

Registered number: 00316883
Charity number: 310482

SAINT FELIX SCHOOLS
(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

SAINT FELIX SCHOOLS
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Governors and advisers	1 - 2
Governors' report	3 - 11
Independent auditors' report on the financial statements	12 - 14
Statement of financial activities	15
Balance sheet	16
Statement of cash flows	17
Notes to the financial statements	18 - 37

SAINT FELIX SCHOOLS
(A company limited by guarantee)

**REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Governors	Dr J F Kelly, Chairman Mrs L Le Versha, Vice Chair Mrs H Anthony, Chair of the Senior Education Committee Mr C Camburn (appointed 27 November 2020) Dr L W Dawson OBE (resigned 4 December 2020) Mr K Dobson Mr G Hillier (resigned 12 January 2021) Rev B Slatter Mr R Stephens, Chairman of the F&GP Sub-Committee Mr R J Turvill Mr R Wise
------------------	---

The members of the board have the power to appoint one or more board members.

By virtue of the Articles all governors must be members of the company. All governors, while a member, or within one year after ceasing to be a member is liable to contribute a sum not exceeding £1, if required in the event of the company being wound up.

The governors receive no emoluments.

Company registered number	00316883
Charity registered number	310482
Registered and principal operating office	Halesworth Road Reydon Southwold Suffolk IP18 6SD
Headmaster	Mr J Harrison
Bursar and company secretary	Mr P Jochimsen (appointed 1st September 2019)
Independent auditors	Larking Gowen LLP Chartered Accountants King Street House 15 Upper King Street Norwich NR3 1RB
Bankers	Barclays bank plc 18 London Street Norwich Norfolk NR2 1LG

SAINT FELIX SCHOOLS
(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Solicitors Birketts
 24-26 Museum Street
 Ipswich
 Suffolk
 IP1 1HZ

Website: www.stfelix.co.uk

SAINT FELIX SCHOOLS
(A company limited by guarantee)

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the audited financial statements of the Company for the year 1 September 2019 to 31 August 2020. The Annual report serves the purposes of both a Governors' report and a directors' report under company law. The Governors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2019).

Objectives and activities

• **Charitable aims and objectives**

The Charity's objects, as set out in its Trust Deed and Articles of Association, are the advancement of education, including schooling for day, weekly and full boarding pupils of both sexes. In setting objectives and planning for activities, the Trustees have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

In setting objectives and planning for activities, the Governors have given due consideration to general guidance published by the Charity Commission relating to public benefit, including the guidance 'Public benefit: running a charity (PB2)'.

• **Principal activity**

The principal activity of the company is the ongoing provision of high quality education for boys and girls aged between two and nineteen.

• **Access policy**

Saint Felix School welcomes pupils from all backgrounds. During the admittance process the School satisfies itself that it will be able to educate and develop the prospective pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews are undertaken to ensure potential pupils can cope with the pace of learning and all-round education provided. Saint Felix is an equal opportunity School and an individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment process.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

• **Remissions policy**

The school provides financial support to gifted and talented pupils by offering academic, sporting, arts and drama scholarships. These awards are offered to candidates who achieve excellent results in competitive scholarship examinations, or meet pre set criteria in auditions and trials. The school provides short term means tested hardship bursaries to parents who experience unexpected financial difficulties and whose children are already in the school.

Saint Felix has a relatively small amount of operational funds available for remission provision and while considering awards we remain mindful of the balance required between fee-paying parents, many of whom make considerable sacrifices to pay for their child's education, and those potentially benefitting from an award. The governors' policy, in line with that of other independent schools, is to award grants on the basis of educational, artistic, musical, dramatic and sporting abilities and cases of financial need.

The remission awards range from 10% to 100% of the total fees for the year, with £1,978,709 awarded in the year (2019: £1,917,302). Depending on academic gifts and creative, sporting and musical talents awards may be 10% or in special circumstances higher fee discounts may be available. Most of the financial help offered is directed towards older pupils. There is a sliding scale of discount for children of large families and financial help is given to military personnel and to members of staff with children at the school.

