

Crosfields School Trust Limited
(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

Year Ended

31 August 2020

Registered No. 0584278 (England and Wales)
Charity No. 309108

Crosfields School Trust Limited

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Crosfields School Trust Limited

LEGAL AND ADMINISTRATIVE INFORMATION For the year ended 31 August 2020

STATUS AND ADMINISTRATION

The Crosfields School Trust Limited is a charitable company limited by guarantee, incorporated on 21 May 1957 and registered as a charity on 1 October 1962.

The charitable company was established under a Memorandum of Association that established the objects and powers of the charitable company and is governed under its Articles of Association.

COMPANY NUMBER	00584278
CHARITY NUMBER	309108
REGISTERED OFFICE AND ADDRESS	Crosfields School Shinfield Road Shinfield Reading Berkshire RG2 9BL

GOVERNORS

The governors of the school being also Trustees of the charity and Directors of the charitable company, who served during the year, unless otherwise stated, were as follows:

	A Aitkinson	(Appointed 7 December 2020)
**	C S Bradfield	
*	S J Bonner	(Resigned 13 December 2019)
#	C J Brown	
	S Brown	(Appointed 7 December 2020)
^^/*	K Clark	
*	J M Coles	(Resigned 5 September 2019)
**/++/@	C J Dering	(Chair of Governors, appointed 20 March 2020)
	H C Fitzwilliams	(Health & Safety representative, Resigned 1 October 2020)
##**/@	C L Furneaux	(Education & Welfare)
^^	N Graham	(Resigned 1 July 2020)
#	V A M Grantham	(Resigned 17 November 2020)
*/++/@	N Habgood	(Resigned 29 March 2020)
**/@	M J Hatch	(Buildings & Estates)
#	M Judd	(Resigned 13 December 2019)
	R Kapoor	
*/++/@	S Lewis	(Finance)
^^	J R Lucey	
*	B Purewal	
	S S Sachdeva	
^^/@	J Sefton Jenkins	(IT)
#	M Turner	(Safeguarding)
#	M Wardrop	(Appointed 23 April 2020)

Governors are appointed by the board of governors normally at the annual general meeting for a term of three years, but are eligible for re-election.

*	Members of the Finance Committee (FC)
**	Members of the Building & Estates Committee (BEC)
++	Members of the HM Bursar's Remuneration & Appraisal Committee (HMBRAC)
#	Members of the Education & Welfare Committee (EWC)
^^	Members of the IT Committee (ITC)
@	Members of the P16 Programme Board

Crosfields School Trust Limited

LEGAL AND ADMINISTRATIVE INFORMATION *(continued)* For the year ended 31 August 2020

OFFICERS

Headmaster: C D J Watson
Bursar and Company Secretary: C J Purdom

SENIOR LEADERSHIP TEAM

C D J Watson	Headmaster
C Bennett	Deputy Head (Academic) – resigned 31 August 2020
S Dinsdale	Deputy Head
R Ebbage	Deputy Head (Academic) – appointed 1 September 2020
J Ireland	Head of Juniors
A Mallins	Deputy Head (Pastoral)
J McDowell	Head of Pre-Prep
K O'Leary	Director of Studies
C J Purdom	Bursar

PROFESSIONAL ADVISERS

BANKERS:
Barclays Bank PLC
Broad Street
Reading
RG1 2HD

Lloyds Bank
24 Broad Street
Reading
RG1 2BT

SOLICITORS:
VWV
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

Pennington Manches Cooper LLP
Apex Plaza
Forbury Road
Reading
RG1 1AX

AUDITOR:
BDO LLP
Level 12, Thames Tower
Station Road
Reading
RG1 1LX

INSURANCE BROKERS:
Marsh Brokers Limited
Rockwood House
9-17 Perrymount Road
Haywards Heath
RH16 3DU

Crosfields School Trust Limited

REPORT OF THE GOVERNORS For the year ended 31 August 2020

ANNUAL REPORT

The governors present their annual report, together with the financial statements for the year ended 31 August 2020 and confirm that the latter comply with the requirements of the Companies Act 2006, the Charitable Company's Articles of Association (March 2019), the Charities Statement of Recommended Practice (SORP 2015) and Financial Reporting Standard 102 (FRS 102). The annual report is also the Trustees Report as required by Part VIII of the Charities Act 2011 and the Directors' Report as required by section 417 of the Companies Act 2006.

Coronavirus has had a tangible impact on our day to day educational provision and undoubtedly will continue to be felt for considerable time. The school has had to adapt and overcome the many challenges presented in order to continue to deliver upon its aims and we hope that these effects will be relatively short-lived.

AIMS, OBJECTIVES AND ACTIVITIES

Situated in over 40 acres, Crosfields is a co-educational school with children between the ages of 3 and 13 with an intention of extending this to 16 (see Strategic Review below). An exceptionally friendly school, Crosfields emphasises manners, kindness and good behaviour. Run broadly on Christian principles the school welcomes children of all faiths and none. The girls and boys benefit from a vast range of opportunities provided by a committed and talented staff enhanced by excellent facilities. Though they are taught broadly, the children are also taught thoroughly, preparing them for a considerable selection of schools. Crosfields lays the foundations for these schools, but it also lays the foundations for the adults the children will become.

Aims

The overall intent of Crosfields is to provide an exceptional education that is broad, thorough and enjoyable, enabling children to make the most of themselves and to be considerate of others. In so doing, it has the following aims:

- To provide an environment in which the children are happy and confident which is safe, caring and supportive with exceptional pastoral care.
- To provide opportunities of considerable breadth and depth to help children discover their talents.
- To provide an atmosphere in which respect for other people and for the world is cultivated.
- To encourage effort, resilience, and rigour.
- To encourage the children to be independent thinkers with critical, inquiring minds by providing a challenging academic curriculum which inspires and engages all pupils.
- To prepare children to leave Crosfields ready for the challenges which await them at their next schools and beyond.

Crosfields School Trust Limited

REPORT OF THE GOVERNORS (*continued*) For the year ended 31 August 2020

Strategies to Achieve the Annual Objectives

The governors have adopted the following strategies in support of the school:

- To provide a high standard of academic education for children up to age 13 within an environment that encourages pupils in music, drama, sport and approved extra-curricular activities.
- To prepare for the expansion of the school for children up to age 16 in respect of academic provision, pastoral care, organisational change and infrastructure (known as Project 16 – P16).
- To continue to review the school's academic syllabus and to benchmark academic standards.
- To offer the public wider access to facilities out of school hours through the use by local clubs and organisations.
- To ensure effective management and governance systems are in place for financial management (capital and revenue), estate management, IT, risk management, education and welfare provision, personal development of staff and governors and future estate development planning.

Principal Activities

In setting the school's objectives and planning its activities, governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging. The role of the Crosfields charitable company is to ensure that Crosfields School functions as a co-educational day school and that it continues to thrive in a competitive environment, through the provision of high standards of education and development of children.

The school welcomes pupils from all backgrounds. To admit a prospective pupil, the school needs to be satisfied that the school will be able to educate and develop that person to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that pupils can cope with the pace of learning and benefit from the education the school provides. An individual's gender, ethnicity, race, religion or disability does not form part of our assessment processes. The school is an equal opportunity organisation and is committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. The school will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

The school is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment. A team of trained Designated Safeguarding Leads provide the necessary support within the school to fulfil its statutory duties and promote the welfare of children. A governor is nominated to oversee safeguarding policy and practice in school.

Parents are given regular information about their children's social and academic progress through parent evenings in addition to half termly Attitude to Learning assessments and traditional end of term/year reports. This year, the normal pattern of reports and parent meetings was disrupted by restrictions under the coronavirus lockdown but virtual online parents meetings have been running successfully since June. The school has maintained regular contact with parents throughout the year through direct communications on our learning at home programme, the weekly newsletter, website and social media.

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REPORT OF THE GOVERNORS (*continued*) For the year ended 31 August 2020

REVIEW OF PERFORMANCE AND ACHIEVEMENTS FOR THE YEAR

Operational Performance

The policy of the charitable company is to achieve a high standard of learning within a safe, happy, caring and stimulating environment. The school aims to develop the particular aptitudes of all pupils and help them to fulfil their potential. The school has high levels of expectation and ensures that appropriate challenges are set across a wide curriculum. Staff appraise curriculum content and teaching methods on a regular basis to ensure a continued high quality of education.

The Independent Schools Inspectorate undertook a Focused Compliance and Educational Quality Inspection in September 2019. The quality of the pupils' academic and other achievements was found to be excellent and the quality of the pupils' personal development was also considered excellent. The school met the standards in the schedule to the Education (Independent School Standards) Regulations 2014, and relevant requirements of the statutory framework for the Early Years Foundation Stage, and associated requirements.

The average number of pupils in the school during the year was 570 (555 – 2019).

