

The Abbey School, Reading
(A company limited by guarantee)

Annual Report and Consolidated Financial Statements

Year Ended

31 August 2020

Registered Number 0133676 (England and Wales)
Charity Number 309115

The Abbey School, Reading

Report and financial statements for the year ended 31 August 2020

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The Abbey School, Reading

Report of the Chair of the Governors for the year ended 31 August 2020

The extraordinary events at the end of the last year must inevitably dominate this, my third, annual report. Or so I thought as I set about presenting it. But while of course they are important, they do no more, I find, than colour its background, for what stands out is once again a set of achievements that are as impressive as they are gratifyingly familiar.

In their studies our girls have yet again performed wonderfully. Their exam results are testament to what we already knew - not only that they are supremely able girls who work hard and focus their efforts well, but also that they are superbly taught by a team of fantastic subject experts who understand exactly how to engage students, how to develop their ability, and how to keep providing inspiration across as much as fourteen years of education. Our teachers love teaching, and it shows. Their hard work and dedication turned what could have been a fraught and uncomfortable experience when exam grades were finally awarded into smooth progression for each of our girls as they move forward to the best next stage of their education.

Outside of the classroom, the laboratory, and the studio we also support our students in an extraordinarily wide range of activities. Since March, it's true, there has been less sport, fewer trips, and fewer opportunities for the girls to perform on the playing field, or the stage, or the concert platform. But this remains an important part of Abbey life and the educational experience we offer, and it is not surprising therefore that wonderfully innovative alternatives have been developed by our staff. Our blended learning, which began towards the end of the Easter term and continued throughout the Summer term, was widely appreciated by the students and their families. It was further evidenced when we saw in September the delight on the faces of the girls returning to school, a delight matched by our own joy and satisfaction in being able to open our doors and welcome them back. It had been a challenging time, needless to say, preparing for that first day of term.

We have said farewell to three Head teachers this year. Mrs Dent left at Easter, after fourteen years, as teacher, Head of Sixth Form, Deputy Head and an illustrious period as Executive Head. Under her wise and imaginative leadership the school has gained a national reputation in education for girls. Our estate has been enhanced, our numbers joining in year 7 have increased and we have a stronger presence in our community. Mrs Cresswell, Head of the Senior School, left at Christmas. This had been a new role that she shaped skilfully, bringing a stronger approach to our pastoral care as well as a rigour to our academic offering. Mrs Dick-Cleland retired as Head of the Junior School where our girls first develop the love of learning and enquiry that will serve them well their whole lives. Her passionate belief in that approach has brought the Junior School also to national attention. We have much to be grateful for to each of these remarkable women and I thank them all.

The Abbey School is a community - a community of views, a community of interests, a community of talents. Our teachers are, without question, quite outstanding; our administration staff are similarly brilliant at what they do, and our other support teams, looking after our buildings and grounds and the day to day needs of well over a thousand people are terrific. All of this is supported by an IT team who have created and maintain a system that is as bewildering as it is impressive. Everyone works with enthusiasm, everyone brings their best selves to the school each day. There is no doubt that this has been invaluable to us over the past nine difficult months, and will no doubt continue to be so for the foreseeable future. The team of Governors, which I have the honour to lead, has been endlessly supportive this year, to me, to one another and to our school leaders.

So we begin this new academic year with two new Head Teachers. Mrs Nisha Kaura is our Junior School Head and Mr Will le Fleming is Executive Head of the whole school and Head of the Senior School. The Governing Council was delighted to be able to make two such excellent appointments. Both were our first choices and we were delighted that leadership at The Abbey was their first choice too.

This introduction leads you on to our Annual Report, which illustrates with figures and further narrative this extraordinary and exceptionally tough year. We have big plans for our future, some of which may take a little longer than we had previously hoped to turn into a reality, but we will continue to ensure that everything about the Abbey experience is right for our students, right for their families, right for our staff, and right for the community of which we are part. Our Abbey values - courage, honesty and kindness - have stood us in good stead this year and we will continue to be inspired by them as we look forward to a great year ahead.



Elizabeth Harrison
Chair of Governors

The Abbey School, Reading

Governors, Officers and Advisers for the year ended 31 August 2020

GOVERNORS

The Governors and their committees (represented by numbers) were as follows:

Mrs E A Harrison BA (Hons) MBA JP 1, 2, 3, 4, 5, 7	
Mrs J Anderson MA (Ed) BSc PG DIP	(Resigned 2 nd December 2019)
Mrs J Butler FCA 1, 5	
Ms S Burgess BA MA 4	
Mrs S Colebrook BSc PGCE 2, 8	
Mrs J L Cornell BA 2, 3, 4, 5	
Mr S Dimmick LLB 3, 5	
Mr M Emmanuel 1, 3	
Ms Robyn Field BA	(Appointed 29 th June 2020)
Dr I C Kemp MB MRCP MRCGP DCH Dobst RCOG	(Resigned 2 nd December 2019)
Dr C F Print DBA ADipC ACMA CGMA	(Resigned 2 nd December 2019)
Mr J Sheehan 3, 5, 6	
Mr C Singer BSc FIA 1	
Mr P Uppal BSc MEng	(Resigned 2 nd December 2019)
Mrs E West LLB 2, 9	
Mr D N Williams BA MA PGCE 2, 4, 9	

Key:

1. Members of the Finance and General Purposes Committee
2. Members of the Leadership in Girls Education Committee
3. Members of the Estates Development Committee
4. Members of the Community Committee
5. Members of the Governance Committee
6. Lead Governor for Risk, Audit, and Compliance
7. Lead Governor for Human Resources
8. Lead Governor for Child Protection
9. Lead Governor for Early Years

Nominee members of the Council

The Bishop of Oxford
Vacancy

At the Annual General Meeting held on 7 December 2020 the following Governors retired by rotation and were re-elected:

Mr J Sheehan
Mrs E West
Mr N Williams
Mr C Singer

The Governors are also Directors of the Company and Trustees of the Charity.

The Abbey School, Reading

Governors, Officers and Advisers
for the year ended 31 August 2020 (*continued*)

OFFICERS

The Executive Head (to 30 April 2020)	Mrs Rachel Dent BA (Southampton), QTS (Reading)
The Executive Head (from 1 August 2020)	Mr Will le Fleming BA, MA (Cambridge)
Head of Senior School (to 31 March 2020)	Mrs Jan Cresswell BA (Durham)
Head of Junior School (to 31 August 2020)	Mrs Nicola Dick-Cleland BA (Hons, Oxon) GTP/QTS (Reading)
Head of Junior School (from 1 September 2020)	Mrs Nisha Kaura BSc (Surrey), PGCW, Med (Buckingham)
Head of Finance and Resources	Mrs Nadine Doble BSC (Cardiff), ACMA
Head of External Relations	Mr Craig Andrew BA Hons (Rhodes), HDE MBA, LVO

ADDRESSES

Senior School 17 Kendrick Road Reading RG1 5DZ	Junior School (Years 2-6) 30 Christchurch Road Reading RG2 7AR
Junior School (Reception & Year 1) 12 Christchurch Gardens Reading RG2 7AH	Junior School (Nursery) 2 Vicarage Road Reading RG2 7AJ

The School's registered office is 17 Kendrick Road, Reading, Berkshire, RG1 5DZ.

ADVISERS

Bankers:	HSBC UK Bank plc 26 Broad Street Reading RG1 2BU
Solicitors:	Blandy & Blandy 1 Friar Street Reading RG1 1DA
Auditor:	BDO LLP Thames Tower, Station Road Reading RG1 1AZ
Investment advisers:	Charles Stanley & Company Ltd Dukes Bridge Chambers 1 Duke Street Reading RG1 4SA
Insurance brokers:	Marsh Brokers Ltd Schools Division Capital House 1-5 Perrymount Road Haywards Heath, West Sussex RH16 3SY

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2020

The Governors of The Abbey School, Reading present their annual report for the year ended 31 August 2020 under the Companies Act 2006 and the Charities Act 2011, together with the audited accounts for the year, and confirm that the latter comply with the requirements of the Act, the Trust Deed and the Charities Statement of Recommended Practice (SORP).

REFERENCE AND ADMINISTRATIVE INFORMATION

The Abbey School, Reading is a Company Limited by Guarantee and was registered on 31 January 1914. The Company registration number is 133676.

It is also a Charity, registration number 309115.

The Governors, Officers, Key Addresses and Advisers are set out on Pages 2 and 3.

The company has a wholly owned subsidiary, Abbey Commercial Enterprises Limited, the School's trading arm.

The school is an active member of the Headmasters and Headmistresses Conference (HMC), the Girls' Schools Association, the Independent Association of Prep Schools (IAPS), the Association of the Governing Bodies of Independent Schools and the Independent Schools' Bursars Association.