Public Benefit

• **Educational activities**

Saint Felix operates as an educational charity providing education for pupils, promoting and advancing education. To achieve this the school establishes, maintains and carries on schools, nurseries, care clubs and educational institutions in accordance with the school's Articles of Association. This provides an educational environment where every pupil can develop and fulfil their academic potential, build self confidence and a desire to contribute positively to the wider community.

The focus for the school continues to be the on going improvement of academic standards and the achievement of sporting and creative excellence. This requires a continual review of the school's academic curriculum, focusing on pupil progress and continuity throughout the school. The maintenance of sound pupil performance in public examinations is at the forefront of the school's objectives. Excellent learning and pastoral support is in place that fully supports pupils' academic performance. At Saint Felix pupils achieve outstanding academic results and at the same time are prepared for the challenges of life beyond school.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

● **Community activities**

Close relationships exist with many local sporting groups, who use the school's facilities, plus local council, church and youth groups. The school benefits enormously from the generosity and personal involvement of the Parent Teacher Association (PTA) of Saint Felix, run by parents of children at the school, whose close support is greatly appreciated and gladly acknowledged. The school also enjoys the support of the Old Felician's Club, a network of former pupils. The following assistance is given to the local community:

- The use of the School's minibus for provision of community transport
- The use of the School's facilities by a number of local adult and youth sports clubs
- The use of the school's facilities for adult education courses
- Charity fund raising by our pupils
- Providing a range of apprentice and intern opportunities
- Holding a Holocaust Memorial day to celebrate the school's involvement in the kinder transport in 1938
- Hosting residential respite care for Outside in Pathways Autistic charity

Strategic report

Achievements and performance

● **Operational performance of the school**

In 2020 the school came top of the progress for A Level achievements in Suffolk schools with a value added score of 0.63. The focus provided through the Education Committee has seen results increasing year on year at both GCSE and A Level. For GCSE the total pass rate has risen from 86% (2018) to 98% (2020) in the last three years, and 5 passes 9-4, including English and Maths, has risen from 59.26% to 99.71%. In A Level the total pass rate has risen from 94.4% to 98.8% in the last three years and with top grades A*/A moving from 24.4% to 32.6%. The vast majority of our pupils have continued their studies at Russell Group universities having secured their first choice place.

● **Review of activities**

A revised strategic plan was written in the Autumn Term which laid out a road map for four lines of operation: Education, Development, Finance and Governance. The plan's gap analysis identified a number of staff skills shortages and these were addressed through the year so that additional focus was placed on compliance and HR as well as ensuring the other requirements remained well served. Delivery of each line of operation has been led by a member of the Executive Team (Headmaster, Deputy Head or Bursar) who ensured KPIs and timelines were achieved.

Inevitably this work was disrupted by the onset of the COVID pandemic which resulted in a Country-wide lockdown starting in March 2020. Once lockdown occurred the Education's line of operation was refocussed to the delivery of robust online learning and the delivery of live lessons to all pupils in the Prep and Senior departments. The VLE platform was exploited to the maximum extent which included using the in-built video conferencing capability to deliver live lessons each day.

The other lines of operation were also refocussed with Development focussing on future marketing, Finance focussing on reducing costs and ensuring the company remained financially viable, and Governance focussing on compliance, H&S and welfare to ensure the School met or exceeded the many Government directives with regard the COVID pandemic.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

Throughout lockdown the School remained open to care for children of parental critical workers, including siblings who were not pupils. Staff worked hard to deliver the many requirements while working from home and at the same time looking after their families. Key was support to those pupils who would be undertaking GCSE and A Level exams, and once the decision was taken to cancel the exams, to fully support the assessment process that was then required. The school partially reopened for some year groups on 1st June and fully reopened on 7th September.

Future Plans and Financial Review

● **Plans for future periods**

For over 120 years, since its inception in 1897, Saint Felix School has faithfully served the needs of its local community and we are incredibly proud of the work delivered by our staff, the senior leadership team and governors in recent years.

We have a strong commitment to providing students with the best possible education and a passion for ensuring the school's legacy continues for years to come.