Achievements

The children leave Crosfields to attend a very wide range of schools including local grammar and state schools, independent day schools and boarding schools. The school recorded very high levels of passes enabling entry into grammar schools at Year 6. 9 scholarships were awarded to our pupils in Year 6 and 8 for entry to their chosen senior school. A further 8 scholarship awards were made to our own pupils entering Year 7. All children in Year 8 passed their Common Entrance exams and were successful in attaining places at their chosen schools.

The academic year was undoubtedly marred by the arrival of coronavirus, the restriction of activities in school and the eventual closing of all schools on 20 March 2020. With just a week left of term, a basic learning from home package was put in place. During the Easter break, the school provided childcare facilities for the children of key workers supported by members of staff on a voluntary basis. Teaching staff spent the holidays preparing for remote teaching and learning and for the start of the Summer Term, comprehensive programmes of directed learning, recorded lessons and live teaching across the whole curriculum were in place using SeeSaw and Microsoft Teams. The school reopened for pupils in Nursery, Reception, Year 1 and Year 6 on 1 June 2020. By the end of term, all pupils up to Year 6 were provided with the opportunity to be in school full time. Pupils in Year 7&8 had at least 3 days in school on a rotational basis before the summer holidays. Online support continued for pupils who were unable to return.

12 pupils were selected by the Mathematics Association to take part in a final Bonus Round of the Primary Maths Challenge. In the first stage of the competition 65,000 pupils nationally and internationally took part and only 2,000 are selected for the bonus rounds. This is the highest number of Crosfields children for the past five years. Pupils also participated in the annual Turing Cryptography Competition and the Junior School learned to play Mancala to bolster their maths skills.

Across the year groups, pupils participated in the Junior Language Challenge to learn new languages. 2 pupils from Crosfields were awarded in the top three.

The Learning Empowerment Team support around 12% of pupils with diagnosed learning needs including DCD (Developmental Coordination Disorder/Dyspraxia), dyscalculia, ADHD, ASD, Executive Function, hearing impairment, Speech, Language & Communication and Social Emotional & Mental Health (anxiety). There are also pupils with slow processing, weak working memory or fine and gross motor needs who are provided with additional assistance even though they have not had a specific need diagnosed. 26% of pupils have English as an Additional Language and a number of them are supported through a trained teacher in school.

Crosfields School Trust Limited

REPORT OF THE GOVERNORS (*continued*) For the year ended 31 August 2020

REVIEW OF PERFORMANCE AND ACHIEVEMENTS FOR THE YEAR (*continued*)

Achievements (*continued*)

The first two terms of the 2019/20 academic year saw a number of wide-ranging day trips take place across the whole school. In the Autumn Term, some of the places visited included Reading, Ure Museum of Greek Archaeology, The Look Out Discovery Centre, Kidzania and the Houses of Parliament. In the Spring Term children visited Butser Ancient Farm, Watts Gallery Artist Village and Bletchley Park. Unfortunately, due to coronavirus, the ski trip to Italy and a trip to Norway were cancelled, alongside the residential trips for Years 2 - 8 during the Summer Term.

For the second year running, we also had children involved with the Barnardo's Young Supporters Concert at the Royal Albert Hall. We also had all of Year 5 and 6 involved in two musical events – Wellington College Young Singers Day and Young Voices at the O2.

The co-curricular programme offers all pupils the opportunity to explore, create and find something that interests them. Many learn new skills and many continue to build on skills they already have, but all of them are able to do this within their school environment giving them the security and confidence to try new experiences. Many activities are done purely for pleasure, fitness or curiosity however some provide the opportunity to compete, be graded or take exams. Over the year we have seen awards in gymnastics for 12 pre-prep children and a pupil won a silver medal in the IAPS Judo 10-13 year old boys competition. 60 children were successful in LAMDA examinations with 80% passing at distinction. A new event was the Strictly School Dancing competition that saw Years 1&2 placed second, Years 3&4 third and Years 5&6 winners in their respective age groups. On top of this are numerous dance exams in ballet and modern, once again nearly all receiving the top mark of distinction. A limited programme of extra-curricular activities, including peripatetic music lessons, were offered remotely during the Summer Term.

Over 100 children were registered to take part in Woodley Festival this year, with about half of the children actually performing. The festival had to close its doors early owing to the national lockdown but Crosfields children were still commended for their performances and children across the whole school were involved. In response to this, pieces were shared within school and celebrated within school collects. The Junior School Play and Pre-Prep Cantata at the end of the Spring Term were shared with families online so that children still had the experience of performing to an audience.

We also had 2 firsts for Crosfields. Our ski teams competed in the BISS National Ski Championships at Hemel Hempstead and the English Ski School Association competition in Southampton. Success included a 5th place in the U14 girl's competition and 3rd place in the Junior girls team event. Two pupils were selected for the National Schools Team. In rowing, we had children competing at the British Indoor Championships where all our competitors achieved personal bests and 3 were placed in the top 10 in the country. In the South of England Indoor Championships, our Year 7 team won silver medals in the relay and we won bronze in the Year 8 boys individual race.

Sport continues to thrive at the school with an emphasis on including all the children in fixtures where possible, however fixtures have been on pause since early March due to coronavirus. The programme consists of rugby, football, netball, hockey and cricket with fixtures also in cross country, basketball, badminton, tennis and athletics. The Head of Cricket has provided a tangible improvement in cricket coaching for girls and boys and links have been established with local cricket clubs to assist with player development pathways.

The Under 9A team had a particularly successful football and rugby season and the U13 Sevens team won the Crosfields Sevens tournament. Two pupils were selected for the ISFA South-Central representative football team in 2019-2020, one pupil achieved rugby academy selection at London Irish and six pupils achieved final selection for Berkshire age group cricket teams. U11 and U13 netball and hockey teams competed at IAPS tournaments and the U8A team were unbeaten in hockey and netball fixtures. Girls football was introduced to the games curriculum with the U10A team runners-up in the Wellington College tournament. Sadly most girls football fixtures were cancelled due to the emerging coronavirus situation.

Crosfields School Trust Limited

REPORT OF THE GOVERNORS (*continued*) For the year ended 31 August 2020

REVIEW OF PERFORMANCE AND ACHIEVEMENTS FOR THE YEAR (*continued*)

Achievements (*continued*)

Early in the academic year Crosfields competed for the first time in the English Schools swimming relay competition with Years 7&8, narrowly missing out on the finals. In January, five of the Crosfields swimmers qualified for the Berkshire and Buckinghamshire County Swimming competition, all achieving finals places and accomplishing a total of twelve medals, five of which were gold. Three of these swimmers also achieved regional qualification. During the year Crosfields hosted over fifteen visiting schools allowing over 120 children the chance to compete in the pool from Year 3 through to Year 8. We also hosted a qualifying round of the IAPS Swimming Competition and achieved individual and relay qualification to the national final. This was subsequently cancelled due to coronavirus.

Early in the year, Year 7 pupils constructed wire sculptures. Once under lockdown, a Youtube station was set up to allow children to continue their art experience at home. Microsoft Teams was used as a platform to communicate with the children but also to exhibit children's artwork and celebrate their creations. Pupils were invited to submit designs for a flag competition judged by the Marine Conservation Society. The winning design will fly from the school flagpole later in the year.

GOVERNANCE AND MANAGEMENT

Governance

Governors are elected by the Board at the annual general meeting and will normally serve for an initial period of 3 years but are eligible to stand for re-election. Governors are selected for the relevant experience and specialist skills which they provide to the school in order to enhance debate and decision making and enable the Board of Governors to carry out its duties effectively and efficiently. There has been some movement in members of the Board of Governors over the course of the past year and the Board consists currently of 16 governors drawn from a wide range of professions including legal, accountancy, hospitality, local government, project management and as well as past and current parents and experienced educators. Governors do not receive any remuneration for their time. All governors are made aware of the need for independence and to declare any conflict of interest which may arise between the school and their own personal or business affairs.

The Board operates within the framework of the Charity Governance Code and applies its principles throughout its work and decision-making.

Crosfields School is a member of the Incorporated Association of Preparatory Schools (IAPS) for the promotion and maintenance of preparatory school standards. It also maintains membership of the Independent School Bursar's Association (ISBA) and Association of Governing Bodies of Independent Schools (AGBIS).

Recruitment and Training

New governors are frequently existing or former parents and already have a good knowledge of the school. An induction programme is in place to cover the responsibilities of governors as trustees and directors. Governors have made extensive use of the AGBIS webinar programme this year. Visits are encouraged to provide a broader perspective on the governance and management of the school although this has been restricted as a result of coronavirus measures for much of the year.