For the year 2019-2020 the Head was one of three local heads on the Headteachers' Engagement Group set up by the Berkshire West Safeguarding Children Partnership.

Volunteers

There is no shortage of volunteer support throughout the School, from parents assisting in reading classes in the Junior School, to helping out in the second-hand clothes shop, in the library and on school trips. Former pupils, Governors and other interested adults have also given freely of their time. All of this is very much valued by the School. Governors take this opportunity to say how much they appreciate the continuing and valuable support of volunteers to the School.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The School is governed by its Memorandum and Articles of Association, dated 4 December 2006 as amended by special resolution dated 7 December 2015.

Governing Body

The Governors are all Directors of the company and appoint new Governors either to fill a casual vacancy or by way of additions to the board. The total number of Governors shall be not less than twelve and not more than twenty-four. Of these, as far as is practicable, one Governor shall be the nominee of The Bishop of Oxford, one a nominee to represent the alumnae of the school and one a nominee of the parents of girls at the school. The nominee positions are ratified at a full Governors' meeting. Each Governor, other than the nominees, is elected for four years and retiring Governors can stand for re-election for one further term at the next Annual General Meeting.

Those who held office during the year are listed on Page 2.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2020 (*continued*)

Organisational management

The members of the Governing Body are legally responsible for the overall management and control of the School. The Governing Body meets at least three times a year. Much of the preparation for these meetings is undertaken by the Finance and General Purposes Committee (F&GP Committee) which meets before each Governors' meeting. The Chairman of the F&GP Committee is Mrs J Butler. The other principal committees are:

The Abbey Community Committee	chaired by Mrs J L Cornell,
Estates Development Committee	chaired by Mr M Emmanuel,
Governance Committee	chaired by Mr S Dimmick
Leadership in Girls Education Committee	chaired by Mrs S Colebrook,

In addition to these committees five Governors support the school by taking the lead on Risk, Audit and Compliance ('RAC'), Child Protection, Human Resources, Health & Safety, and Early Years.

Committee members and Lead Governors are listed on Page 2.

The day to day running of the School is delegated to the Head who is assisted in this by other members of the Executive Board: the Head of the Junior School, the Head of Finance and Resources, and the Head of External Relations. The Head and other members of the Executive Board attend meetings of the Governing Body and its Committees.

Recruitment and Training of Governors

The Governance Committee considers potential new Governors for eligibility, competence, specialist skills and availability. New Governors are given an induction into the workings of the School, including its policies and procedures, and are given a tailored induction pack. Training and bespoke courses are regularly offered to all Governors.

Corporate Governance

The governing body is mindful of the principles and recommended practice set out in the Charity Governance Code for larger charities, and believes that it applies, much evidenced in this annual report, the specified principles of organisational purpose, leadership, integrity, decision making, risk and control, board effectiveness, diversity, openness and accountability.

Risk Management

The Governing Body is responsible for ensuring that the risks faced by the Charity are properly assessed. It is aware of the importance of protecting the business as far as possible from operational and reputational damage, as well as from the risks of unpredictable crisis and disaster. Risks are examined each year when updating the Risk Register and the Rolling 5 year Business plan.

The generic key controls used by the School to manage risk include:

- Annual review of the Risk Register, in detail by the lead Governor on Risk Audit and Compliance, and reviewed by Council
- Formal agendas and minutes to support decisions on all Committee and Governing Body activities
- Terms of Reference for all Committees
- Comprehensive strategic planning, budgeting and management accounting
- Established organisational and governance structure and lines of reporting
- Formal written policies
- Vetting procedures as required by law for the protection of vulnerable people
- Clear hierarchical authorisation and approval levels

The above structure formalises the risk management processes established for the Charity.

The Abbey School, Reading

Annual report by Council
for the year ended 31 August 2020 (*continued*)

Risk Management (*continued*)

Through these processes, the Governors identify the major risks to which the Charity is exposed and review the systems and procedures established to manage them. Nevertheless, it is recognised that such systems can provide only reasonable but not absolute assurance that major risks have been adequately addressed and can be managed.

Pay policy for senior staff

The pay of senior staff is reviewed annually, and includes comparisons with other independent schools. Being located in the South East where there are significant costs in relation to housing The Abbey keeps abreast of pay and employment conditions elsewhere.

OBJECTIVES AND AIMS

Charitable Objectives

The objects of the School are set out in the Memorandum of Association. The main object is summarised as the running of a School to provide a general education which includes religious instruction in the doctrines and duties of the Church of England.

The Charity's Aims

The Abbey School's aim as an educational charity for girls aged 3 – 18 is to provide a community for its pupils and staff in which learning flourishes and where all pupils reach the highest standards academically and personally. The School aims for the highest quality of academic tuition and the development of wider sporting, artistic and social skills in all its pupils. The School offers an environment where every pupil can develop and fulfil their potential in order to help build their self-confidence and also to gain a lifelong desire to contribute to the wider community. Church of England by foundation, The Abbey retains its Christian tradition, while embracing the diversity of its multi-cultural pupil body.

Key Objectives

The School's strategy aims to achieve the highest academic performance commensurate with cultivating a well-rounded development of the personality in its pupils. It is also to widen public access as much as possible to its system of Schooling, within the constraints of its funding as an independent education provider.

So while The Abbey is a school where academic success, at whatever level, is valued and celebrated, Abbey girls are also expected to give of their best not only in their academic studies but also in all the other varied aspects of school life. All pupils are encouraged to become involved in extra-curricular activities with a focus on the provision of public benefit at all levels of society. The School also promotes pupil involvement in outside charities that fulfil their own charitable objectives, and passes on any financial contributions received from this to the outside charities.

Measurement of Objectives

In furtherance of these objectives the Governors, as charity trustees, have complied with their duty in section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's published general guidance concerning the operation of the public benefit requirement under that Act.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2020 (*continued*)

Strategic Report

The Head and the Executive Board continue to lead the School, and work with the Governing Body to create and pursue a new rolling 5 year strategic plan. This will develop the existing plan's 4 key business priorities: to energise our people, enable our business, engage our stakeholders, and enhance our environment.

The School has reviewed its use of space and has in place a plan, still capable of being refined, for the Senior School site. The Junior School has this year seen the completion of a major building project incorporating new learning spaces as well as a dramatically improved frontage onto the street.

Also part of its strategy, the School continuously looks to raise bursary funds to ensure that girls can continue in the future to enjoy an Abbey education whatever their financial circumstances.

ACHIEVEMENTS AND PERFORMANCE

Summary

The Abbey is a selective all-girls school for pupils aged 3 -18. The School has at present 1000 girls and, despite the impact of Covid-19, provides a lively, vibrant learning environment. It not only takes pride in the quality of its teaching, but considers itself to be exceptional in the importance it places on the relationship between the teachers and the girls.

The School supports a wide range of girls who are all academically able, and offers both the International Baccalaureate Diploma Programme and A levels within the Sixth Form. This year's IB Diploma results were again outstanding. The IB is marked out of 45, and our students' average score was 40 (the world average was 29, and the typical Oxbridge offer level is 38). This year's A Level results were also a source of pride, with 94% of grades at A*-B. At GCSE, a remarkable 99.6% of grades awarded were 9-6 (A*-B).

As well as striving for academic excellence, girls are encouraged actively to participate in some form of extra-curricular activity. Strong emphasis is placed on art, drama, music, and sport where a number of girls compete at national levels.

In addition to the above, the School focuses clearly on each individual pupil's enrichment and personal development. The achievement of academic success, evidenced throughout the school, has to be balanced with a desire to understand one's 'best self' and constantly to develop intellectual thirst.

In all, the Abbey remains a school delivering a world class education.

Beneficiaries of the School's charitable work - partnerships with local schools and the community

The International Baccalaureate course includes a 'Creativity, Activity and Service' component, and once again our students have undertaken a wide range of volunteering activities. These include works carried out for the Royal Berkshire Hospital, and local offices of Amnesty International, Foodbank, Run for Heroes, Flu clinic, and MacMillan Cancer Support.

Likewise, the Duke of Edinburgh's Award Scheme includes a volunteering strand - 6 months of volunteering for Silver and 12 months for Gold. Girls undertook a variety of activities, depending on their personal interests. Popular activities were once again volunteering at the refugee homework club and working in charity shops at the weekend, but the wide range included helping locally in the community with, or as, Energy Envoys, Brownies, Girl Guides and Scouts, helping special needs children, teaching/coaching/assisting with sports, shopping for vulnerable people, churches, park runs, second hand school uniform sales, Zooniverse, animal rescue centre, preserving waterways, litter picking, Blue Cross, Age Concern, local library, community choir, and community café. The Scheme has confirmed to the School that over 3,700 hours of local community service have been recorded.

