | Charity | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **£'000** | £'000 | **£'000** | £'000 |
| **15 Stock** | | | | |
| Catering and cleaning supplies | **19** | 26 | **19** | 26 |
| Old Chigwellian Club Bar | **2** | 3 | **-** | - |
| | **21** | 29 | **19** | 26 |
| **16 Debtors** | | | | |
| Fee debtors | **79** | 44 | **79** | 44 |
| Trade debtors | **1** | 61 | **-** | - |
| Sundry debtors | **7** | 3 | **28** | 22 |
| Prepayments and accrued income | **198** | 60 | **231** | 111 |
| | **285** | 168 | **338** | 177 |

**CHIGWELL SCHOOL**
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**For the year ended 31 July 2020**

| | Group | | Charity | |
|---|---|---|---|---|
| | **2020** | 2019 | **2020** | 2019 |
| | **£'000** | £'000 | **£'000** | £'000 |
| **17 Creditors falling due within one year** | | | | |
| Trade creditors | **1** | 11 | **-** | - |
| Admission deposits | **18** | 16 | **18** | 16 |
| Supplier creditors | **345** | 200 | **345** | 200 |
| Taxation and Social Security | **194** | 192 | **194** | 192 |
| Other creditors | **198** | 158 | **198** | 158 |
| Accruals and prepaid income | **261** | 366 | **248** | 294 |
| | **1,017** | 943 | **1,003** | 860 |
| Advance fees (note 18) | **1,021** | 1,066 | **1,021** | 1,066 |
| | **2,038** | 2,009 | **2,024** | 1,926 |

**18 Advance fee payments**

Parents may pay the School tuition fees in advance, either in instalments under the School's formal loan scheme, or in a lump sum. In respect of lump sum advances, the longer-term monies are returnable on receipt of one term's notice. Assuming the pupils concerned remain in the School, advance fees will be applied as follows:

| | | | | |
|---|---|---|---|---|
| Within one year | **1,021** | 1,066 | **1,021** | 1,066 |
| Between one and five years | **66** | 105 | **66** | 105 |
| | **1,087** | 1,171 | **1,087** | 1,171 |

**19 Creditors falling due after more than one year**

| | | | | |
|---|---|---|---|---|
| Advance fees (note 18) | **66** | 105 | **66** | 105 |
| Admission deposits | **151** | 148 | **151** | 148 |
| | **217** | 253 | **217** | 253 |

**CHIGWELL SCHOOL**
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**For the year ended 31 July 2020**

## 20 Analysis of charitable funds

**Group and Charity**

**a) Analysis of unrestricted fund movements**

| | Balance at 1 August 2019 £'000 | Income £'000 | Expenditure & movement in funding deficit £'000 | Transfers in (note 11) £'000 | Transfers out (note 11) £'000 | Balance at 31 July 2020 £'000 |
|---|---|---|---|---|---|---|
| **Designated funds** | | | | | | |
| Bursary Fund | 1,671 | - | - | 1,185 | (840) | 2,016 |
| CME Disbursement Fund | 211 | - | - | 40 | (6) | 245 |
| Building Maintenance Fund | 453 | - | - | - | (135) | 318 |
| | 2,335 | - | - | 1,225 | (981) | 2,579 |
| **General funds** | | | | | | |
| School Fund | 18,250 | 15,522 | (15,170) | 981 | (1,226) | 18,357 |
| Pension reserve | (242) | - | 38 | - | - | (204) |
| | 20,343 | 15,522 | (15,132) | 2,206 | (2,207) | 20,732 |

Bursary Fund: to help parents in cases of financial hardship to enable pupils from the poorest of backgrounds to attend Chigwell School. Bursaries are means-tested, and available to pupils from age 11 upwards.

CME Disbursement Fund: to receive the annual donation from Chigwell Mitre Enterprises Limited (note 23) which is designated for expenditure on maintaining and improving the School's sporting and other facilities. In the current and previous year, £6,468 was earmarked towards the purchase of a tractor for the grounds department, this being an annual transfer over 5 years to cover the ultimate depreciated value of £32,340.

Building Fund: to receive funds from the School surplus, including non-academic income, earmarked for future School site development and major maintenance projects. No further funds were earmarked from the general School Fund during the current year (2019: £nil) while £163,446 was transferred to general School funds to cover the costs to date of repairs to the Old School roof and windows (note 10).

Unrestricted School Fund: represents the accumulated resources of the School, retained to cover working capital requirements and to finance improvements.