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REPORT OF THE GOVERNORS (*continued*) For the year ended 31 August 2020

GOVERNANCE AND MANAGEMENT (*continued*)

Organisational Management and Structure

The full Board of Governors meets each term, or more frequently if required, and determines the overall policy of the school. There are 6 sub committees: the Education and Welfare Committee (EWC) focusing on curriculum and welfare; the Finance Committee (FC) focusing on financial and legal matters; the Building and Estates Committee (BEC) focusing on the maintenance and development of all existing and proposed new buildings and facilities; the IT Committee (ITC) focusing on IT infrastructure, support, training and IT teaching and learning; the Remuneration and Appraisal Committee responsible for recommending the remuneration package of the Headmaster and Bursar (re-established Autumn 20) and for undertaking their biennial performance appraisal and the Health & Safety Committee (H&S) to ensure that the entire premises of the school, including outdoor facilities, are fit for purpose and suitable for the age of children cared for and the activities undertaken. Members of the Senior Leadership Team have been invited to join the various Committees to broaden their experience.

In addition, Governors have established a P16 Programme Board to oversee the educational developments, infrastructure and finance for the new senior school. The Board comprises the Chair of Governors, the Chairs of the main Committees, Headmaster and Bursar.

During lockdown and subsequently, meetings have been held virtually using Microsoft Teams.

The Senior Leadership Team, as detailed on page 2 of this report are responsible for the day to day management of the school and support various committees throughout the year. A member of staff is seconded to the Senior Leadership Team each academic year to give them an opportunity to broaden their experience and skills in preparation for more senior roles. Both the Headmaster and Bursar provide termly reports to the Board of Governors. A Compliance and Governance Co-ordinator was appointed in September 2019 to assist the work of the Bursar as Clerk to the Governors. The Chairman and Chairs of Committees met virtually on a frequent basis during lockdown to provide practical and moral support to the Headmaster and Bursar. The focus was on operational matters, financial sustainability and remote learning provision.

The Senior Leadership remuneration is based on the school's leadership scale. Yearly inflationary awards may be made for all staff and are agreed through the budget setting cycle.

Serious Incidents

A serious incident has been reported to the Charity Commission in relation to a historical safeguarding issue. The matter is under investigation by the Police. An independent review of safeguarding policy and practice is being undertaken.

Crosfields School Trust Limited

REPORT OF THE GOVERNORS (*continued*) For the year ended 31 August 2020

PUBLIC BENEFIT

Bursary Policy

The governors are committed to broadening access to the school through transformational bursaries. It is important that access to the education the school offers is not restricted only to those who can afford the fees. Crosfields pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which help pupils develop an understanding of the perspectives of other people that will be vital in their adult lives.

Transformational bursaries are awarded for a high proportion or even full fee and provide for children with significant potential but for whom independent education would be otherwise wholly out of reach. The governors also acknowledge that there is a need to provide fee assistance to those families who need some support with the payment of schools fees. All bursaries are discretionary and may be awarded in the form of a discount depending on the financial, compassionate or other pertinent circumstances of applicants. Bursary awards are subject to testing of parental means.

In 2019-20, 7 pupils in Years 7 – 8 were recipients of substantial bursary awards in excess of 60% of the fees (£86,406) and a further 3 pupils were provided with fee assistance following a change in family circumstances (£15,720).

Crosfields has no endowment income. In funding our awards, we are mindful of the need to maintain a balance between fee-paying parents, many of whom make considerable personal sacrifice to fund their child's education, and those benefiting from the awards. Fee discounts are offered to staff in order to attract and retain the best staff. Further details of our bursary policy and how to apply are available from the school.

Community Engagement

The school provides support to the wider community in a number of ways:

- Crosfields has continued to build its links to local community sports clubs who use our facilities outside of school hours for badminton, trampolining, cricket, netball, football, archery, swimming, synchronised swimming, karate and hockey. Including a new working partnership over the year with Berkshire Hockey, the Berkshire Cricket Foundation, Shinfield Rangers Football Club and Burghfield Football Club.
- During lockdown all facilities had to be closed but In the latter part of the Summer, the hiring of the swimming pool, sports hall and all weather pitches was extended to a number of swimming, football and hockey clubs who were unable to train at their usual facility.
- Discounted community rates were offered to clubs as the effects of coronavirus significantly impacted upon the number of participants and the financial sustainability of small community clubs.
- The school organised football and netball, cross-country and tag rugby festivals throughout the year and welcomed over 500 children from over 40 local Primary Schools to share our facilities.
- Ultimate Activity camps and Performance cricket courses offered local children and their parents coaching opportunities and childcare during the October half term.
- In the autumn term, the school hosted a maths challenge for children in Year 4 from 23 local Primary Schools.

Crosfields School Trust Limited

REPORT OF THE GOVERNORS (*continued*) For the year ended 31 August 2020

GOVERNANCE AND MANAGEMENT (*continued*)

Community Engagement (*continued*)

- Members of teaching staff have shared their expertise and experience as governors at 2 local primary schools.
- A link with local Whiteknights Primary School is being explored to foster collaborative knowledge sharing especially around Modern Foreign Languages from Crosfields and English from Whiteknights.
- In the Autumn Term, senior school pupils assisted in fundraising efforts for the Royal British Legion. Later in the year they heard from LaunchPad, a local homeless charity, and gave support by 'sitting out' within the grounds on cardboard. This was further supported by a member of staff who spoke to the pupils about her experience of taking part in Launchpad's 'Big Sleep out' campaign.
- Senior Children also worked with the local Rotary Club and set up an Interact Club, where they fundraised for Children In Need and Malaria Consortium. Pudsey Bear visited the school and children showed their support by sporting Children in Need memorabilia. In June, the Interact Club took part in a virtual 3 peaks Challenge.
- Pupils and staff supported an array of charities in school, and through creative virtual events and fitness challenges, including Marine Conservation Charity, Clear Skies, BeKind Rescue, LaunchPad, Children's Cancer and Leukaemia Trust, Young Minds, SEWA Day - an international day of volunteering, Ruth Strauss Foundation, NHS Trusts, Dreamflight and Pangolins. Almost half a tonne of food was donated to local charities.

Volunteers

The Crosfields Parents Association is a thriving organisation established to support the school. It achieves this by a full programme of charitable events ongoing throughout the school year. Additionally, the school is very well supported by a large number of parental volunteer helpers.

Crosfields School Trust Limited

REPORT OF THE GOVERNORS (*continued*) For the year ended 31 August 2020

FINANCIAL REVIEW

The financial year generated net incoming resources of £38k (2019 £218k). Income from all activities was £7.5m (2019 £7.5m) with expenditure totalling £7.4m (2019 £7.3m).

As the school prepares for the opening of its senior school, the number of children in the school increased in the financial year to an average of 570. The total number of pupils enrolled at the start of the current year was 592.

The school has a wholly owned trading subsidiary through which non-charitable activities are undertaken. The surplus generated from the trading company is gift aided back to the school.

Reserves Policy

The policy of the governors, through effective budgetary control, is to seek to generate an annual surplus of income over expenditure that enables the school to continue a programme of refurbishment and development whilst servicing its loans and securing its long-term viability. This has been particularly important this year in determining the extent of borrowing necessary for the P16 programme.

The finances, budgets and spend are regularly reviewed at the Finance, Building and Estates, P16 Programme Board and Board of Governors meetings. The school's unrestricted funds at the end of the year were £7.856m, all of which has been deployed in premises and equipment for use by the school. The governors are of the opinion that the school is well placed to operate efficiently with the day to day working capital being met by careful management of school fees and other sources of income received and bank overdraft where necessary. The school does not have any current free reserves as it is investing in the development of the P16 programme.

The Board convened an EGM in June 2020 to meet its obligations under s124 of the Charity Act 2011 and agreed to enter into a development loan of £8.5m with Lloyds Bank to fund the development of the new senior school building and enabling works. This will enable funds to be drawdown over a period of 30 months whilst construction takes place. The loan then converts into a 12 year term loan with interest only payments for the first 2 years.

Going Concern

Like many, or perhaps most, independent schools, Crosfields concluded that it would be inappropriate to charge the same level of school fees for the Summer Term for a variety of reasons. Governors decided upon a 20% reduction in fees for all pupils except for those in Nursery for whom teaching provision was reduced to 2 ½ days per week and a commensurate fee reduction applied. With national lockdown and restrictions placed on sporting venues, the school's facilities were closed for 4 months, further reducing the school's income stream. Meanwhile, prudent management ensured operational costs were reduced wherever possible. 68 members of teaching support and support staff were furloughed under the Government Covid-19 Job Protection Scheme for between 2 and 5 months reflecting the reduced level of day to day activity in school.

The governors reviewed the school's financial plans in May 2020 in respect of the funding of the P16 infrastructure development and again in June 2020, as part of their normal annual review for setting a budget for the next academic year. Principal financial risks were also considered. On both occasions, they were satisfied that the school had sufficient resources to continue operating for the foreseeable future.