At the nearby Blessed Hugh Faringdon Catholic School one of the members of our staff room helps out with their university applicants.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2020 (*continued*)

Beneficiaries of the School's charitable work - partnerships with local schools and the community (*continued*)

Reading Refugee Support

Many girls volunteer at the Abbey's after-school Homework Club, run in conjunction with Reading Refugee Support Group to support refugee families and help refugee children catch up at school. The children come to the Abbey twice a week (girls and boys) to receive support from our Upper Fifth and Sixth Form students. While the children are working, their parents are offered refreshments and take the opportunity to socialise. This is a highly valued service that delivers real educational benefit for the pupils attending, who often cannot receive the support they need at home due to language difficulties and the challenge of understanding the British curriculum. In order to ensure the continued success of the homework club, the Abbey makes a minibus available to transport the families to and from the school.

Beneficiaries of the School's charitable work - charity donations and other input

Pupils and staff at the Abbey school are strongly encouraged to be involved in supporting outside charities. Many fundraising events and activities are arranged throughout the year supporting charities such as Jeans for Genes, Breast Cancer charities, Children in Need, Macmillan, St Mungo's, and Launchpad.

Our sixth form selected as their charity of the year Ufulu which works with girls and women in Malawi. A quiz night and other fundraising activity enabled the girls to donate an important £3,500 during the year.

Our year nine group run a Charity challenge where girls raise money in their form groups for a four-week period. This year, as last, they raised close to £1,000 for Mary's Meals.

The year seven and eight girls once again took part in the annual Microloan competition. This runs throughout November, and all of the profits earned by the girls are donated to the Microloan Foundation, an organisation that offers small business loans to women in Africa who are aiming to bring their families out of poverty by running home businesses. This year the girls raised and donated over £1,000.

At Christmas the girls once again ran our in-house Christmas fair, and our Carol Service at Reading Minster raised over £700 for World Vision, which supports the education of children in developing countries.

Other charities which benefited, some of them substantially, from donations collected by our pupils included Bahamas Red Cross, the Rotary Shoebox Appeal, Water Aid, Teenage Cancer Trust, Daisy's Dream, Save the Children, Comic Relief, the UNHCR, Kids for Kids, Bottles of Hope, and The Memory Project.

At the start of the year the Junior School took part in 'The World's Biggest Coffee Morning'. Parents and carers came to our dining room and the event raised funds for MacMillan Cancer Care. Soon afterwards, following the Harvest Festival Service, fresh produce was taken to Reading's nearby 'The Senior Cooks' who provide meals for the elderly and vulnerable members of the community. Further produce was taken to Wokingham Foodbank. Other Autumn donations were also made to the Salvation Army, Launchpad Reading, Wear Pink for Breast Cancer, the Royal British Legion, Children in Need, neighbouring Christ Church, and the Alexander Devine Children's Hospice.

At the start of the Spring term several events raised funds, and donations were made to Breast Cancer Now, The Samaritans, Rosie's Rainbow Fund, Sport Relief, and Read for Good. Towards the end of term the Junior School had a major clear out of surplus stationery, and a substantial load of exercise books was freighted to Chimpeni School in Malawi.

In the Summer the year 6 girls redirected funds collected for a cancelled school trip to the local First Days charity which equips less privileged children with the essential items they need for their early years at school.

In all the School's students donated over £21,000 to charitable causes during the year.

The Abbey School, Reading

Annual report by Council
for the year ended 31 August 2020 (*continued*)

Community Use of facilities

The Abbey School supports its charitable objects within the community by making its facilities available for public benefit.

This includes our formal partnership with South Street Theatre, where our students interact with South Street Theatre Group each week during term time and they in turn involve our pupils in community workshop activities.

In addition, The Abbey School continues to share the school's sports facilities including the all-weather hockey pitches, gymnasium and use of the indoor swimming pool with local schools and community groups. Amongst the beneficiaries are:

- Swim England Synchro Assessments
- Reading University Water Polo Team
- GB Paralympic Rowing Team - capsized drills
- Berkshire Fire & Rescue - use of pool for safety training
- Reading University Mixed Hockey Team
- Phoenix and Ranelagh Hockey Club
- Scarlet Runners Hockey Team
- Reading Lacrosse Club
- Inkaï Judo Tournament and training days
- Reading Bowling Club
- Reading Korean School
- Hispanolandia Spanish Language school
- Parenthesis Choir
- West Forest Sinfonia
- Berkshire Maestros
- School of the Arts
- Stagecoach Reading East
- Reading School

Energy and Carbon Reporting

Energy consumption in kWh 3,170,816
Associated emissions in tonnes CO₂e 643.01
Intensity ratio - tonnes CO₂e per pupil 0.67

Measures taken to improve energy efficiency include:

- Isolation of heating systems at one site to prevent heating the whole building when only part occupied
- Installation of smart meters at various locations
- Installation of building management system at one site to generate consumption data for future control, to identify faults, and to react to external conditions

We have followed the 2019 HM Government Environmental Reporting Guidelines. We have also used the GHG Reporting Protocol – Corporate Standard and have used the 2020 UK Government's Conversion Factors for Company Reporting.

The chosen intensity measurement ratio is total gross emissions in metric tonnes CO₂e per pupil, the recommended ratio for the sector.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2020 (*continued*)

Engagement with employees

Information on matters concerning staff is generally disseminated by email, or related verbally by managers to those members of staff who may not be active email users. The school also maintains an internal website which contains news, policies, and other information - this is accessible to all staff. During the year the school considered an important matter of concern to many of its staff and consultations took place to obtain the views of employees likely to be affected. The process was supported by external consultants to whom the school arranged for staff to have access. More generally regular, frequent, meetings take place at which the school's managers are able to make employees aware of how the school is performing, and to discuss matters which affect it. With regard to disability the school's active policy is to promote equal opportunities and oppose discrimination on the grounds of disability.

Engagement with suppliers, the parent body, and other business relationships

We recognise the need to maintain and foster good relationships with our suppliers, the parent body, and others, and we monitor closely our dialogues with all of them. Our key business managers have all been in post for a number of years and have developed strong and positive relationships with those with whom we deal. Payments due to us are by and large collected efficiently and, when necessary, with sensitivity, and we pay staff and suppliers promptly and accurately, with supporting information always provided for clarity. On matters of schooling we engage positively with our pupils and their parents through a variety of activities and communications. Many of these processes are two way, we listen carefully to the voices of our highly articulate pupils and the valued feedback and opinions of their parents.

Promoting the success of the school

The Governors and the school's executives seek successful outcomes from all of the activities they pursue. In determining the most appropriate way of achieving the desired results, their decisions take account of the interests of, and the impact on, the pupils, the parent body, staff, suppliers, the environment, the local community, and all others likely to be affected. We strive continually not only to maintain but also to enhance our hard won reputation for integrity and high standards of both conduct and achievement.

Financial Assistance

The School has a policy on financial assistance, including bursaries of up to 100%, and this is advertised on its website, and at open days. The Bursary Fund was established over 30 years ago with the specific aim of generating funds in order to offer places to pupils who would otherwise not have access to education at the school. The value of the fund is £1million and will be maintained at this figure.

Academic scholarships worth 10% of tuition fees are offered (which can be supplemented with a means-tested Bursary). Specialist scholarships are offered at the point of entry to the Senior School. This scholarship programme will be reviewed during the coming year.

The Head has the authority to award Scholarships to very able pupils. Parents who cannot afford to pay the fees in full or in part can apply for a means-tested Abbey School Financial Bursary. The Abbey School Scholarship and Bursary policy allows up to a total of 6% of the current level of annual gross fee income for these awards. All awards are tenable subject to satisfactory attendance, conduct and progress.

Temporary financial assistance may be available to parents who find themselves with short term financial difficulties. This is means-tested and offered at the discretion of the Head.

Wider access to Schooling was achieved in 2019/20 with a total of £309,117 (2018/19 - £318,323) awarded in scholarships, grants, prizes and other awards. 53 hardship cases received financial support amounting to £484,497 (2018/19 - 59, £576,698) towards fees, equivalent to 27 full senior fee places.

40% of the pupils of the senior School (2018/19 - 49%) received some form of financial assistance with their fees. This figure does not include staff discounts.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2020 (*continued*)

Staff fee discounts and benefits

A fee discount of up to 30% is offered to staff with daughters at the School. In 2019/2020 28 members of staff received this discount at a total value of £124,000 (in 2018/2019, 37 members of staff, at a total value of £159,804).

A salary sacrifice scheme for School fees remains in place for such members of staff until April 2021 when it will cease in accordance with HMRC regulations.