In view of the significant challenges of the global pandemic on the recruitment of international pupils, the governors have been prompted to seek a long term, sustainable solution to safeguard the future of Saint Felix School and to enable the School to continue with its development plans to enhance the education provision and facilities at Saint Felix.

Subsequently, after careful consideration, the governors have decided to enter into a new partnership with renowned education provider, Inspired Learning Group (ILG), that will enable the School to continue providing the best possible education and opportunities for students and staff. ILG was chosen as the ideal partner for the School due to its shared vision, values and a strong track record for providing a world-class education. Inspired Learning Group comprises of 16 independent schools and nurseries, supporting over 1,300 students across South-East England.

Under the new arrangement, on 30 April 2021 the operation of Saint Felix School, and all of the charity's tangible fixed assets, staff, and certain other assets and liabilities, will be transferred to ILG. From that date, ILG will operate Saint Felix School. The proceeds of the sale will be used to settle the charity's liabilities. The funds remaining after the settlement of all liabilities will be used by the charity to provide bursaries and to otherwise support Saint Felix School and its pupils on a continuing basis.

The governors take their duty of care to provide the best possible educational experience extremely seriously. In transferring the school to Inspired Learning Group, the governors feel Saint Felix's positive trajectory will not only be maintained, but bolstered with additional resources and significant investment that will drive further growth and improvements. The students and staff will also benefit from collaboration across ILG's network of schools, allowing us to share best practice and build further on our already high standards of teaching and learning.

The Board, together with the Headmaster, Bursar and Senior Leadership Team, routinely review the school's longer term aims and its development plan. Prior to the decision to dispose of the school, all policies remained under constant review to ensure that Saint Felix continued to offer the best education to its pupils.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic and Marketing Development

- The Saint Felix offer is and remains competitive
- Deliver revised marketing strategy to enhance pupil recruitment and retention, aiming for a pupil role of 350+
- To enhance the 'sales' team to set conditions for robust customer engagement
- To develop an infrastructure development master plan

Curriculum Development

- To maintain and improve the current high standards of academic achievement and excellent exam results
- To monitor pupil progression from Pre-Prep through to the Sixth Form
- To focus on the Sixth Form and GCSE pupils, and continue to place additional emphasis on developing the quality of teaching and learning, the size of teaching groups, the facilities and academic, pastoral and extracurricular opportunities available
- To enhance Remote Learning and the development of Canvas and the Parental Portal
- The continued development of assessment and tracking to inform predicted and potential grades
- Careers provision to meet the new Statutory Gatsby guidelines
- To monitor developments in SEN, particularly in-class support and identification of SEN
- To maintain the development of the use of ICT

Leadership and Management

- To continue to recruit specialist management skills
- To continue Professional Development for all members of staff
- To continue to ensure the robust delivery of safeguarding, compliance and H&S in all respects
- To continue to invest in the core IT infrastructure

Corporate Governance

- To continue to assess and mitigate risks, where possible, posed by the COVID pandemic and Brexit
- To develop further community access to the schools' facilities and to strengthen links with the community
- To continue to build links with local schools and sporting establishments

• **Financial results**

The Statement of financial Activities is set out on page 15. This shows a net surplus for 2020 of £54,047 (2019: deficit of £218,872) prior to an impairment charge of £604,859 (2019: £nil). The deficit after the impairment charge was £550,812 (2019: £218,872). Given the very trying circumstances experienced during the year, the pre-impairment result was pleasing.

The financial performance also included: significant one-off COVID fee discounts applied during the lockdown period; exceptional governance costs; Government furlough grants; bearing down on all expenditures.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

● **Reserves policy**

The governors have reviewed the reserves of the Charity. This review encompassed the nature of the income and expenditure streams, the need to match variable income with fixed commitments and the nature of the reserves. The review, conducted prior to the decision to dispose of the school, concluded that to allow the Charity to be managed efficiently and to provide a buffer for uninterrupted services, a general reserve equivalent to £2,000,000 should be maintained. This equates to approximately two terms of fee income. As a result of the impairment described above, the charity's general reserve reduced to £50,000 (2019: £600,812). A new reserves policy will be formed post school disposal.

The Charity had two restricted funds. The purpose of the funds is detailed in note 21 to the financial statements. Restricted funds at the year end were £96,000 (2019: £96,000).