Crosfields School Trust Limited

REPORT OF THE GOVERNORS (*continued*) For the year ended 31 August 2020

Going Concern (*continued*)

Since then, the effect of coronavirus has also been assessed by the Finance Committee on behalf of the Board in November 2020 reviewing the school's ongoing forecasts and projections to ensure that it remains financially viable. With regard to the next accounting period, the year ending 31 August 2021, the most significant areas that are likely to affect the charity's net assets are maintenance of pupil numbers and fee income; continued income stream from Enterprises in the event of a further lockdown; an increase in operating costs to meet coronavirus secure measures; general inflationary pressures including BREXIT; the costs of the employer's contribution to the teachers' pension scheme and unplanned delays or additional costs to the building of the new senior school. These are being monitored closely in order that any deterioration in the situation can be mitigated. Since the year-end, the school's investment property, Isgoed, has been sold with no gain or loss on disposal.

Beyond 2021, financial modelling continues to support the position that a strong surplus will be generated under normal operations and planned CAPEX in support of P16 is achievable. The cash-flow projections for future years indicate that the school will be able to meet its liabilities as they fall due from within current banking facilities.

Governors review the ongoing risks on a termly basis and are aware that Covid-19 and BREXIT constitute significant external risk largely out with their control. There are also risks to the future projections beyond the next 12 months based on pupil numbers and a pessimistic view representing a 6% fall in pupil numbers overall would have a substantial impact on income. Bank covenants and loan repayments could still be met but there would be pressure on future capital expenditure. Governors would have to reassess the affordability of such plans before making any commitments.

The national lockdown announced on 4th January 2021 has meant a return to remote learning for all but vulnerable and key worker children. The governors have considered this and do not believe that it will have a negative impact on the forecasts prepared.

As such, governors remain satisfied that the school can continue operating for the foreseeable future and accounts have been prepared in the knowledge that the school is a financially viable organisation. The governors have reviewed the accounts, financial model, future plans and risks and are confident that the charity is a going concern.

Crosfields School Trust Limited

REPORT OF THE GOVERNORS (*continued*) For the year ended 31 August 2020

STRATEGIC REVIEW

Future Development – Project 16

The governors, in conjunction with the Headmaster, made a strategic decision to extend the school through to 16 years of age (year 11, GCSEs) in response to parental demand and the local market for independent education (Project 16 – P16). The school's vision is:

- **Coeducation and Diversity.** The modern workplace is a hugely diverse environment. At Crosfields we believe that there are positive benefits in educating children in an environment that promotes acceptance and respect regardless of gender, ethnicity, nationality, culture and religious beliefs. We are convinced that boys and girls positively benefit, both academically and socially, from being educated together.
- **Academics.** Pupils will be stretched and supported academically. All will be given the opportunity to excel, whatever their ability. We have been incredibly successful, and have a strong track record in preparing them for a range of schools, even the most academically demanding. At Crosfields, all children will be taught imaginatively, thoroughly and broadly.
- **Small Classes.** Feedback from the parental survey confirmed that small classes are important. We fully support this and will continue to offer small classes.
- **Breadth.** At Crosfields we encourage children to experiment and to challenge themselves. The importance of an effective Co-curricular programme at secondary level cannot be underestimated. Not only is there growing evidence that it has a positive impact on academic progress, but also the soft skills (communication, responsibility, flexibility and integrity) which it promotes is recognised as being important towards success at post-secondary level education and in the work place environment. Co-curricular will enrich a pupil, both during and after school life. An effective programme will provide the necessary balance between emotional, academic and social development for a young adult.
- **Pastoral Care and Wellbeing.** The recent parental survey confirmed what every parent knows; happy children make good progress both academically and socially. Pastoral care has been a particular strength of Crosfields and we will continue to emphasise the importance of mental health across the school. We recognise the need to evolve, to reflect the needs of teenage children with the additional challenges and pressures presented by today's social media and public examinations. A new Deputy Head (Pastoral) was appointed in September 2019.

Design work for the new senior school building comprising 9 classrooms, library, performance space, café, medical facilities and administrative functions was finalised and planning permission was awarded by Wokingham Borough Council in February 2020. A tender process was undertaken in respect of the main construction contract and the enabling works but owing to the uncertainties surrounding the coronavirus situation, the build project was paused in early April 2020. This pause enabled governors to re-evaluate the school finances in light of reduced income streams during the Summer Term and risks associated with the longer term impact on the school. The underlying financial model was reworked and a new submission made to the Bank to agree funding. This was approved and enabling works started in July 2020 and the main contractor in September 2020.

Numbers for our first P16 cohort – Year 7 in September 2019 – was particularly strong and will provide a sound foundation upon which to establish the new senior school. Pupil recruitment for the current Year 7 entry was undoubtedly impacted by the delay in planning permission, national lockdown and our inability to engage with prospective families in person. The Department of Education has approved an increase in pupil numbers for the whole school to 610 for September 2020.

Staff recruitment has been particularly strong and new secondary specialists have been appointed in Maths, English and Science for September 2020. Work is progressing well in respect of schemes of work, pastoral support and co-curricular provision for the senior years.

Crosfields School Trust Limited

REPORT OF THE GOVERNORS (*continued*) For the year ended 31 August 2020

School Development Plan

Alongside P16, the Headmaster has established a new School Development Plan to 'To Inspire and To be Inspired.' The plan has 3 distinct strands Welfare, IT and Inspiring Talks with initiatives for pupils, staff and parents running throughout. The move to learning at home promoted acceleration in the IT programme. Governors provided funds for 40 staff laptops in April 2020 and this was matched by a generous donation which enabled all teaching staff to work fully remotely. Skill levels amongst staff and pupils increased substantially and these have been brought back into the classroom across all curriculum areas for the start of the new academic year.

Risk Management

The Board of Governors conducts regular reviews of major risks to the school and its activities, focusing on those risks that may arise from time to time and which may affect the charitable company's viability and reputation.

The principal uncertainty currently facing the school is the impact of the ongoing coronavirus outbreak. The governors and Senior Leadership Team continue to monitor the outbreak, including Government advice, and acknowledge that the organisation faces a prolonged period of uncertainty. While the evolving nature of the situation means it is not possible to accurately quantify the potential future financial and operational impact, the school is in a good financial position to help manage this risk. Steps are being taken, on an ongoing basis, to balance income and expenditure in order to protect educational and welfare provision and jobs for this academic year and beyond.

A rigorous risk assessment was put in place for the return to school in June. This is regularly reviewed and updated in light of the latest government guidance for schools and workplaces. The school is currently operating as near to normal as possible with year group pods and social distancing. Contingency plans are in place to return to remote teaching and learning and business support should the need arise as a result of a local outbreak or more widespread lockdown.

Other key risks are financial uncertainties with regard to the potential loss of mandatory business rate relief, BREXIT, the employer's contribution to the teachers' pension scheme and the continued presence of key employers in the area. Alongside this, governors have noted that sustaining and growing pupil numbers and fee affordability continue to require focus.

Crosfields School Trust Limited

REPORT OF THE GOVERNORS (*continued*) For the year ended 31 August 2020

GOVERNORS RESPONSIBILITIES

The governors (who are also directors of Crosfields School Trust Limited for the purposes of Company law) are responsible for preparing the Strategic Report, the Report of the Governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the governors to prepare financial statements for each financial year that give a true and fair view of the charitable company's state of affairs and of its incoming resources and application of resources, including income and expenditure, for the financial year. In preparing those financial statements, the governors are required to:


- Select suitable accounting policies and apply them consistently.
- Observe the methods and principles in the Charities SORP.
- Make judgements and estimates that are reasonable and prudent.
- State whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements.
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue to operate.

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

The governors confirm that they have complied with the duty in section 17 (5) of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit. The governors have referred to the guidance in the Charity's Commission general guidance on Public Benefit when reviewing the school's aims and objectives and in planning the school's future activities. In particular, the governors have considered how planned activities will contribute to the aims and objectives they have set.

The governors confirm that so far as they are aware, there is no relevant audit information of which the charitable company's auditors are unaware. They have taken all the steps that they ought to have taken as governors in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditors are aware of that information.

Approved by the Board of Governors on ~~20 January 2021~~ and signed on their behalf by:



.....
C J Dering
Chairman of Governors

Crosfields School Trust Limited

Report of the Independent Auditor to the Governors of Crosfields School Trust Limited

Opinion on financial statements

We have audited the financial statements of Crosfields School Trust Limited ("the Parent Charitable Company") and its subsidiary ("the Group") for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities (Incorporating an Income & Expenditure Account), the Consolidated Statement of Financial Position, the Company Statement of Financial Position, the Consolidated Statement of Cashflows 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 August 2020 and of the Group's incoming resources and application of resources and the Parent Charitable Company's incoming resources and application of resources for the year then ended;
- have been properly prepared in accordance with the United Kingdom Generally Accepted Accounting Practice; and
- have been properly prepared in accordance with 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 and the Parent Charitable Company in accordance with the ethical requirements 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 governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate, or
- the governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Group 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.