Other pupil benefits

The Childcare Vouchers Scheme is available, as is a 5% third sibling discount.

Income from investments

Income from investments is reinvested, while operating surplus is used to maintain the scholarship and bursary funds, including temporary financial assistance. The investment fund is available to support the bursary fund when required.

FINANCIAL REVIEW

Financial Results

The consolidated Statement of Financial Activities on page 21 shows the Net Movement in Funds for 2020 as a surplus of £128,743 (2018/19 - £602,404).

The School had a surplus for the year of £149,764 (2018/19 - £598,318). The surplus before depreciation and interest is 10.4% (2019 - 11.5%).

The Balance Sheet on page 23 shows Net Current Liabilities of £3,121,673 (2019 - £5,016,708). During the year, as planned, the School took a £2m bank loan to fund its ongoing programme of planned capital investment, of which £1.8m falls due after more than one year.

In the opinion of the Governors the market value of the land and buildings of the School is not less than the book value in the accounts.

Investment policy and performance

The overall investment objectives of the School are to create sufficient funds through income and capital in order to enable the School to carry out its purposes consistently, year by year, and with due and proper consideration for future needs. They include the maintenance of and, if possible, enhancement of the value of the invested funds while they are retained.

The School's investment performance is measured regularly against a benchmark, currently named the MSCI PIMFA Private Investor Balanced Index. For this year our total return of -2.03% was slightly higher than the Index, which was -2.13%.

The School's investments are managed by Charles Stanley and Company Limited under the supervision of Governors. At 31 August 2020 investments, of which the majority were UK listed equities, with a market value of £1,463,595 (2019 - £1,493,484), represented designated funds. Their market value at 31 August 2020, reflecting global market depression in the face of Covid-19, contributed to a net investment loss of £46,536 (2019 – gain £39,743).

The Governors are authorised by the Memorandum of Association to invest monies not immediately required for the School's purposes in investments, securities or property as may be thought fit. This will be reviewed closely in the light of the fluctuations caused by Covid-19.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2020 (*continued*)

Reserves Policy

The Governors' policy is to build up funds out of annual operating surpluses, subject to the prior demands of further capital expenditure to equip the School with the up to date facilities needed to maintain the standard of educational services currently provided.

The Governors aim to maintain general reserves equivalent to at least 3 months of operating expenditure for the school. Excluding the designated Bursary Reserve of £1m, general reserves at 31 August 2020 were £14.9 m, which represents 10 months of unrestricted operating expenditure. These reserves ensure the school can fulfil and complete its charitable obligations and commitments.

Notes 22 and 23 show the allocation of the reserves between those designated for specific purposes and those available for the day to day requirements of the School.

COVID-19 – IMPACT AND THREAT TO THE FUTURE

As every reader of this report will be aware, the year was gravely disrupted by Covid-19. With very little advance notice the school sites closed prematurely just before the end of the Spring term and, with the exception of the Junior School, remained closed for the Summer. Teaching, remarkably, continued, mostly 'remotely' through skilful use of technology, although the task of writing summer exam scripts fell this year to teachers, in order to produce Centre Assessed Grades, rather than to pupils.

The school's business model was likewise severely tested. Ahead of other local schools, the Governors announced their determination to set a substantial discount on the Summer term fees for all parents, and they monitored carefully the resulting loss of income and dramatic change in the profile of income and expenditure. All teachers remained at work on full salary, and the school paid 100% salaries to all staff, including those who were put on furlough for whom the government provided 80% support. The school also topped up from 80% to 100% the salaries of its dedicated catering team who are the employees of its external caterers.

Looking ahead, the impact of the ongoing global Covid-19 outbreak brings the threat of unprecedented challenges. The Governors and executive team continue to monitor the outbreak, including UK Government advice, and note that the school faces a prolonged period of uncertainty. While the evolving nature of the pandemic means it is not possible accurately to quantify its financial impact, we believe the school is in a good financial position to help manage this risk. Steps are being taken, on an ongoing basis, to minimise the impact on our activities, and we remain in close contact with our parent body to understand and help minimise the adverse effects the pandemic may have on them. A robust infrastructure is in place to enable our staff to work remotely if necessary and our key priority will be to carry on providing our services to pupils and their families right through the academic year.

More fundamentally, however, the Governors have also, separately, examined the school's financial ability to maintain these very services.

GOING CONCERN

The Governors review the School's financial performance and plans at each Council meeting (usually 4 per year) along with our principal financial risks. In March, and again in June and September, they were satisfied that the School had sufficient resources to continue operating for the foreseeable future, and the accounts for the year ended 31 August 2020 have been prepared in the knowledge that the School is a financially viable organisation.

The effect of Covid-19 was most recently assessed by the Governors' Finance and General Purposes Committee in October and again in November 2020, reviewing our ongoing forecasts and projections to ensure that the School 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 School's net assets are our ability to maintain firstly pupil numbers and secondly the continuing provision of education, whether on site or remotely or, more probably, with a mixture of the two. The key elements here are our level of income and control of costs. Following the year end at 31 August 2020 our pupil numbers for the current year have fallen, partly no doubt as a result of the effects of Covid-19, but also in line with expectations already identified well before Covid-19 as older year groups with higher numbers departed and younger year groups with lower numbers joined.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2020 (*continued*)

GOING CONCERN (*continued*)

Looking to our ongoing and future activities, the Governors take encouragement from the experiences of both the Summer 2020 and Autumn 2020 terms and believe the School has demonstrated great resilience over the last few months. After the site closed in March teaching, following a brief pause for the Easter holiday, continued with remote lessons being successfully set up thanks to the hard work and dedication of teachers, pupils, their parents, and our IT and other support departments. During the Summer term the Executive looked carefully at expenditure and achieved a number of short and longer term savings, and the Autumn term started with the school sites fully operational while observing and applying the social distancing and other constraints of Covid-19. As Governors we have accepted the need to adjust the timing, but not the ambition, of our future building plans so that the School's financial resources and cash flow are not put under too great stress.

The School has a strong asset base and generates a positive cash flow from its operations, and the Governors will continue to monitor and review financial and operating plans with the School's executive team to maintain a robust financial footing as we move forward. We are of the opinion that the charity will continue to have sufficient resources to meet its liabilities as they fall due and as such we remain satisfied that The Abbey School can continue operating for the foreseeable future and our accounts have been prepared in the knowledge that the School is a financially viable organisation.

OTHER RISKS AND UNCERTAINTIES

An unexpected fall in pupil numbers would represent a significant risk to the School, and could result in inappropriate investment decisions being made as a result of over-optimistic financial planning. Our regular review of current and projected pupil numbers provides a check that our budgets for future years are realistic. Any significant reduction in numbers would prompt immediate review action.

The full economic impact of the UK government's decision to withdraw from membership of the European Union is as yet unknown. Economic uncertainty is a significant factor for parents considering education in the Independent School Sector and the Governing Body, through the Risk, Audit and Compliance Committee will continue to monitor this potential risk, and all committees, as a standing item, will consider the impact of Brexit on their area of responsibility.

Beyond Covid-19, other aspects of Health and Safety represent a significant area for risk management. The risks range from fire and other damage to infrastructure to personal risks (most notably when away from the campus on trips and expeditions). There is a regular risk audit, and continuity plans are in place to ensure the school continues to function effectively in the event of a major incident such as fire or flood.

The Governing Body is satisfied that for all major risks identified for the group, appropriate controls have been put in place and maintained to mitigate those risks adequately. It is recognised that systems can provide only reasonable but not absolute assurance that major risks have been managed.

The Abbey School, Reading

Annual report by Council for the year ended 31 August 2020 (*continued*)

FUTURE OBJECTIVES

The Governors and the Executive Board once again look forward positively to the challenges that lie ahead, and remain committed to keeping The Abbey at the forefront of education. We are in the process of refreshing our five year rolling plan which will reflect objectives set by our new Executive Head.

The current plan, crafted to shape the School's development in physical, educational and philosophical terms, was developed by the Executive Board with significant contribution and support from the Governors, and was guided by input from parents and staff. Its five year focus has been on four key areas:

- energising our people and maintaining a culture that is 'Courageous, Honest and Kind'
- enhancing our environment so that the fabric of the school reflects the quality within it
- engaging our stakeholders in The Abbey Community and beyond in marking over 130 years of experience in education
- enabling our organisation to play an important role locally and nationally

The next phase of our plan will carry forward our commitment to The Abbey Community – our teachers, our girls, and our parents, as well as our local Reading community. The objectives within the plan will ensure we continue to:

- produce top results as a world-class educational establishment
- widen access to the School through our 1887 Fund for scholarships and bursaries
- support outreach initiatives with our local communities
- encourage innovation
- provide breadth in all aspects of education across the School.