CHIGWELL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 July 2020

**20 Analysis of charitable funds (continued)**

**b) Analysis of restricted fund movements**

| | Balance at 1 August 2019 £'000 | Income £'000 | Expenditure £'000 | Transfers in (note 11) £'000 | Transfers out (note 11) £'000 | Balance at 31 July 2020 £'000 |
|---|---|---|---|---|---|---|
| **Scholarship and prize funds** | | | | | | |
| General Prize Fund | 1 | 1 | (1) | 3 | - | 4 |
| Tim Pruss Memorial Fund | 6 | - | - | - | - | 6 |
| Bursary Fund | - | 37 | - | | | 37 |
| | 7 | 38 | (1) | 3 | - | 47 |

| **Scholarship and prize funds** | ***Description, nature and purposes of the fund*** |
|---|---|
| Prize Fund | To provide academic and other prizes for achievement |
| Tim Pruss Memorial Fund | To provide a suitable memorial in remembrance of a former pupil |
| Bursary Fund | To compliment the School's existing designated Bursary Fund (note 20 a) |

Prize Fund: this represents a separately registered charity; its inclusion in the company's balance sheet is sanctioned by a uniting direction issued by the Charity Commission. During the year, prizes totalling £748 (2019: £4,069) were awarded from the Fund.

Tim Pruss Memorial Fund: Prizes are normally awarded annually as contributions towards students' study travel trips abroad. No such prizes were awarded to pupils in the current year (2019: £500 in total awarded to three pupils) in view of the effects of the coronavirus pandemic on international travel.

Bursary Fund: No additional bursaries were awarded in the current year from this newly established Fund. The £36,328 raised in donations in the year, net of collection fees, has been retained in view of the potential effects of the coronavirus pandemic on some pupils' ability to attend, or continue to attend, the School in the coming year.

**c) Analysis of endowment fund movements**

| | Balance at 1 August 2019 £'000 | Income £'000 | Expenditure £'000 | Net transfers (note 11) £'000 | Investment gains £'000 | Balance at 31 July 2020 £'000 |
|---|---|---|---|---|---|---|
| **Expendable endowments** | | | | | | |
| General Prize Fund | 94 | 3 | - | (3) | - | 94 |
| **Permanent endowments** | | | | | | |
| Freehold land and buildings | 3,776 | - | (85) | 1 | - | 3,692 |
| **Total endowments** | 3,870 | 3 | (85) | (2) | - | 3,786 |

Capital gifts associated with prizes and bursaries are classified as expendable endowments.

Permanent endowment funds represent land and buildings which were donated to the School, and include improvements to endowed land and buildings financed from the sale of donated property assets.

**CHIGWELL SCHOOL**
**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**
**For the year ended 31 July 2020**

## 21 Analysis of net assets between funds

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

| | Fixed assets £'000 | Inter-fund loan £'000 | Investments £'000 | Net Current Assets/ (Liabilities) £'000 | Long Term Liabilities £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| **Unrestricted funds:** | | | | | | |
| Designated funds | - | - | - | 2,579 | - | 2,579 |
| General fund | 7,623 | 10,948 | - | 4 | (217) | 18,358 |
| Pension reserve | - | - | - | - | (204) | (204) |
| | 7,623 | 10,948 | - | 2,583 | (421) | 20,733 |
| **Restricted funds:** | | | | | | |
| Scholarship and prize funds | - | - | - | 46 | - | 46 |
| | - | - | - | 46 | - | 46 |
| **Endowment funds:** | | | | | | |
| Expendable endowments | - | - | 94 | - | - | 94 |
| Permanent endowments | 14,432 | (10,948) | - | 208 | - | 3,692 |
| | 14,432 | (10,948) | 94 | 208 | - | 3,786 |
| **Total net assets** | 22,055 | - | 94 | 2,837 | (421) | 24,565 |

The loan from general School funds to permanent endowments reflects the funding of certain property assets wholly or partially purchased utilising the School's income funds. These assets, all of which are situated on permanent endowment land or are improvements to gifted properties, include unidentified property additions prior to incorporation, together with identifiable property additions since incorporation and attributable restricted fund monies. The loan is interest free with no set repayment date as it represents internal adjustments necessary to reflect the relative sources of endowment property costs and funding.

## 22 Contracts and commitments

At 31 July 2020, the charity had the following financial and capital commitments:

a) Financial commitments under non-cancellable operating leases:

| | Equipment 2020 £'000 | Equipment 2019 £'000 |
|---|---|---|
| Due under one year | 30 | 43 |
| Due between two and five years | 54 | 111 |
| | 84 | 154 |

b) Capital commitments, authorised and contracted, in respect of the refurbishment of the Chapel. Substantive work began in June 2019, with £120,700 of the estimated £200,000 costs of the Chapel refurbishment expended at the balance sheet date; the remaining costs represent restoration of the organ and will become due towards the end of this calendar year.