Crosfields School Trust Limited

Report of the Independent Auditor to the Governors of Crosfields School Trust Limited (*continued*)

Other information

The governors are responsible for the other information. The other information comprises the information included in the Report of the Governors, other than the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Governors, which includes the Directors' Report and the Strategic Report prepared for the purposes of Company Law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report, which are included in the Report of the Governors, have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Charitable Company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic Report or the Report of the Governors.

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

- adequate and sufficient 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 governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Crosfields School Trust Limited

Report of the Independent Auditor to the Governors of Crosfields School Trust Limited (*continued*)

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 10, the governors (who are also the directors of the charitable company for the purpose of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the governors are responsible for assessing the 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 governors either intend to liquidate the Group's and 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

We have been appointed as auditor under the Companies Act 2006 and report in accordance with the Act and relevant regulations made or having effect thereunder.

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 Councils 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.

BDO LLP

Heather Wheelhouse (Senior Statutory Auditor)
for and on behalf of BDO LLP, statutory auditor
Reading
United Kingdom

Date 27 January 2021

BDO LLP is a limited liability partnership registered in England & Wales (with number OC305127)

Crosfields School Trust Limited

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (Incorporating an Income & Expenditure Account) For the year ended 31 August 2020

	Note	Unrestricted funds General funds £	Designated funds £	Total 2020 £	Total 2019 £
Income from:					
Donations and legacies	4	182,463	-	182,463	29,952
Charitable activities					
Fees receivable	2	6,901,236	-	6,901,236	6,833,976
Ancillary income	5	159,546	-	159,546	295,542
Other trading activities					
Income from trading activities	3	177,457	-	177,457	244,231
Rents and lettings	7	21,641	-	21,641	20,900
Investment income	6	13,012	-	13,012	20,645
Total income		7,455,355	-	7,455,355	7,445,246
Expenditure on:					
Charitable activities	8	7,216,027	-	7,216,027	7,077,331
Cost of raising funds	8	2,388	-	2,388	1,993
Costs of trading activities	3,8	188,874	-	188,874	165,820
Total expenditure		7,407,289	-	7,407,289	7,245,144
Net income before tax		48,066	-	48,066	200,102
Tax payable	11	(10,248)	-	(10,248)	-
Transfers between funds	21	1,526	(1,526)	-	-
Net gain on investment	13	-	-	-	18,000
Net movement in funds		37,818	-	37,818	218,102
Total funds brought forward		7,816,990	1,526	7,818,516	7,600,414
Total funds carried forward	21	7,856,334	-	7,856,334	7,818,516

The amounts relate to continuing activities. All gains and losses recognised in the year are included in the statement of financial activities.

The notes on pages 22 to 39 form part of these accounts.

Crosfields School Trust Limited

CONSOLIDATED AND COMPANY STATEMENT OF FINANCIAL POSITION At 31 August 2020

Registered number 00584278

	Note	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Fixed assets					
Tangible fixed assets	12	9,760,371	9,000,056	9,760,371	9,000,056
Investment property	13	640,000	640,000	640,000	640,000
Investments in subsidiaries	13	-	-	1	1
		10,400,371	9,640,056	10,400,372	9,640,057
Current assets					
Stocks		1,798	3,422	1,798	3,422
Debtors	14	332,074	287,857	312,326	270,731
Cash at bank and in hand		61,803	42,872	45,360	1,776
		385,675	334,151	359,484	275,929
Creditors: amounts falling due within one year	15	(2,034,593)	(1,875,691)	(2,019,189)	(1,895,881)
		(1,648,918)	(1,541,540)	(1,659,705)	(1,619,952)
Total assets less current liabilities		8,751,453	8,098,516	8,740,667	8,020,105
Creditors: amounts falling due after more than one year	16	(895,119)	(280,000)	(895,119)	(280,000)
Net assets		7,856,334	7,818,516	7,845,548	7,740,105
Funds					
Unrestricted funds					
General fund	21	7,856,334	7,816,990	7,845,548	7,738,579
Designated fund	21	-	1,526	-	1,526
		7,856,334	7,818,516	7,845,548	7,740,105

The charitable company has taken advantage of section 408 of the Companies Act 2006 not to publish its own Statement of Financial Activities. The parent company's net income for the year, was £105,443 (2019 - £192,056).

The financial statements were approved and authorised for issue by the Board of Governors of Crosfields School Trust Limited on 20 January 2021 and signed on their behalf by:



.....
C J Dering
Chair of Governors

The notes on pages 22 to 39 form part of these accounts.

Crosfields School Trust Limited

CONSOLIDATED STATEMENT OF CASHFLOWS For the year ended 31 August 2020

	Note	Group 2020 £	Group 2019 £
Net income for the reporting period (as per the Statement of Financial Activities)		37,818	218,102
Adjustments for:			
Depreciation of tangible fixed assets		442,104	420,635
Interest receivable		(75)	(795)
Investment property rental income		(12,937)	(19,850)
Gain on investment property		-	(18,000)
Interest payable		13,768	18,346
Decrease in stock		1,624	251
(Increase)/decrease in debtors		(34,217)	68,361
Increase/(decrease) in creditors		(127,890)	155,428
(Decrease)/increase in pension deficit contribution liability		(3,738)	11,853
		<hr/>	<hr/>
Cash generated from operations		316,457	854,331
		<hr/>	<hr/>
Cash flows from investing activities			
Interest received	6	75	795
Rental income		12,937	19,850
Purchase of tangible fixed assets	11	(870,626)	(1,409,060)
		<hr/>	<hr/>
Net cash used in investing activities		(857,614)	(1,388,415)
		<hr/>	<hr/>
Cash flows from financing activities			
Repayment of borrowing		(400,000)	(120,000)
New bank loan		895,119	-
Interest paid		(13,768)	(18,346)
		<hr/>	<hr/>
Net cash from/(used in) financing activities		481,351	(138,346)
		<hr/>	<hr/>
Decrease in cash and cash equivalents in the year		(59,806)	(672,430)
		<hr/>	<hr/>
Cash and cash equivalents at the beginning of the year		(205,229)	467,201
		<hr/>	<hr/>
Total cash and cash equivalents at the end of the year		(265,035)	(205,229)
		<hr/>	<hr/>
Relating:			
Bank balances included in cash at bank and in hand	23	61,803	42,872
Bank overdraft		(326,838)	(248,101)
		<hr/>	<hr/>
		(265,035)	(205,229)
		<hr/>	<hr/>

The notes on pages 22 to 39 form part of these accounts.

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS For the year ended 31 August 2020

1 Accounting policies

Company status

Crosfields School Trust Limited ("the Company") is a private company limited by guarantee, incorporated in England and Wales under the Companies Act 2006. The address of the Company's registered office and principal place of business is Crosfields School, Shinfield Road, Shinfield, Reading, RG2 9BL. The members of the Company are the governors. The Company number and members of the Company are named on page 1.

Basis of preparation

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019) - Charities SORP (FRS 102), UK Generally Accepted Accounting Practice (UK GAAP) including the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated.

Monetary amounts in these accounts are rounded to the nearest £ except where otherwise indicated.

Going concern

The group has net current liabilities of £1,648,918 (2019 - £1,541,540) at the Statement of Financial Position date. The year ended 31 August 2020 gave rise to a net movement in funds of £37,818. In considering whether the going concern basis is appropriate, the governors have considered the surplus and cash-flow projections prepared for future years. These indicate that the charitable company will be able to meet its liabilities as they fall due and together with arrangements with their bankers forecast that the charitable company will be able to operate within the facilities currently available. The governors have no reason to believe that the current facilities will not be continued and confirm that there is no material uncertainty as to the future of the charitable company. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of governors' responsibilities.

COVID-19 has created material uncertainty for schools in assessing their forward plans. The two main areas of uncertainty relate to the operating model and the financing of the school.

Operating model

Despite difficult wider economic pressures, pupil numbers have continued to grow and the school anticipates an average of 593 pupils this year versus 595 within our forecast (2019 – 566). Fee income for 2020 – 2021 should be close to budget but income from Enterprises and other school activities has been affected already by the continued Covid-19 restrictions under which the school operates. The forecast for the end of the year is currently £105,299 below target revenue of £8.6m but with pupil recruitment continuing, it may be possible to recover some of this. Expenditure is under tighter than ever control and is forecasted to be £7.77m against a budget of £7.85m. The end of financial year forecast shows a cash generation figure of £382,453 (post P16 and CAPEX expenditure) and a surplus of £152,542 against a budget of £168,003. This position has been boosted by the sale of Isgoed, an investment property purchased in 2018. Whilst there was no profit or loss on the sale, the proceeds of £640,000 are a welcome boost to cashflow.