The Abbey School, Reading

Governors responsibilities for the year ended 31 August 2020

STATEMENT OF RESPONSIBILITIES OF COUNCIL

The Governors (who are also directors of The Abbey School for the purposes of company law and trustees for the purpose of charity law) are responsible for preparing the Governors' Annual Report (incorporating the Strategic Report) and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

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

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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PROVISION OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when this Governors Report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the School's auditor are unaware; and
- that Governor has taken all steps that ought to have been taken as a Governor in order to be aware of any relevant audit information needed by the School's auditors in connection with preparing their report and to establish that the School's auditors are aware of that information.

AUDITOR

In accordance with Section 485 of the Companies Act 2006, a resolution proposing the re-appointment of BDO LLP as auditors to the company will be put to a Special General Meeting.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governing Body of The Abbey School at a Special General Meeting on 7 December 2020, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf.

By order of the Governors



E A Harrison
Chair of Governors

Date:

The Abbey School, Reading

Report of the Independent Auditor to the Governors of The Abbey School, Reading

Opinion on financial statements

We have audited the financial statements of The Abbey School, Reading for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities (including the Income and Expenditure Account), the Balance Sheets, the Consolidated Cash Flow Statement and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable group and parent affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with 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 charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit 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 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.

The Abbey School, Reading

Report of the Independent Auditor to the Governors of The Abbey School, Reading (*continued*)

Other information

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

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 (including the Strategic Report and the Directors' Report) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Report of the Governors.

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

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

The Abbey School, Reading

Report of the Independent Auditor to the Governors of The Abbey School, Reading *(continued)*

Responsibilities of Governors

As explained more fully in the Governors' Responsibilities Statement set out on page 15, 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 charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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 consolidated 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

Date: 25 January 2021

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

The Abbey School, Reading

Consolidated Statement of Financial Activities (incorporating an Income & Expenditure Account) for the year ended 31 August 2020

	Note	Unrestricted funds General funds £	Designated funds £	Restricted funds £	Total 2020 £	Total 2019 £
INCOME FROM:						
Government grants	4c	429,809	-	-	429,809	-
Charitable activities						
School fees	4a	15,602,258	-	-	15,602,258	16,568,432
Ancillary income	7	835,415	-	-	835,415	1,019,559
Other trading activities						
Trading income	14	73,216	-	-	73,216	91,403
Non-ancillary income	5	90,489	-	-	90,489	26,228
Investments	6	-	33,213	-	33,213	38,493
Donations		21,283	-	36,292	57,575	36,437
Total income		17,052,470	33,213	36,292	17,121,975	17,780,552
EXPENDITURE ON:						
Charitable activities	8	16,418,191	485,070	7,586	16,910,847	17,149,400
Raising funds	9	11,788	16,433	-	28,221	44,697
Trading costs	14	7,628	-	-	7,628	23,794
Total expenditure		16,437,607	501,503	7,586	16,946,696	17,217,891
Net income/ (expenditure) before gains/(losses) and transfers		614,863	(468,290)	28,706	175,279	562,661
Net (loss)/gain on investments	14	-	(46,536)	-	(46,536)	39,743
Transfers between funds	22	(514,826)	514,826	-	-	-
Net movement in funds		100,037	-	28,706	128,743	602,404
Total funds brought forward	22	14,750,660	1,000,000	-	15,750,660	15,148,256
Total funds carried forward	22	14,850,697	1,000,000	28,706	15,879,403	15,750,660

All 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 23 to 43 form part of these accounts.

The Abbey School, Reading

Consolidated Statement of Financial Activities (incorporating an Income & Expenditure Account) for the year ended 31 August 2019

		Unrestricted funds		Restricted funds	Total
	Note	General funds £	Designated Funds £	£	2019 £
INCOME AND ENDOWMENTS					
FROM:					
Charitable activities					
School fees	4a	16,568,432	-	-	16,568,432
Ancillary income	7	1,019,559	-	-	1,019,559
Other trading activities					
Trading income	14	91,403	-	-	91,403
Non-ancillary income	5	26,228	-	-	26,228
Investments	6	-	38,493	-	38,493
Donations		21,943	-	14,494	36,437
Total income		17,727,565	38,493	14,494	17,780,552
EXPENDITURE ON:					
Charitable costs					
	8	16,558,208	576,698	14,494	17,149,400
Raising funds					
Trading costs	14	23,794	-	-	23,794
Portfolio management costs		-	11,708	-	11,708
Non-ancillary costs		22,024	-	-	22,024
Financing costs	9	10,965	-	-	10,965
Total expenditure	8	16,614,991	588,406	14,494	17,217,891
Net income/(expenditure) before gains/(losses) and transfers		1,112,574	(549,913)	-	562,661
Net gains on investments	14	-	39,743	-	39,743
Net income		1,112,574	(510,170)	-	602,404
Transfers between funds	22	(510,170)	510,170	-	-
Net movement in funds		602,404	-	-	602,404
Total funds brought forward	22	14,148,256	1,000,000	-	15,148,256
Total funds carried forward	22	14,750,660	1,000,000	-	15,750,660

All 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 23 to 43 form part of these accounts.

The Abbey School, Reading

Balance sheets at 31 August 2020

<i>Company number 0133676</i>	Note	Group 2020 £	Group 2019 £	School 2020 £	School 2019 £
Fixed assets					
Tangible assets	13	19,374,674	19,393,654	19,374,674	19,393,654
Investments	14	1,463,595	1,493,484	1,463,597	1,493,486
		<u>20,838,269</u>	<u>20,887,138</u>	<u>20,838,271</u>	<u>20,887,140</u>
Current assets					
Debtors	15	401,071	417,258	417,228	415,066
Cash at bank and in hand	28	400,792	430,933	328,383	355,342
		<u>801,863</u>	<u>848,191</u>	<u>745,611</u>	<u>770,408</u>
Creditors: amounts falling due within one year	16	(3,923,536)	(5,864,899)	(3,913,874)	(5,854,727)
Net current liabilities		(3,121,673)	(5,016,708)	(3,168,263)	(5,084,319)
Total assets less current liabilities		17,716,596	15,870,430	17,670,008	15,802,821
Creditors: amounts falling due after more than one year	17	(1,837,193)	(119,770)	(1,837,193)	(119,770)
Net assets		15,879,403	15,750,660	15,832,815	15,683,051
Funds					
General funds	22	14,850,697	14,750,660	14,804,109	14,683,051
Designated funds	22	1,000,000	1,000,000	1,000,000	1,000,000
		<u>15,850,697</u>	<u>15,750,660</u>	<u>15,804,109</u>	<u>15,683,051</u>
Restricted funds	22	28,706	-	28,706	-
Total	22	15,879,403	15,750,660	15,832,815	15,683,051

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 £149,764 (2019 - £598,318).

The financial statements were approved and authorised for issue by the Board of Governors of The Abbey School, Reading on 7 December 2020 and signed on their behalf by:



E A Harrison



J Butler

The notes on pages 23 to 43 form part of these accounts.

The Abbey School, Reading

Consolidated statement of cash flows for the year ended 31 August 2020

	Note	Group 2020 £	Group 2019 £
Cash flows from operating activities			
Net cash provided by operating activities	27	483,552	2,252,466
Cash flows from investing activities			
Dividends and interest		33,213	39,493
Purchase of tangible fixed assets		(1,404,348)	(2,818,698)
Purchase of investments		(247,752)	(248,406)
Receipts from sale of investments		250,248	310,289
Net cash used in investing activities		(1,368,639)	(2,718,322)
Cash flows from financing activities			
Receipt of new bank loan		2,000,000	-
Interest paid		(36,009)	(14,614)
Net cash used in financing activities		1,963,991	(14,614)
Increase/(decrease) in cash and cash equivalents in the year		1,078,904	(480,470)
Cash and cash equivalents at the beginning of the year		(2,387,479)	(1,907,009)
Total cash and cash equivalents at the end of the year	28	(1,308,575)	(2,387,479)

The notes on pages 23 to 43 form part of these accounts.

The Abbey School, Reading

Notes forming part of the financial statements for the year ended 31 August 2020

1 Company information

The Abbey School is a charitable company limited by guarantee (registered number 0133676 and charity number 309115), incorporated in England and Wales under the Companies Act 2006. The registered office is 17 Kendrick Road, Reading, Berkshire, RG1 5DZ.

2 Accounting policies

Basis of preparation

The financial statements have been prepared on a going concern basis under the historical cost convention. The financial statements have been prepared in accordance with the Statement of Recommended Practice: "Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland" (The Charities SORP 2nd Edition effective 1 January 2019) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Companies Act 2006 and the Charities Act 2011.