## 23 Related party transactions

a) During the year, the School received £39,646 (2019: £59,970) by way of donations and £28,543 (2019: £41,149) by way of rent from its subsidiary, Chigwell Mitre Enterprises Limited, a company formed to exploit the School's facilities commercially. That company donates the whole of its profit to the School.

b) There are two linked charities, the Chigwell School General Prize Fund and The Chigwell School Trust, which are separately registered with the Charity Commission; their inclusion in the charitable company's financial statements is sanctioned by a uniting direction issued by the Commission.

c) Of the funds raised by pupils, parents and staff during the year (note 6), £2,481 (2019: £1,250) was donated to various charitable causes through the Bede Griffiths Charitable Trust, a charity in which Mrs H Dixon, wife of former Governor Mr G Dixon, and the Deputy Headmaster David Gower are trustees. The Trust makes grants to charitable projects in Southern India, including the Tim Pruss Memorial School, initiated and managed by local people in response to the social and economic needs of the most disadvantaged people.

d) An amount of £20,986 was paid to the wife of a governor, who was contracted to provide foreign language tuition. Of this amount £2,250 was paid in the period after the appointment of the governor.

CHIGWELL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 July 2020

**23 Related party transactions (continued)**

e) No charity trustees were paid or reimbursed expenses during the year (2019: £nil), and no charity trustee received any emoluments or payment for professional or other services (2019: £nil). Expenditure in the year totalling £16,854 (2019: £22,996) was incurred for Governors' meetings, a safeguarding review, external training courses and a Pension Modelling digital tool.

**24 Comparative figures by fund type - Income and expenditure**

**a) Consolidated Statement of Financial Activities**

| | Notes | Unrestricted Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 | Total 2019 £'000 |
|---|---|---|---|---|---|
| **INCOME AND ENDOWMENTS** | | | | | |
| **Income from charitable activities:** | | | | | |
| School fees receivable | | 14,219 | - | - | **14,219** |
| Other educational income | | 285 | - | - | **285** |
| Ancillary trading income | | 24 | - | - | **24** |
| **Income from other trading activities:** | | | | | |
| Trading subsidiary turnover | | 205 | - | - | **205** |
| Rental income | | 26 | - | - | **26** |
| Miscellaneous income | | 41 | - | - | **41** |
| **Investments:** | | | | | |
| Investment income | 24 (b) | 35 | 1 | 2 | **38** |
| **Voluntary sources:** | | | | | |
| Donations and legacies | 24 (c) | 8 | 1 | - | **9** |
| **Total income** | | 14,843 | 2 | 2 | **14,847** |
| **EXPENDITURE** | | | | | |
| **Expenditure on raising funds:** | | | | | |
| Ancillary trading expenditure | 24 (d) | 18 | - | - | **18** |
| Trading subsidiary expenditure | 24 (d) | 86 | - | - | **86** |
| **Total expenditure on raising funds** | | 104 | - | - | **104** |
| **Expenditure on charitable activities:** | | | | | |
| Education and grant making | 24 (d) | 15,018 | 7 | 85 | **15,110** |
| **Total expenditure** | | 15,122 | 7 | 85 | **15,214** |
| **Net income from operations before investment gains and transfers** | | (279) | (5) | (83) | **(367)** |
| Unrealised gains on investments | | - | - | 8 | **8** |
| Transfers between funds | 24 (e) | 44 | 3 | (47) | **-** |
| **Net income and capital** | | (235) | (2) | (122) | **(359)** |
| Movement in pension scheme funding deficit | | 62 | - | - | **62** |
| **Net movement in funds for the year** | | (173) | (2) | (122) | **(297)** |
| Fund balances brought forward at 1 Aug 2018 | 25 | 20,516 | 9 | 3,992 | **24,517** |
| **Fund balances carried forward at 31 Jul 2019** | | 20,343 | 7 | 3,870 | **24,220** |

CHIGWELL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 July 2020

## 24 Comparative figures by fund type - Income and expenditure (continued)

### b) Investment income

| | Unrestricted Fund £'000 | Restricted Funds £'000 | Endowment Funds £'000 | Total 2019 £'000 |
|---|---|---|---|---|
| Dividends from listed investments | - | - | 2 | 2 |
| Bank deposit interest receivable | 35 | 1 | - | 36 |
| | 35 | 1 | 2 | 38 |