● **Going concern**

The agreement to dispose of the school's operations and associated assets and liabilities on 30 April 2021 described in the trustees' report will result in liabilities being discharged in full and guarantees a minimum net asset position after the disposal.

As a result, the governors have concluded that the charity will have adequate resources to continue for the foreseeable future, and at least twelve months from the date of approval of these financial statements. They therefore continue to adopt the going concern basis in preparing the financial statements.

● **Principal risks and uncertainties**

The board of governors conducts its own review of the major risks to which the Charity is exposed and systems have been established to mitigate these risks. The reviews recognise certain areas to be of particular importance; these include statutory requirements, the need to maintain current pupil numbers and safeguarding and child protection. Significant external risks to funding have led to the development of a strategic plan, which allows for the diversification of funding and activities. Internal risks are minimised by the implementation of procedures for authorisation of all transactions and projects and to ensure consistent quality of delivery for all operational aspect of the charitable company.

Key controls include formal written policies, clear authorisation and approval delegations, and vetting procedures as required by child protection legislation and the independent safeguarding authority.

The key risks identified and how they are mitigated are as follows;

Pandemic:

- Since the major COVID outbreak in UK, which resulted in a Country-wide lockdown in late March, the school has been closely following all Government advice concerning the coronavirus (COVID-19). Steps have and continue to be taken to secure the wellbeing of the whole school community and to ensure the continuity of education is maintained. Particular emphasis was placed on supporting pupils who were to sit public examinations at GCSE and A Level. Dialogue is also being maintained with the Bank to ensure continued financial security throughout the period

Economic Factors – beyond the businesses control:

- The widening gap between rich and poor – an appropriate remissions policy
- The increased cost of energy resources – continual maintenance of efficiencies
- Internet-based or cyber-attacks – sufficient network and software protection, plus good staff and pupil training

SAINT FELIX SCHOOLS
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Political factors:

- Ensuring the school keeps up to date with political, legislative and regulatory compliance changes – use of external expertise to inform decision making

Internal:

- Reputational damage – good communications among staff and between staff and parents
- Governance – strategic development plan, external advisors, Governor CPD
- Financial Control – internal and external audit, programmed review of key areas, robust internal financial procedures, Board financial oversight
- Business Continuity – disaster plan
- Teaching resources – long-term infrastructure plan
- Academic standards – increased staff monitoring

Structure, governance and management

• **Constitution**

Saint Felix Schools is registered as a charitable company limited by guarantee. The Charity was founded in 1897, and is registered with the Charity Commission under Charity number 310482, and with Companies House with company registration number 00316883. The Charity is governed by its Trust Deed dating from 1897 and the Articles of Association dated December 2011. The Saint Felix Schools Governors, executive officers, principal address of the Charity and advisors are listed on page 1 and 2.

• **The governing body**

The Governing Body determine the strategic aims and overall conduct of the School in liaison with the Headmaster, Bursar and Senior Leadership Team; setting long-term strategy; reviewing policies, plans and procedures; ensuring control of finances; ensuring compliance with regulations.

• **Recruitment and training of governors**

The management of the Company is the responsibility of the Trustees who are elected and co-opted under the terms of the Trust deed. A panel comprising existing governors selects members of the board of governors. Applications for governorship are sought by invitation, with the exception of parent governors. Parent governors are sought by way of internal advertisement and subsequent nominations from parents. From the nominations candidates are elected by the governors.

A new governor receives the AGBIS Guidelines for Governors handbook and a copy of the Charity Commission the Essential Trustee guidance, CC3. The Chair of Governors runs an induction session for each new governor and mentoring by him, or another established board member, follows. The school subscribes to AGBIS for access to professional advice and current legislative information. All Governors received formal Child Protection, Safeguarding and Health and Safety training.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

• **Organisational structure and decision-making policies**

The full governing board meets at least three times per year to review the school's strategy and performance and to set the operating plans and budgets. The Finance and General Purpose Committee (which incorporates the Marketing and Property Committees) meets at least termly. The Senior Education committee meets four times each year to undertake a detailed review of pupil outcomes and progress and to support the school leaders in improving the quality of teaching and learning. A meeting each term is held between the nominated Governors and the SENDCO (or leader of Learning Support).