The financial statements are prepared in sterling, which is the functional currency of the Charity. Monetary amounts in these financial statements are rounded to the nearest £.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Group's accounting policies (see note 3).

The following principal accounting policies have been applied consistently:

Basis of consolidation

The group accounts consolidate the accounts of The Abbey School, Reading and its subsidiary undertaking, Abbey Commercial 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 2015 Charities SORP. The parent company's net income for the year is £149,764 (2019 - £598,318).

The results of the subsidiary undertaking for the year are disclosed in note 14 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; and
- from the financial instruments disclosures, required under FRS 102 para 11.40 to 11.48A and para 12.26 to 12.29, as the information is provided in the Group financial disclosures.

The Abbey School, Reading

Notes forming part of the financial statements for the year ended 31 August 2020 (*continued*)

2 Accounting policies (*continued*)

Going concern

The Governors note that the group has net current liabilities of £3,121,673 (2019 £5,016,708) at the balance sheet date. They have considered the current year's positive net movement in funds, the projected gross operating surplus and cash flow projections for future years. These indicate that within, and without exceeding, the arrangements established with their bankers the school will be able to meet its liabilities as they fall due. The school has agreed and drawn down from the bank a development loan; this was converted to a term loan after the balance sheet date.

The Governors have no reason to believe that the current banking facilities will not be continued when they are reviewed in May 2021. They confirm that there is no material uncertainty as to the future of the school, and accordingly they continue to adopt the going concern basis in preparing the financial statements as outlined in the statement of Governors' responsibilities.

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. Details of these reserves, as applicable to the charity, are set out in note 22.

Restricted funds are funds where specific conditions imposed by the donor would restrict the use of unspent funds or where the terms of the appeal restrict the use of the funds.

Investment income and gains are allocated to the appropriate fund.

The Abbey School, Reading

Notes forming part of the financial statements for the year ended 31 August 2020 (*continued*)

2 Accounting policies (*continued*)

Incoming resources

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.

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.

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. Means tested bursaries which provide financial assistance to parents, are treated as expenditure from the designated fund within the statement of financial activities.

Fees received for education to be provided in future years are carried forward as advance fee scheme payments and fees received in advance in the balance sheet. These fees are released to the statement of financial activities over the period in which the school provides the services in future years.

Donations

Donations received for the general purposes of the School are credited to unrestricted funds. Donations subject to specific wishes of the donors are credited to the relevant restricted fund.

Resources expended

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.

Expenditure in respect of the other support costs of the School includes recruitment costs and general office costs including governance costs.

Scholarships and bursaries

Scholarships and bursaries are charged in the year when the offer is conveyed to the recipient except in those cases where the offer is conditional. Such scholarships and bursaries are recognised as expenditure when the conditions attached are fulfilled. Temporary financial assistance is charged to the statement of financial activities in the year in which it is granted.

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 (*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. Depreciation is provided on all tangible fixed assets, except freehold land, in order to write off their cost less residual value over their useful lives at the following annual rates:

Straight line basis

Freehold buildings	2%	per annum on cost
Freehold improvements	10%	per annum on cost
Motor Vehicles	25%	per annum on cost
Equipment:		
Computer equipment	33%	per annum on cost
Other equipment	10%	per annum on cost

Items costing less than £1,000 are written off as an expense as acquired.

Investments

Investments are stated at market value with the gain or loss recognised in the statement of financial activities.

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

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.

Financial Instruments

The group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value. The group has elected to apply the provisions of Section 11 Basic Financial Instruments' and Section 12 'Other Financial instruments Issues' of FRS 102 to all of its financial instruments.

Pension Scheme

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 for which the contributions are charged in the statement of financial activities in the year in which they are payable. The pension costs charged in the year for the Teachers' Pension Scheme are based on the contributions made to the centralised Government pension scheme run by the Department of Education as stated in note 25 to these financial statements.

The Abbey School, Reading

Notes forming part of the financial statements for the year ended 31 August 2020 (*continued*)

2 Accounting policies (*continued*)

Advance fee scheme

Amounts received under the school's former Advance Fee Scheme contracts for education not yet utilised to settle school fees were recorded as current liabilities where the education will be provided 12 months from the reporting date and as long-term liabilities where the education was to be provided in subsequent years.

Parents' deposits

The Governors have reviewed the contract terms under which pupil fee deposits are held by the school. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the school, pupils can leave at earlier dates. The school does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and, in line with the requirements in FRS 102, the balance of the deposits held at 31 August 2020 have been included within current liabilities. The prior year pupil fee deposits balance has been similarly represented.

3 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 adjustments 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 basis and provide for fee debtors as appropriate.

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.

The Abbey School, Reading

**Notes forming part of the financial statements
for the year ended 31 August 2020 (continued)**

4a School fees

	Unrestricted 2020 £	Unrestricted 2019 £
School fees receivable consist of:		
Gross fees	17,493,062	17,051,671
Less: Scholarships and other awards	(922,023)	(1,059,937)
Less: Summer term (Covid-19) discount	(1,453,278)	-
	15,117,761	15,991,734
Net fees receivable		
Add: Bursaries paid out of designated funds	484,497	576,698
	15,602,258	16,568,432

4b Grants and awards

In addition to the scholarships and other awards noted above, the School provided means-tested bursaries to provide financial assistance to parents.

The total awards are as follows:

	Unrestricted 2020 £	Unrestricted 2019 £
Revenue account (scholarships)	437,526	483,239
Designated funds (means-tested bursaries)	484,497	576,698
	922,023	1,059,937
Total grants and awards	922,023	1,059,937

4c Income from government grants

	Unrestricted 2020 £	Unrestricted 2019 £
Government furlough scheme	429,809	-
	429,809	-

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 (*continued*)

5 Non ancillary income	Unrestricted 2020 £	Unrestricted 2019 £
Property rentals	32,300	23,500
HM Court and Tribunals Service income	51,660	-
Miscellaneous income	6,529	2,728
	90,489	26,228
	90,489	26,228
6 Income from investments	Unrestricted 2020 £	Unrestricted 2019 £
UK listed investments	33,213	38,493
	33,213	38,493
	33,213	38,493
Income from investments was designated in the current and previous financial year.		
7 Ancillary income	Unrestricted 2020 £	Unrestricted 2019 £
After school care	64,049	92,172
Trips income	252,791	356,087
Fees for extra-curricular courses and examinations	437,835	465,607
Fees in lieu of notice	7,404	31,614
Registration fees	30,884	35,972
Tuck shop income	10,816	10,293
Miscellaneous income	31,636	27,814
	835,415	1,019,559
	835,415	1,019,559

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 (*continued*)

8 Expenditure on charitable activities

	Staff costs	Other	Depreciation	Total 2020
	£	£	£	£
Charitable activities				
Teaching costs	8,805,483	490,595	279,962	9,576,040
Welfare costs	62,664	822,841	-	885,505
Premises costs	849,932	1,111,661	1,193,779	3,202,191
Support costs	1,564,221	776,666	4,980	2,345,867
Trip costs and other travel	-	284,162	-	284,162
Grants, awards and prizes	-	485,070	-	485,070
Governance costs	-	24,106	-	24,106
Finance costs	-	78,073	-	78,073
Provision for bad debts	-	76,652	-	76,652
	11,282,300	4,149,826	1,478,721	16,910,847

Total expenditure on charitable activities was £16,910,847 (2019 - £17,149,400) of this £7,586 (2019 - £14,494) was restricted, £485,070 (2019 - £576,698) was designated and £16,418,191 (2019 - £16,558,208) was unrestricted.

	Staff costs	Other	Depreciation	Total 2019
	£	£	£	£
Charitable activities				
Teaching costs	8,435,761	575,558	276,473	9,287,792
Welfare costs	94,310	1,036,447	-	1,130,757
Premises costs	804,768	1,089,879	1,071,580	2,966,227
Support costs	1,712,027	999,833	4,648	2,716,508
Trip costs and other travel	-	434,719	-	434,719
Grants, awards and prizes	-	587,013	-	587,013
Governance costs	-	26,384	-	26,384
	11,046,866	4,749,833	1,352,701	17,149,400

9 Expenditure on raising funds

	2020	2019
	£	£
Portfolio management costs	16,433	11,708
Non-ancillary costs	11,788	22,024
Financing costs	-	10,965
	28,221	44,697

Total expenditure on raising funds was £28,221 (2019 - £44,697) of this £16,433 (2019 - £11,708) related to designated funds and £11,788 (2019 - £32,989) related to unrestricted funds.