### c) Donations and legacies

| | Unrestricted Fund £'000 | Restricted Funds £'000 | Endowment Funds £'000 | Total 2019 £'000 |
|---|---|---|---|---|
| Scholarship and prize funds | - | 1 | - | 1 |
| Charity fundraising events | 7 | - | - | 7 |
| General donations | 1 | - | - | 1 |
| | 8 | 1 | - | 9 |

### d) Analysis of expenditure

| | Staff costs £'000 | Depreciation £'000 | Other costs £'000 | Total 2019 £'000 |
|---|---|---|---|---|
| **Costs of raising funds** | | | | |
| Ancillary trading expenditure | - | - | 18 | 18 |
| Trading subsidiary expenditure | - | - | 86 | 86 |
| **Total costs of raising funds** | - | - | 104 | 104 |
| **Charitable expenditure** | | | | |
| ***Education and grant making:*** | | | | |
| Teaching | 6,520 | 13 | 1,009 | 7,542 |
| Welfare | 430 | 4 | 1,556 | 1,990 |
| Premises repair and maintenance | 468 | 98 | 2,561 | 3,127 |
| Finance costs | - | - | 28 | 28 |
| Grants, awards and prizes | - | - | 54 | 54 |
| Support costs and governance | 1,422 | 57 | 890 | 2,369 |
| **Total charitable expenditure** | 8,840 | 172 | 6,098 | 15,110 |
| **Total expenditure** | 8,840 | 172 | 6,202 | 15,214 |

### e) Transfers between funds

| | School Fund £'000 | Designated Funds £'000 | Restricted Funds £'000 | Endowment Funds £'000 |
|---|---|---|---|---|
| CME Disbursement Fund: Gift Aid | (59) | 59 | - | - |
| CME Disbursement Fund: Building improvement projects | 7 | (7) | - | - |
| Means-tested bursaries | 773 | (773) | - | - |
| Bursary Fund replenishment | (14) | 14 | - | - |
| Building Fund reimbursement | 1,363 | (1,363) | - | - |
| Expendable endowment released | - | - | 48 | (48) |
| Arnold Fellows bursaries | 46 | - | (46) | - |
| Notional interest on monies held in School bank account | (2) | - | 1 | 1 |
| | 2,114 | (2,070) | 3 | (47) |

CHIGWELL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 July 2020

## 25 Comparative figures by fund type - Analysis of charitable funds

### a) Analysis of unrestricted fund movements

| | Balance at 1 August 2018 £'000 | Income £'000 | Expenditure & movement in funding deficit £'000 | Transfers in £'000 | Transfers out £'000 | Balance at 31 July 2019 £'000 |
|---|---|---|---|---|---|---|
| **Designated funds** | | | | | | |
| Bursary Fund | 2,430 | - | - | 14 | (773) | 1,671 |
| CME Disbursement Fund | 159 | - | - | 59 | (7) | 211 |
| Building Fund | 1,816 | - | - | - | (1,363) | 453 |
| | 4,405 | - | - | 73 | (2,143) | 2,335 |
| **General funds** | | | | | | |
| School Fund | 16,415 | 14,843 | (15,122) | 2,189 | (75) | 18,250 |
| Pension reserve | (304) | - | 62 | - | - | (242) |
| | 20,516 | 14,843 | (15,060) | 2,262 | (2,218) | 20,343 |

### b) Analysis of restricted fund movements

| | Balance at 1 August 2018 £ | Income £ | Expenditure £ | Transfers in £ | Transfers out £ | Balance at 31 July 2019 £ |
|---|---|---|---|---|---|---|
| **Scholarship and prize funds** | | | | | | |
| General Prize Fund | 3 | 2 | (6) | 2 | - | 1 |
| Arnold Fellows Bursary Fund | - | - | - | 46 | (46) | - |
| Tim Pruss Memorial Fund | 6 | - | (1) | 1 | - | 6 |
| | 9 | 2 | (7) | 49 | (46) | 7 |

### c) Analysis of endowment fund movements

| | Balance at 1 August 2018 £'000 | Income & exceptional surplus £'000 | Expenditure £'000 | Net transfers £'000 | Investment gains/(losses) £'000 | Balance at 31 July 2019 £'000 |
|---|---|---|---|---|---|---|
| **Expendable endowments** | | | | | | |
| General Prize Fund | 86 | 2 | - | (2) | 8 | 94 |
| Arnold Fellows Bursary Fund | 46 | - | - | (46) | - | - |
| | 132 | 2 | - | (48) | 8 | 94 |
| **Permanent endowments** | | | | | | |
| Assets held in trust | 3,860 | - | (85) | 1 | - | 3,776 |
| **Total endowments** | 3,992 | 2 | (85) | (47) | 8 | 3,870 |