Fee debtors have been understandably higher than in the past. The school provided some fee relief for families in financial difficulties and offered some flexibility in payment terms. Debtors currently stand at £192,641 across 51 pupils. These debts are being actively managed by the Finance Team but 5 have been referred to a third party for collection. We expect the debts to be cleared by the end of the academic year.

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

1 Accounting policies *(continued)*

Going concern *(continued)*

Financing

The P16 Financial Model which looks in detail at the implications of P16 development, including growth in pupil numbers (income), staff recruitment, expenditure patterns and exceptional costs alongside the capital development plan, was reviewed by Crowe in August 2019 and again in May 2020 as part of the finalisation of the development loan from Lloyds Bank. The report supported the methodology, validated the underpinning principles and provided assurance to Governors in respect of their responsibilities under s124 of the Charities Act.

The P16 Financial Model has been refreshed with the most up to date data and it continues to demonstrate that a strong surplus will be generated under normal operations and planned CAPEX in support of P16 is achievable. The cash-flow projections for future years indicate that the charitable company will be able to meet its liabilities as they fall due and, together with banking arrangements, forecast that the charitable company will be able to operate within the facilities currently available. The school currently operates under a bank overdraft facility of £750k renewable 30 May 2021, and has refinanced their loan during the current year. The loan repayments commence two years after the initial drawdown. The loan facility is available for £8.5m which is repayable by 31 December 2034.

Governors review the ongoing risks on a termly basis and are aware that Covid-19 and BREXIT constitute significant external risk largely out with their control. There are also risks to the future projections based on pupil numbers. A pessimistic view of pupil numbers for 2021/22, representing a 6% fall in pupil numbers overall, when extrapolated out over the following 4 years would have a substantial impact on income. Bank covenants and loan repayments could still be met but there would be pressure on the funding of Phase 2 of the building plans. Governors would have to reassess the affordability of such plans before making any commitments.

Basis of consolidation

The group accounts consolidate the accounts of Crosfields School Trust Limited and its subsidiary undertaking, Crosfields School Enterprises Limited on a line by line basis. The accounts are made up to 31 August 2020. No separate Statement of Financial activities or income and expenditure has been presented for the charitable company alone as permitted by the Companies Act 2006 and the 2019 Charities SORP. The parent company's net income for the year was £105,443 (2019 - £192,056).

The results of the subsidiary undertaking for the year are disclosed in note 3 of the accounts.

FRS102 allows qualifying entities certain disclosure exemptions. The charity, only, has taken advantage of the exemptions for the following disclosure requirement:

- Section 7 "Statement of Cash Flows" - presentation of an entity only Statement of Cash Flow and related notes and disclosures.

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

1 Accounting policies *(continued)*

Fund accounting

General funds are unrestricted funds that are available for use at the discretion of the governors in furtherance of the general objectives of the charitable company and have not been designated for other purposes.

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

Investment income and gains are allocated to the appropriate fund.

Income

All incoming resources are included in the Statement of Financial Activities when the charitable company is legally entitled to the income and the amount can be quantified with reasonable accuracy.

Fees and similar income

Fees receivable, charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, bursaries and other remissions granted by the school.

Fees received for education to be provided in future years are carried forward as fees received in advance in the Statement of Financial Position. These fees are released to the Statement of Financial Activities over the period in which the school provides the services in future years.

Expenditure

Resources expended are accounted for on an accrual basis. Resources expended are allocated to specific activities without the need for apportionment. The irrecoverable element of VAT is included within the item of expense to which it relates.

Governance costs comprise the costs of running the charitable company, such as the costs of board and committee meetings, preparing statutory accounts and satisfying public accountability.

Donated services

Donated services and facilities are only included as income (with an equivalent amount in resources expended) where the benefit to the charity is reasonably quantifiable, measurable and material. The value placed on these resources is the estimated market value to the charity of the service or facility received.

Grant Income

Payments received from the government for furloughed employees are a form of grant. This grant money is receivable as compensation for expenses already incurred, and where this is not in respect of future related costs, is recognised in income in the period in which it becomes receivable and the related expense is incurred.

Operating leases

Rentals applicable to operating leases are charged to the Statement of Financial Activities on a straight line basis over the period in which the cost is incurred.

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

1 Accounting policies *(continued)*

Tangible fixed assets and depreciation

Expenditure on fixed assets is capitalised except for expenditure incurred on the replacement of assets of low value with a short life. Subsequent costs of repair, renovation and replacement expenditure are written off as incurred in the consolidated statement of financial activities, unless it is probable that such costs will generate future economic benefits.

School buildings are recorded at their historical cost to the charitable company. Depreciation is provided on all tangible assets, except freehold land, in order to write off their cost less residual value over their estimated useful lives at the following annual rates:

		Straight line basis
Freehold property:	-	%
Buildings	-	2-12
Sensory garden	-	10
Furniture, fixtures and equipment:		
Tractor	-	15
Computer equipment (educational)	-	33.33
Computer equipment (administrative)	-	25
Other	-	15

Items costing less than £5,000 are written off as an expense as acquired.

Investment property

Investment property is carried at fair value. The governors consider any changes in the fair value on an annual basis, with current market conditions taken into account, and the valuation adjusted if necessary for any difference in the nature, location or condition of the specific asset. Changes in fair value are recognised in Statement of Financial Activities.

Investments in subsidiaries

Investments in subsidiaries are stated at cost less any assessed impairment in the asset.

Stocks

Stocks are valued at the lower of cost and net realisable value.

Pension schemes

The charitable company contributes to the Teachers' Pension Scheme, which is a defined benefit scheme, at rates set by the Scheme Actuary and advised to the Board by the Scheme Administrator. The scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the scheme attributable to the charitable company. In accordance with FRS 102 therefore, the scheme is accounted for as a defined contribution scheme and contributions are accounted for when advised by the scheme administrator.

The charitable company also contributes into a defined contribution scheme for non-teaching staff and a defined benefit scheme for senior management. The present value of future contributions relating to the funding of a pension deficit is recognised as a liability.

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

1 Accounting policies *(continued)*

Financial Instruments

The group has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102, in full, to all of its financial instruments.

Financial assets and financial liabilities are recognised when the group becomes a party to the contractual provisions of the instrument, and are offset only when the group has a legal enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise and settle the liability simultaneously.

Financial assets

Trade, group and other debtors (including accrued income) which are receivable within one year and which do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairments losses.

A provision for impairment of trade debtors is established when there is objective evidence that the amounts due will not be collected according to the original terms of the contract. Impairment losses are recognised in the statement of financial activities.

Financial liabilities

Financial instruments are classified as liabilities according to the substance of the contractual arrangements entered into. Trade, group and other creditors (including accruals) payable within one year that do not constitute a financing transaction are initially measured at the transaction price and subsequently measured at amortised cost, being transaction price less any amounts settled.

Where the arrangements with a creditor constitutes a financing transaction, the creditor is initially measured at the present value of future payments discounted at a market rate of interest for a similar instrument and subsequently measured at amortised cost.

Borrowings

Borrowings are initially recognised at the transaction price, including transaction costs, and subsequently measured at amortised cost using the effective interest method. Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Derecognising financial assets and liabilities

A financial asset is derecognised only when the contractual rights to cash flows expire or are settled, or subsequently all the risks and rewards of ownership are transferred to another party, or if some significant risks or rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party. A financial liability (or part thereof) is derecognised when the obligation specified in the contract is discharged, cancelled or expires.

Taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the statement of financial affairs.

The current corporation tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the reporting date in the UK.

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

1 Accounting policies *(continued)*

Critical accounting estimates and areas of judgement

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

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

Significant estimates included within the financial statements include provision for fee debtors, which require a judgement by management regarding the likelihood of recovery. Management review and assess fee debtors on an individual account basis and provide for debts as appropriate. The valuation of the investment property is also considered to require judgement, this will be considered on an annual basis based on market conditions.

Depreciation is another key estimate in the accounts which requires management judgement over the useful life of the assets. The policy has been set out in the notes above.

2 Fees receivable

	2020 £	2019 £
Fees receivable consist of:		
Gross fees	7,835,717	7,230,847
Less: Total bursaries, grants and allowances	(448,769)	(396,871)
Less: COVID 19 Discounts	(485,712)	-
	<u>6,901,236</u>	<u>6,833,976</u>

All fees receivable were unrestricted in the current and prior year.