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 (*continued*)

10 Staff costs

	2020 £	2019 £
Wages and salaries	8,779,419	8,851,884
Social security	835,750	840,584
Pension contributions	1,518,891	1,141,586
Other non-payroll staff costs	148,240	212,812
	11,282,300	11,046,866

The number of employees whose emoluments (excluding pension contributions) exceeded £60,000 was:

	2020 Number	2019 Number
£60,000 - £70,000	3	3
£70,000 - £80,000	2	2
£80,000 - £90,000	3	5
£90,001 - £100,000	2	-
£140,000 - £150,000	1	1
	11	11

The total employer contributions in the year towards pension scheme contributions for the above 11 (2019 - 11) staff members were £149,482 (2019 - £112,546).

During the year, severance pay was awarded to 2 employees with payments for compensation and pay in lieu of notice totalling £31,002 (2019 - 4 employees, £21,939). This included an agreement with Mrs J Creswell, Head of The Abbey Senior School, relating to her departure. The value of this agreement was £30,000.

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 *(continued)*

10 Staff costs *(continued)*

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

	2020 Number	2019 Number
Teaching	261	262
Welfare	28	26
Premises	18	20
Support	46	51
	353	359

The split between part time and full time staff was as follows:

	2020 Number Full time	2020 Number Part time	2019 Number Full time	2019 Number Part time
Teaching	109	152	111	151
Welfare	5	23	6	20
Premises	15	3	14	6
Support	26	20	31	20
	155	198	162	197

Aggregate employee costs of the senior leadership team, as identified on page 3, including salary, benefits, pension contributions and national insurance) in the year totalled £620,383 (2019 - £598,696).

The governors received no remuneration or other benefit for the year (2019 - £ Nil). The governors were reimbursed for no expenses in the year (2019 - £1,439 for travel).

The employer's liability insurance of the charitable company includes indemnity insurance for the governors.

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 (*continued*)

11 Net Income/(expenditure)

	2020 £	2019 £
Net income/(expenditure) includes:		
Operating lease charges	57,894	103,205
Depreciation	1,479,511	1,353,492
Auditors' remuneration - Audit		
- Audit fees	22,320	19,100
- Other	4,260	5,812
	_____	_____

12 Taxation

The charitable company is a registered charity, and as such is entitled to tax exemptions on income and gains, properly applied for its charitable purposes.

13 Tangible assets – Group and School

	Freehold property and improvements £	Assets under construction £	Motor vehicles £	Equipment £	Total £
<i>Cost</i>					
At 1 September 2019	24,482,125	1,841,930	23,338	6,294,081	32,641,474
Additions	1,348,788	56,183	-	55,560	1,460,531
Disposals	(106,191)	-	-	(2,256,563)	(2,362,754)
Transfer between classes	1,898,113	(1,898,113)	-	-	-
	_____	_____	_____	_____	_____
At 31 August 2020	27,622,835	-	23,338	4,093,078	31,739,251
	_____	_____	_____	_____	_____
<i>Depreciation</i>					
At 1 September 2019	8,154,417	-	12,338	5,081,065	13,247,820
Charge for year	1,067,265	-	3,300	408,946	1,479,511
Disposals	(106,191)	-	-	(2,256,563)	(2,362,754)
	_____	_____	_____	_____	_____
At 31 August 2020	9,115,491	-	15,638	3,233,448	12,364,577
	_____	_____	_____	_____	_____
<i>Net book value</i>					
At 31 August 2020	18,507,344	-	7,700	859,630	19,374,674
	_____	_____	_____	_____	_____
At 31 August 2019	16,327,708	1,841,930	11,000	1,213,016	19,393,654
	_____	_____	_____	_____	_____

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 (*continued*)

14 Fixed asset investments

	Group 2020 £	Group 2019 £	School 2020 £	School 2019 £
Listed investments (see below)	1,463,595	1,493,484	1,463,595	1,493,484
Abbey Commercial Enterprises Limited (see below)	-	-	2	2
	1,463,595	1,493,484	1,463,597	1,493,486
	1,463,595	1,493,484	1,463,597	1,493,486

Subsidiary undertaking

The Abbey School owns 100% of the ordinary share capital of Abbey Commercial Enterprises Limited (company number 06334617). This company was incorporated in England and Wales and was established to carry out the non-educational activities associated with the School.

Trading results extracted from its audited financial statements are shown below:

	2020 £	2019 £
Turnover	73,216	91,403
Administration expenses	(7,628)	(4,794)
Management charge from the Abbey School	(19,000)	(19,000)
	46,588	67,609
Profit on ordinary activities before taxation	46,588	67,609
Tax on profit on ordinary activities	-	-
	46,588	67,609
Profit on ordinary activities after taxation	46,588	67,609
	46,588	67,609
Net assets	46,590	67,611

All activities have been consolidated on a line by line basis in the SOFA. Any taxable net profit is gifted to the charity. The total expenses include a management charge paid by Abbey Commercial Enterprises of £19,000 (2019 - £19,000), which is eliminated on consolidation. At the year end the balance outstanding was a debtor in The Abbey School of £23,874 (2019 - £19,000).

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 (continued)

14 Fixed asset investments (continued)

Listed investments

	2020 Market value £	2019 Market value £
At 1 September	1,386,338	1,408,478
Additions	247,752	248,406
Disposals	(250,248)	(310,289)
(Loss)/gain on revaluation for the year	(46,536)	39,743
	<hr/>	<hr/>
At 31 August	1,337,306	1,386,338
Cash held by investment manager	126,289	107,146
	<hr/>	<hr/>
Total	1,463,595	1,493,484
	<hr/>	<hr/>
Historical cost of investments	1,292,761	1,273,618
	<hr/>	<hr/>

Investments which comprise more than 5% of the market value of investments are:

	Market value £	Cost £
J P Morgan Asset Management UK Ltd	74,920	60,692
Findlay Park Funds Plc	74,691	46,956
	<hr/>	<hr/>

15 Debtors

	Group 2020 £	Group 2019 £	School 2020 £	School 2019 £
Trade debtors	61,590	41,743	53,873	30,001
Amounts due from own subsidiary	-	-	23,874	19,000
Other debtors	46,762	4,280	46,762	4,280
Prepayments	292,719	371,235	292,719	361,785
	<hr/>	<hr/>	<hr/>	<hr/>
	401,071	417,258	417,228	415,066
	<hr/>	<hr/>	<hr/>	<hr/>

Amounts due from owned subsidiary are interest free and repayable on demand.

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 *(continued)*

16 Creditors: amounts falling due within less than one year

	Group 2020 £	Group 2019 £	School 2020 £	School 2019 £
Bank overdraft	1,709,367	2,818,412	1,709,367	2,818,412
Bank loan (see note 18)	200,000	-	200,000	-
Trade creditors	322,123	1,159,956	322,123	1,159,956
Deposits held	648,868	630,136	648,868	630,136
Other taxes and social security costs	407,197	364,981	403,412	363,383
Other creditors	89,246	229,679	89,246	229,280
Accruals	121,785	128,952	115,908	120,777
Advance fee scheme payments (see note 19)	42,577	76,890	42,577	76,890
Fees received in advance	382,373	455,893	382,373	455,893
	3,923,536	5,864,899	3,913,874	5,854,727
	3,923,536	5,864,899	3,913,874	5,854,727

At the end of 2020, there was a bank overdraft with HSBC, which were secured by legal charges over two freehold properties.

Fees received in advance relates to fees for the next academic year which some parents pay in advance. Deposits held relate to acceptance deposits which are considered as owed within one year given that only one terms notice is required to be given by pupils.

17 Creditors: amounts falling due after more than one year

	Group 2020 £	Group 2019 £	School 2020 £	School 2019 £
Bank loan (see note 18)	1,800,000	-	1,800,000	-
Fees received in advance	-	40,000	-	40,000
Advance fee scheme payments (see note 19)	37,193	79,770	37,193	79,770
	1,837,193	119,770	1,837,193	119,770
	1,837,193	119,770	1,837,193	119,770

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 (*continued*)

18 Bank loan

Group and School

The loan is repayable as follows:

	2020 £	2019 £
Within 1 year	200,000	-
Within 2 to 5 years	800,000	-
More than 5 years	1,000,000	-
Total due in more than one year	1,800,000	-
Total balance repayable at the year end	2,000,000	-

Bank loan with HSBC is secured by a charge over the School's property.