Health and Safety and Safeguarding/Child Protection agenda items are covered at each Board meeting, these measures continue to ensure that the governors present a positive and professional approach to the complex issues of school management.

The day to day running of the School is delegated to the Headmaster and Bursar, together with the Senior Leadership Team. In determining the remuneration of the schools' key management personnel the Trustees take account of available external benchmarking data.

The School's financial control system is based on delegated management structure set out in the Board mandated Finance Handbook that is reviewed by the Board and the School's auditors. The Board takes the view that the internal controls continue to be appropriate for the school and the size of the business.

The Headmaster oversees the recruitment of all educational staff and, under delegated authority, the Bursar oversees the recruitment of all Support staff. The Headmaster and Bursar attend all Board and Sub-Committee meetings.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Statement of Governors' responsibilities

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

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

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

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

Disclosure of information to auditors

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 charity's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

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


Dr J F Kelly
Chairman of Governors

Date: 29 April 2021

SAINT FELIX SCHOOLS
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAINT FELIX SCHOOLS

Opinion

We have audited the financial statements of Saint Felix Schools (the 'charitable company') for the year ended 31 August 2020 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 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 United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charitable company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the United Kingdom, including the Financial Reporting Council's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

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.

Emphasis of matter

We draw your attention to page 6 of the trustees' report, and note 29, which describe that on the 30 April 2021 the charity disposed of the operation of Saint Felix School and certain associated assets and liabilities. Staff were also transferred. From that date the charity ceased to operate Saint Felix School. The proceeds of the sale will be used to settle charity's liabilities, with the remaining funds to be used by the charity on an on-going basis to provide bursaries and to otherwise support Saint Felix School and its pupils. Our opinion is not modified in respect of this matter.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAINT FELIX SCHOOLS (CONTINUED)

Other information

The Governors are responsible for the other information. The other information comprises the information included in the Annual report, other than the financial statements and our Auditors' report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' report including the Strategic report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' report and the Strategic report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' report including the Strategic report.

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

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

SAINT FELIX SCHOOLS
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SAINT FELIX SCHOOLS (CONTINUED)

Responsibilities of trustees

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

In preparing the financial statements, the Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' 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 Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Julie Grimmer FCA DChA (Senior statutory auditor)

for and on behalf of
Larking Gowen LLP

Chartered Accountants
Statutory Auditors

Norwich

4 May 2021

SAINT FELIX SCHOOLS
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	<i>As restated Total funds 2019 £</i>
Income from:					
Donations and legacies	3	3,160	-	3,160	2,381
Charitable activities	4	3,615,029	-	3,615,029	3,897,239
Investments	6	37,232	-	37,232	97,186
Other income	7	-	316,714	316,714	-
Total income		<u>3,655,421</u>	<u>316,714</u>	<u>3,972,135</u>	<u>3,996,806</u>
Expenditure on:					
Raising funds	8	109,497	-	109,497	164,338
Charitable activities:	9				
Operation of school		3,808,591	-	3,808,591	4,051,340
Property impairment		604,859	-	604,859	-
Total expenditure		<u>4,522,947</u>	<u>-</u>	<u>4,522,947</u>	<u>4,215,678</u>
Net (expenditure)/income					
Transfers between funds	21	(867,526) 316,714	316,714 (316,714)	(550,812) -	(218,872) -
Net movement in funds		<u>(550,812)</u>	<u>-</u>	<u>(550,812)</u>	<u>(218,872)</u>
Reconciliation of funds:					
Total funds brought forward as previously stated		795,065	96,000	891,065	1,145,377
Prior year adjustment		(194,253)	-	(194,253)	(229,693)
Total funds brought forward as restated		<u>600,812</u>	<u>96,000</u>	<u>696,812</u>	<u>915,684</u>
Net movement in funds		(550,812)	-	(550,812)	(218,872)
Total funds carried forward		<u><u>50,000</u></u>	<u><u>96,000</u></u>	<u><u>146,000</u></u>	<u><u>696,812</u></u>

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

The notes on pages 18 to 37 form part of these financial statements.