3 Trading income and expenditure

Crosfields School Trust Limited owns 100% of Crosfields School Enterprises Limited. This company hires out the sports hall and swimming pool at Crosfields Sports Centre and donates its annual taxable profits to the charitable company under the Gift Aid Scheme. Trading results extracted from its audited financial statements are shown below:

	2020 £	2019 £
Turnover	177,457	244,231
Administrative expenses	(188,874)	(165,820)
Government grants (HMRC Furlough scheme, see note 4)	32,541	-
Tax charge in relation to Gift Aid (see note 11)	(10,248)	-
	<u>10,786</u>	<u>78,411</u>
Profit for the year		
	<u>10,787</u>	<u>78,412</u>

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

4 Donations and legacies

	General funds £	Designated funds £	Total 2020 £	Total 2019 £
Donation of IT support	29,952	-	29,952	29,952
HMRC Furlough scheme income	152,511	-	152,511	-
	182,463	-	182,463	29,952
	182,463	-	182,463	29,952

All donations and legacies were unrestricted in the current and prior year.

5 Ancillary income

	General funds £	Designated funds £	Total 2020 £	Total 2019 £
Extra-curricular activities	141,423	-	141,423	270,610
Other income	18,123	-	18,123	24,932
	159,546	-	159,546	295,542
	159,546	-	159,546	295,542

All ancillary income was unrestricted in the current and prior year.

6 Investment income

	General funds £	Designated funds £	Total 2020 £	Total 2019 £
Bank interest receivable	75	-	75	795
Investment property rental income	12,937	-	12,937	19,850
	13,012	-	13,012	20,645
	13,012	-	13,012	20,645

All investment income was unrestricted in the current and prior year.

7 Other income

	General funds £	Designated funds £	Total 2020 £	Total 2019 £
Rents receivable	21,641	-	21,641	20,900
	21,641	-	21,641	20,900
	21,641	-	21,641	20,900

All other income was unrestricted in the current and prior year.

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

8 Analysis of expenditure

2020	Staff costs £	Other £	Depreciation £	Total 2020 £
Charitable activities				
School operating costs				
- Teaching	3,900,888	471,657	75,818	4,448,363
- Welfare	382,476	236,832	1,281	620,589
- Premises	96,727	889,458	365,005	1,351,190
- Support costs	532,896	177,647	-	710,543
- Governance costs	14,382	26,855	-	41,237
Bank charges and interest	-	23,071	-	23,071
Bad debts	-	21,034	-	21,034
	4,927,369	1,846,554	442,104	7,216,027
Cost of raising funds	-	2,388	-	2,388
Cost of trading activities	138,521	50,353	-	188,874
	5,065,890	1,899,295	442,104	7,407,289
	5,065,890	1,899,295	442,104	7,407,289
2019	Staff costs £	Other £	Depreciation £	Total 2019 £
Charitable activities				
School operating costs				
- Teaching	3,717,757	801,575	53,790	4,573,122
- Welfare	433,349	242,928	1,664	677,941
- Premises	88,368	721,897	365,181	1,175,446
- Support costs	479,709	106,643	-	586,352
- Governance costs	10,971	22,520	-	33,491
Bank charges and interest	-	29,792	-	29,792
Bad debts	-	1,187	-	1,187
	4,730,154	1,926,542	420,635	7,077,331
Cost of raising funds	-	1,993	-	1,993
Cost of trading activities	124,612	41,208	-	165,820
	4,854,766	1,969,743	420,635	7,245,144
	4,854,766	1,969,743	420,635	7,245,144

All expenditure on charitable activities was unrestricted in the current and prior year.

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

9 Expenditure

	2020 £	2019 £
Charitable activities include:		
Operating lease charges	4,276	4,157
Depreciation	442,104	420,635
Auditors' remuneration (excl VAT)		
Audit fees - Crosfields School Trust	17,500	12,500
- Crosfields School Enterprises Limited	2,500	2,500
Preparation of statutory accounts	2,000	1,200
Taxation - compliance services to the subsidiary	750	900
Loan interest	13,768	18,346
	476,602	459,638

The employer's liability insurance of the charitable company includes indemnity insurance for the governors. The cost of this insurance is £360 (2019 - £669).

10 Staff costs

	2020 £	2019 £
Wages and salaries	3,956,634	3,959,482
Social security costs	397,565	377,798
Pension contributions	715,429	505,633
Pension deficit contribution cost	(3,738)	11,853
	5,065,890	4,854,766

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

	2020 Number	2019 Number
Teaching	88	85
Welfare	21	29
Premises	3	3
Support	13	13
Trading	18	26
	143	156

The governors received Nil remuneration or other benefit for the year (2019 - Nil). The governors were reimbursed for expenses totalling £462 in the year (2019 - Nil).

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

10 Staff costs *(continued)*

The numbers of employees whose remuneration exceeded £60,000 during the year, were:

	2020 Number	2019 Number
£60,001 - £70,000	3	2
£70,001 - £80,000	-	-
£80,001 - £90,000	1	-
£110,001 - £120,000	-	1
£120,001 - £130,000	1	-

The number of those higher paid employees who accrued benefits under a defined benefit pension scheme during the year, were:

	4	3
	£	£
Pension contributions for above employees	68,864	47,415

Aggregate employee costs of the senior leadership team, as disclosed on page 2, including salary, benefits, pension contributions and national insurance) in the year totalled £752,501 (2019 - £687,705).

During the year, severance pay was awarded to 2 employees, with payments for compensation and pay in lieu of notice totalling £15,726 (2019 - Nil employees - £Nil).

11 Taxation

The tax charge has been recognised in the current period in Crosfields School Enterprises Limited due to the late payment of the 2018 gift aid payment to the parent company.

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

12 Tangible fixed assets – Group and Charity

	Freehold property £	Furniture, fixtures and equipment £	Total £
<i>Cost</i>			
At 1 September 2019	11,862,276	2,876,419	14,738,695
Additions	1,021,014	181,405	1,202,419
	12,883,290	3,057,824	15,941,114
<i>Depreciation</i>			
At 1 September 2019	3,370,366	2,368,273	5,738,639
Charge for year	244,965	197,139	442,104
	3,615,331	2,565,412	6,180,743
<i>Net book value</i>			
At 31 August 2020	9,267,959	492,412	9,760,371
At 31 August 2019	8,491,910	508,146	9,000,056

13 Fixed assets investments- Group and Charity

	Total £
Investment property	
At 31 August 2019	640,000
Revaluation during the year	-
	640,000
At 31 August 2020	640,000

The property was purchased during the year ended 31 August 2018. The governors have considered the value of the property at the year-end date based on the section 119 report and valuation as provided by Haslams an independent professionally qualified valuer, as at 30 September 2020. The valuations were undertaken in accordance with the Royal Institute of Chartered Surveyors' Appraisal and Valuation Manual. This has resulted in a gain on investment of £Nil (2019 - £18,000).

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

13 Fixed assets investments- Group and Charity (continued)

	2020 £	2019 £
Investment in subsidiaries (Charity only)		
Investment in subsidiary company	1	1

Company	Registered Office	Company number	Class	Shares held %
Crosfields School Enterprises Limited	Crosfields School Shinfield Road, Shinfield, Reading, Berkshire, RG2 9BL	08332333	Ordinary	100

14 Debtors

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Trade debtors	122,126	87,088	108,076	69,962
Other debtors	45,753	-	45,753	-
Amounts owed by subsidiary undertaking	-	-	4,302	-
Prepayments and accrued income	154,195	200,769	154,195	200,769
	322,074	287,857	312,326	270,731

Amounts owed by group undertakings are interest free and repayable on demand.

15 Creditors: amounts falling due within one year

	Group 2020 £	Group 2019 £	Charity 2020 £	Charity 2019 £
Bank overdraft (secured)	326,838	248,101	326,838	248,101
Bank loan	-	120,000	-	120,000
Trade creditors	536,106	200,434	536,106	200,434
Taxation and social security	115,206	97,302	115,206	97,302
Amounts owed to subsidiary undertaking	-	-	-	25,615
Accruals	108,135	100,444	102,984	95,019
School fees received in advance	455,161	647,997	455,161	647,997
Deposits held	254,585	209,950	254,585	209,950
Other creditors	185,969	195,132	175,716	195,132
Pension liability (Note 17)	52,593	56,331	52,593	56,331
	2,034,593	1,875,691	2,019,189	1,895,881

School fees received in advance relates to fees for the next school year, which some parents pay in advance. Deposits held include an amount of £243,100 (2019 - £208,500) relating to acceptance deposits, all of which are considered as owed within one year given that only one terms notice is required to be given by pupils.

Amounts owed to group undertakings are interest free and repayable on demand.

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

16 Loan creditor

	2020 £	2019 £
Amounts falling due after more than one year		
Bank loan	895,119	280,000
The bank loan is repayable by instalments:		
- due after five years	604,205	-
- due within two to five years	268,536	160,000
- due within one to two years	22,378	120,000
- due after more than one year	895,119	280,000
- due within one year	-	120,000
	895,119	400,000

There is one loan in place included within the loan creditor. This is for a facility in place of £8,500,000. As at the year end, £895,119 has been drawn down and is repayable by 31 December 2034. Interest is charged at 2.16% above base rate.