19 Advance fee scheme

Group and School

Parents historically have deposited a lump sum with the School as an advance on future fees. This option is no longer available to parents. Each arrangement is in respect of an agreed amount to be credited against future fee bills for an agreed number of terms. The unused balance of the advance is repayable on request. It is intended that the advance fees will be applied as follows:

	2020 £	2019 £
Within 1 year	42,577	76,890
Within 2 to 5 years	37,193	79,770
	79,770	156,660

The figures for advanced fee payments are included within the balance sheet for school fees paid in advance (notes 16 and 17). The balance represents the accrued liability under these arrangements. Movements during the year were:

	£	£
Balance at 1 September 2019	156,660	284,391
Amounts utilised in the payment of fees	(76,890)	(127,731)
Balance at 31 August 2020	79,770	156,660

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 (*continued*)

20 Operating lease commitments

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	53,503	99,072
Due between one and five years	4,391	56,211
	57,895	155,283
	57,895	155,283

21 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	91,100	577,966
	91,100	577,966
	91,100	577,966

22 Funds

Group – current year

	Balance at 1 September 2019	Income	Expenditure	Transfers	Gains and (losses)	At 31 August 2020
Unrestricted funds						
General unrestricted	14,750,660	17,052,470	(16,437,607)	(514,826)	-	14,850,697
Designated – The Bursary Fund	1,000,000	33,213	(501,503)	514,826	(46,536)	1,000,000
	15,750,660	17,085,683	(16,939,110)	-	(46,536)	15,850,697
Total Unrestricted funds	15,750,660	17,085,683	(16,939,110)	-	(46,536)	15,850,697
Restricted funds	-	36,292	(7,586)	-	-	28,706
	-	36,292	(7,586)	-	-	28,706
Total funds	15,750,660	17,121,975	(16,946,696)	-	(46,536)	15,879,403

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 (continued)

22 Funds (continued)

School – current year

	Balance at 1 September 2019	Income	Expenditure	Transfers	Gains and (losses)	At 31 August 2020
Unrestricted funds						
General unrestricted	14,683,051	17,065,863	(16,429,979)	(514,826)	-	14,804,109
Designated – The Bursary Fund	1,000,000	33,213	(501,503)	514,826	(46,536)	1,000,000
Total Unrestricted funds	15,683,051	17,099,076	(16,931,482)	-	(46,536)	15,804,109
Restricted funds	-	36,292	(7,586)	-	-	28,706
Total funds	15,683,051	17,135,368	(16,939,068)	-	(46,536)	15,832,815

Income from The Bursary Fund is used to offer financial assistance to individual pupils when necessary.

The Governors have decided to make an annual transfer from the unrestricted funds so that a balance of £1 million remains earmarked for use on bursaries within this fund.

Restricted funds are those received for specific purposes including donations received for building appeals, various teaching departments and fixed assets. Once the restriction has been fulfilled than a transfer from restricted to unrestricted funds is made.

Group – prior year

	Balance at 1 September 2018	Income	Expenditure	Transfers	Gains and (losses)	At 31 August 2019
Unrestricted funds						
General unrestricted	14,148,256	17,727,565	(16,614,991)	(510,170)	-	14,750,660
Designated – The Bursary Fund	1,000,000	38,493	(588,406)	510,170	39,743	1,000,000
Total Unrestricted funds	15,148,256	17,766,058	(17,203,397)	-	39,743	15,750,660
Restricted funds	-	14,494	(14,494)	-	-	-
Total funds	15,148,256	17,780,552	(17,217,891)	-	39,743	15,750,660

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 (*continued*)

22 Funds (*continued*)

School – prior year

	Balance at 1 September 2018	Income	Expenditure	Transfers	Gains and (losses)	At 31 August 2019
Unrestricted funds						
General unrestricted	14,084,737	17,733,170	(16,624,686)	(510,170)	-	14,683,051
Designated – The Bursary Fund	1,000,000	38,493	(588,406)	510,170	39,743	1,000,000
Total Unrestricted funds	15,084,737	17,771,663	(17,213,092)	-	39,743	15,683,051
Restricted funds	-	14,494	(14,494)	-	-	-
Total funds	15,084,737	17,786,157	(17,227,586)	-	39,743	15,683,051

23 Analysis of net assets between funds

Group

	Fixed assets £	Investments £	Net current liabilities £	Long term liabilities £	2020 Total £
Unrestricted funds:					
Revenue account	19,374,674	-	(2,686,784)	(1,837,193)	14,850,697
Designated funds	-	1,463,595	(463,595)	-	1,000,000
Restricted funds	-	-	28,706	-	28,706
	19,374,674	1,463,595	(3,121,673)	(1,837,193)	15,879,403
Unrestricted funds:					
Revenue account	19,393,654	-	(4,523,224)	(119,770)	14,750,660
Designated funds	-	1,493,484	(493,484)	-	1,000,000
	19,393,654	1,493,484	(5,016,708)	(119,770)	15,750,660

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 (continued)

23 Analysis of net assets between funds

School

	Fixed assets £	Investments £	Net current liabilities £	Long term liabilities £	2020 Total £
Unrestricted funds:					
General account	19,374,674	-	(2,733,372)	(1,837,193)	14,804,109
Designated funds	-	1,463,597	(463,597)	-	1,000,000
Restricted funds	-	-	28,706	-	28,706
	<u>19,374,674</u>	<u>1,463,597</u>	<u>(3,168,263)</u>	<u>(1,837,193)</u>	<u>15,832,815</u>
Unrestricted funds:					
General account	19,393,654	-	(4,590,833)	(119,770)	14,683,061
Designated funds	-	1,493,486	(493,486)	-	1,000,000
	<u>19,393,654</u>	<u>1,493,486</u>	<u>(5,084,319)</u>	<u>(119,770)</u>	<u>15,683,051</u>

24 Related party transactions

Transactions with Governors

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

Mr S Dimmick has now retired as a partner at the school's Solicitors, Blandy & Blandy. During the year the school was invoiced £30,570 (2019 - £18,138) by Blandy & Blandy for legal work carried out on the school's behalf. At the year-end, a balance of £Nil (2019 - £Nil) was owed to Blandy & Blandy.

Mr M Emmanuel is a director at French Horn Hotel Limited. During the year, the School was invoiced £3,378 (2019 - £498) by French Horn Hotel Limited for a function in the year. At the year end, a balance of £Nil (2019 - £Nil) was owed to French Horn Hotel Limited.

The Abbey School, Reading

Notes forming part of the financial statements for the year ended 31 August 2020 (continued)

25 Pensions

a) Teachers' Pension Scheme

The school participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,240,800 (2019 - £893,614) and at the year-end £154,355 (2019 - £124,526) was payable in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared using membership data as at 31 March 2019 and using this valuation, confirmed an employer contribution rate of 23.68% from 1 September 2019 (this includes the administration levy of 0.8%).

b) Other schemes

The Company also makes contributions for non-teaching staff into a separately administered defined contribution scheme. Employers contributions totalling £278,091 (2019 - £247,972) were payable to this fund for the year. Contributions totalling £25,268 (2019 - £26,161) were unpaid at the year end and are included within creditors.

26 Financial instruments

Group	2020 £	2019 £
Financial assets measured at fair value	<u>1,463,595</u>	<u>1,493,484</u>

Included within financial instruments held at fair value is investments.

The Abbey School, Reading

Notes forming part of the financial statements
for the year ended 31 August 2020 (*continued*)

27 Reconciliation of net income/(expenditure) to net cash flow from operating activities

	Note	Group 2020 £	Group 2019 £
Net income for the reporting period (as per the statement of financial activities)		128,743	602,404
Adjustments for:			
Depreciation	13	1,479,511	1,353,492
Losses/(gains) on investments	14	46,536	(39,743)
Dividends and interest	6	(33,213)	(38,493)
Interest payable		36,009	14,614
Decrease in debtors		16,187	120,737
(Decrease)/increase in creditors		(1,171,078)	327,958
Increase of cash at investment manager		(19,143)	(88,503)
		<hr/>	<hr/>
Net cash provided by operating activities		483,552	2,252,466
		<hr/>	<hr/>

28 Analysis of cash and cash equivalents

	Group 2020 £	Group 2019 £	School 2020 £	School 2019 £
Bank balances included in cash at bank and in hand	400,792	430,933	328,383	335,342
Bank overdrafts	(1,709,367)	(2,818,412)	(1,709,367)	(2,818,412)
	<hr/>	<hr/>	<hr/>	<hr/>
	(1,308,575)	(2,387,479)	(1,380,984)	(2,463,070)
	<hr/>	<hr/>	<hr/>	<hr/>

29 Analysis of net debt

	At 1 September 2019 £	Cash flows £	Non-cash flows £	At 31 August 2020 £
Cash balances	430,933	(30,141)	-	400,792
Overdraft	(2,818,412)	1,109,045	-	(1,709,367)
Bank loans	-	(2,000,000)	-	(2,000,000)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Debt	(2,387,479)	(921,096)	-	(3,308,575)
	<hr/>	<hr/>	<hr/>	<hr/>