CHIGWELL SCHOOL
NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
For the year ended 31 July 2020

**26 Comparative figures by fund type - Analysis of net assets between funds**

| | Fixed assets £'000 | Inter-fund loan £'000 | Investments £'000 | Net Current Assets/ (Liabilities) £'000 | Long Term Liabilities £'000 | Total £'000 |
|---|---|---|---|---|---|---|
| **Unrestricted funds:** | | | | | | |
| Designated funds | - | - | - | 2,335 | - | 2,335 |
| General fund | 7,612 | 10,955 | - | (64) | (253) | 18,250 |
| Pension reserve | - | - | - | - | (242) | (242) |
| | 7,612 | 10,955 | - | 2,271 | (495) | 20,343 |
| **Restricted funds:** | | | | | | |
| Scholarship and prize funds | - | - | - | 7 | - | 7 |
| | - | - | - | 7 | - | 7 |
| **Endowment funds:** | | | | | | |
| Expendable endowments | - | - | 94 | - | - | 94 |
| Permanent endowments | 14,488 | (10,955) | - | 243 | - | 3,776 |
| | 14,488 | (10,955) | 94 | 243 | - | 3,870 |
| **Total net assets** | 22,100 | - | 94 | 2,521 | (495) | 24,220 |

# CHIGWELL SCHOOL
## DIRECTORS AND OFFICERS

**DIRECTORS**

The trustees who served in office during the year and since the year end were as follows:

| | |
|---|---|
| Ms R Serrelli MA (Chair) | |
| D Morriss BSc CEng FIET FBCS CITP (Vice Chair) | |
| Mrs S L Aliker BA MBA ACMA | |
| R W J Howard MA | |
| J F Cullis MBE BA MSc (Econ) | |
| N Garnish BSc (Hons) MBA CMgr FCMI MCSI | |
| M J Higgins | |
| A Howat | (resigned 30 November 2019) |
| Dr G P Dixon MA BMus PhD MBA ARAM FRCO FRSA FRAS | (resigned 07 December 2019) |
| Mrs E Brett ACA | |
| Mrs J M Gwinn BSc CertEd | |
| Mrs I Peck BA | |
| Rev B King BA MA | (resigned 06 October 2019) |
| Rev C Davies BA | |
| Ms M Jones BA (Hons) | |
| Mrs P Sen BA (Eco Hon) MA (Eco Hon) MBA | |
| Mrs M Ragha MA (Cantab) LLB | |
| Mr S A Bird | (appointed 22 June 2020) |
| Mrs C Cole | (appointed 26 June 2020) |

**SECRETARY** Mrs C Jones LLB (Hons) Solicitor JP

**HEADMASTER** M E Punt MA MSc

**BURSAR** J Rea MA FCA CTA
Chigwell School
Chigwell
Essex IG7 6QF

# CHIGWELL SCHOOL
## REFERENCE AND ADMINISTRATION

| | |
|---|---|
| **CHARITY NUMBER** | 1115098 |
| **COMPANY NUMBER** | 05846105 |
| **PRINCIPAL ADDRESS** | Chigwell School<br>Chigwell<br>Essex IG7 6QF |
| **AUDITORS** | Haysmacintyre LLP<br>10 Queen Street Place<br>London EC4R 1AG |
| **BANKERS** | HSBC Bank Plc |

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CHIGWELL SCHOOL (Continued)**
**For the year ended 31 July 2020**

**Opinion**
We have audited the consolidated financial statements of Chigwell School for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charitable Company Balance Sheets, 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 parent charitable company's affairs as at 31 July 2020 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

**Basis for opinion**
We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the 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 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 parent charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

**Other information**
The trustees are responsible for the other information. The other information comprises the information included in the Trustees' Annual 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' Annual Report (which incorporates the strategic report and the directors' report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Trustees' Annual Report (which incorporates the strategic report and the directors' report) has been prepared in accordance with applicable legal requirements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS AND TRUSTEES OF CHIGWELL SCHOOL (Continued)**
**For the year ended 31 July 2020**

**Matters on which we are required to report by exception**
In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Annual Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the parent charitable company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company 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 for the financial statements**
As explained more fully in the trustees' responsibilities statement set out on page 8, 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 parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

**Use of our report**
This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and the charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

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

Date: 17 February 2021