The bank loan is secured by way of a fixed charge over the charitable company's freehold land and buildings.

17 Defined benefit pension scheme liability

The movement on the pension provision is as follows:

	2020 £	2020 £	2019 £	2019 £
Provision b/fwd		56,331		44,478
Employer contributions relating to the recovery plan	(4,841)		(3,876) 834	
Unwinding of the discount rate	591			
Impact of the change in recovery plan during the year	512		14,895	
		(3,738)		11,853
Net movement				
Provision c/fwd		52,593		56,331

The above provision relates to the requirement under the FRS102 that the charity must recognise as a liability the present value of future contributions relating to the funding of a pension deficit. For further details see Note 23.

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

18 Operating lease commitment

At 31 August 2020 the group had total future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Due within one year	3,612	5,966
Due between one and five years	2,412	2,412
Due between two and five years	-	2,412
	6,024	10,790

19 Capital commitments

At 31 August 2020 the school had the following capital commitments:

	2020 £	2019 £
Contracts for future capital expenditure not provided in the financial statements	200,939	273,911

20 Analysis of net assets between funds

	Fixed assets £	Investments £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Group 2020					
Unrestricted funds					
Designated fund	-	-	-	-	-
General fund	9,760,371	640,000	(1,648,918)	(895,119)	7,856,334
	9,760,371	640,000	(1,648,918)	(895,119)	7,856,334
Group 2019					
Unrestricted funds					
Designated fund	-	-	1,526	-	1,526
General fund	9,000,056	640,000	(1,543,066)	(280,000)	7,816,990
	9,000,056	640,000	(1,541,540)	(280,000)	7,818,516

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

20 Analysis of net assets between funds *(continued)*

Charity 2020	Fixed assets £	Investments £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Unrestricted funds					
Designated fund	-	-	-	-	-
General fund	9,760,371	640,001	(1,659,705)	(895,119)	7,845,548
	<u>9,760,371</u>	<u>640,001</u>	<u>(1,659,705)</u>	<u>(895,119)</u>	<u>7,845,548</u>
Charity 2019	Fixed assets £	Investments £	Net current assets/ (liabilities) £	Long term liabilities £	Total £
Unrestricted funds					
Designated fund	-	-	1,526	-	1,526
General fund	9,000,056	640,001	(1,621,478)	(280,000)	7,738,579
	<u>9,000,056</u>	<u>640,001</u>	<u>(1,619,952)</u>	<u>(280,000)</u>	<u>7,740,105</u>

21 Unrestricted funds

Group 2020	Balance 1 September 2019 £	Incoming resources £	Resources expended £	Transfers/ gains/tax £	Balance 31 August 2020 £
Designated fund					
Prize fund	1,526	-	-	(1,526)	-
General fund	7,816,990	7,455,355	(7,407,289)	(8,722)	7,856,334
	<u>7,818,516</u>	<u>7,455,355</u>	<u>(7,407,289)</u>	<u>(10,248)</u>	<u>7,856,334</u>
Group 2019	Balance 1 September 2018 £	Incoming resources £	Resources expended £	Transfers/ gains/tax £	Balance 31 August 2019 £
Designated fund					
Prize fund	1,524	2	-	-	1,526
General fund	7,598,890	7,445,244	(7,245,144)	18,000	7,816,990
	<u>7,600,414</u>	<u>7,445,246</u>	<u>(7,245,144)</u>	<u>18,000</u>	<u>7,818,516</u>

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

21 Unrestricted funds *(continued)*

Charity 2020	Balance 1 September 2019 £	Incoming resources £	Resources expended £	Transfers/ gains/tax £	Balance 31 August 2020 £
Designated fund					
Prize fund	1,526	-	-	(1,526)	-
General fund	7,738,579	7,356,309	(7,250,866)	1,526	7,845,548
	<u>7,740,105</u>	<u>7,356,309</u>	<u>(7,250,866)</u>	<u>-</u>	<u>7,845,548</u>
Charity 2019	Balance 1 September 2018 £	Incoming resources £	Resources expended £	Transfers/ gains/tax £	Balance 31 August 2019 £
Designated fund					
Prize fund	1,524	2	-	-	1,526
General fund	7,546,526	7,253,378	(7,079,325)	18,000	7,738,579
	<u>7,548,050</u>	<u>7,253,378</u>	<u>(7,079,325)</u>	<u>18,000</u>	<u>7,740,105</u>

General funds are unrestricted funds that are available for use at the discretion of the governors in furtherance of the general objectives of the charitable company and have not been designated for other purposes. Incoming resources of the charity includes £78,411 of gift aid received from its subsidiary.

The prize fund is monies set aside for the provision of prizes awarded to children.

22 Pensions

The charitable company operates three pension schemes:

a) Teachers' Pension Scheme

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pension Scheme Regulations 2014. Membership is automatic for teachers. All teachers have the option to opt-out of the TPS following enrolment.

The TPS is an unfunded scheme to which both the member and employer makes contributions, as a percentage of salary - these contributions are credited to the Exchequer. Retirement and other pension benefits are paid by public funds provided by Parliament. Valuation of the Teachers' Pension Scheme The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019.

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

22 Pensions *(continued)*

a) Teachers' Pension Scheme *(continued)*

The key elements of the valuation and subsequent consultation are:

- Employer contribution rates set at 23.68% of pensionable pay (including a 0.08% administration levy);
- Total scheme liabilities (pensions currently in payment and the estimated cost of future benefits) for service to the effective date of £218,100 million and notional assets (estimated future contributions together with the notional investments held at the valuation date) of £196,100 million, giving a notional past service deficit of £22,000 million; and
- The SCAPE rate, set by HMT, is used to determine the notional investment return. The current SCAPE rate is 2.4% above the rate of CPI. Assumed real rate of return is 2.4% in excess of prices and 2% in excess of earnings. The rate of real earnings growth is assumed to be 2.2%. The assumed nominal rate of return including earnings growth is 4.45%. The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the period amounted to £585,199 (2019: £381,584). At the year-end £69,676 (2019: £52,060) was payable in respect of contributions to this scheme.

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website.

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

b) Support Staff Group Pension Scheme

The charitable Company runs a defined contribution scheme for support staff with Aegon, administered by Maybury Financial Planning LLP, the school's independent financial advisors. The cost for the year represents the charitable company's contributions to the scheme of £118,391 (2019 - £119,490).

c) The Pensions Trust

The charitable company participates in The Pensions Trust scheme, (the ISBA's recommended pensions scheme for Bursars), which is a multi-employer scheme providing benefits to some 66 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the charitable company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 27 December 2018 and showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid.

Crosfields School Trust Limited

NOTES TO THE FINANCIAL STATEMENTS *(continued)* For the year ended 31 August 2020

22 Pensions *(continued)*

c) The Pensions Trust *(continued)*

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

Total contributions paid into the scheme by the charitable company amounted to £8,100 (2019 - £4,558). At the year-end amounts recorded in creditors were £Nil (2019 - £Nil).

Full details are available regarding The Pensions Trust on their website www.tpt.org.uk

23 Analysis of net debt

	Balance 1 September 2019 £	Cashflows £	Non-cash movements £	Balance 31 August 2020 £
Cash at bank and in hand	42,872	18,931	-	61,803
Bank overdrafts	(248,101)	(78,737)	-	(326,838)
Debt due within 1 year	(120,000)	120,000	-	-
Debt due after 1 year	(280,000)	(615,119)	-	(895,119)
	<hr/>	<hr/>	<hr/>	<hr/>
	(605,229)	(554,925)	-	(1,160,154)
	<hr/>	<hr/>	<hr/>	<hr/>

24 Related party transactions

Owing to the nature of the school's operations and the composition of the governing body being drawn from local public and private sector organisations, it is inevitable that transactions will take place with organisations in which a governor may have an interest. All transactions involving these organisations are in accordance with the school's normal procedures.

In the current period £613 was paid to Twyford Surgery, a surgery owned by a governor, for flu jabs (2019 - £560).

The school has a number of pupils who are family members of governors. Fees are payable at the same level as other pupils and entitlement to fee remission is considered in line with the school's stated policy for such awards.

Transactions between the school and its subsidiary Crosfields School Enterprises Limited are disclosed below:

	2020 £	2019 £
Recharged expenses	155,191	165,820
Gift Aid	78,411	52,365
Amounts owed by/(to) Crosfields School Enterprises Limited	4,302	(25,615)

25 Post balance sheet events

In October 2020, the charitable company completed the sale of a wholly owned and unencumbered investment property known as Isgoed. The sale realised profits of £629,000 after associated sale costs.