SAINT FELIX SCHOOLS
(A company limited by guarantee)
REGISTERED NUMBER: 00316883

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	<i>As restated</i> 2019 £
Fixed assets			
Tangible assets	13	2,721,764	3,331,781
Investments	14	2	2
		2,721,766	3,331,783
Current assets			
Stocks	15	2,098	5,169
Debtors	16	250,123	187,177
Cash at bank and in hand		1,451	103,832
		253,672	296,178
Creditors: amounts falling due within one year	17	(2,734,420)	(2,812,051)
Net current liabilities		(2,480,748)	(2,515,873)
Creditors: amounts falling due after more than one year	18	(95,018)	(119,098)
Total net assets		146,000	696,812
Charity funds			
Restricted funds	21	96,000	96,000
Unrestricted funds	21	50,000	600,812
Total funds		146,000	696,812

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

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


Dr J F Kelly
 Chairman of Governors


Mr R Stephens
 Governor

Date: 29 April 2021

SAINT FELIX SCHOOLS
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	2020 £	2019 £
Cash flows from operating activities		
Net cash used in operating activities	(625,228)	(165,096)
	<hr/>	<hr/>
Cash flows from investing activities		
Return on investments and servicing of finance	(18,915)	(34,283)
Capital expenditure and financial investments	(53,462)	(72,114)
	<hr/>	<hr/>
Net cash used in investing activities	(72,377)	(106,397)
	<hr/>	<hr/>
Cash flows from financing activities		
Cash inflows from new borrowing	-	146,665
Repayments of borrowing	(17,292)	(34,584)
	<hr/>	<hr/>
Net cash (used in)/provided by financing activities	(17,292)	112,081
	<hr/>	<hr/>
Change in cash and cash equivalents in the year	(714,897)	(159,412)
Cash and cash equivalents at the beginning of the year	(93,769)	65,643
	<hr/>	<hr/>
Cash and cash equivalents at the end of the year	(808,666)	(93,769)
	<hr/> <hr/>	<hr/> <hr/>

The notes on pages 18 to 37 form part of these financial statements

SAINT FELIX SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

The company is a company limited by guarantee, incorporated in the United Kingdom. The members of the company are the Trustees named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

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

Saint Felix Schools meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The financial statements present the results of the charity only and do not consolidate the charity's subsidiary company on the basis that the subsidiary is immaterial. Further information on the subsidiary company is included in note 14.

2.2 Going concern

The agreement to dispose of the school's operations and associated assets and liabilities on 30 April 2021 described in the trustees' report will result in liabilities being discharged in full and guarantees a minimum net asset position after the disposal.

As a result, the governors have concluded that the charity will have adequate resources to continue in for the foreseeable future, and at least twelve months from the date of approval of these financial statements. They therefore continue to adopt the going concern basis in preparing the financial statements.

2.3 Fees and similar income

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

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.4 Expenditure

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

All expenditure is inclusive of irrecoverable VAT.

2.5 Government grants

Government grants relating to tangible fixed assets are treated as deferred income and released to the Statement of financial activities over the expected useful lives of the assets concerned. Other grants are credited to the Statement of financial activities as the related expenditure is incurred.

2.6 Interest receivable

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

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £NIL or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

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

SAINT FELIX SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation (continued)

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, .

Depreciation is provided on the following bases:

Freehold property	- 0% pa
Building services plant	- 5% pa
Motor vehicles, tractors, grounds equipment, computer and ancillary equipment	- 20% pa
Other furniture and equipment	- 10% pa
Computer equipment	- 20% / 12.5% pa

2.8 Investments

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.10 Debtors

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

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

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

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

SAINT FELIX SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

2. Accounting policies (continued)

2.13 Financial instruments

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

2.14 Finance cost of debt

The finance cost of debt, including interest and issue costs, are allocated to each period over the term of the debt, and are charged to the income and expenditure account at a constant rate on the outstanding amount.

2.15 Advanced fees scheme

The school offers parents the opportunity to pay for tuition fees in advance in accordance with a written contract. The amount received is invested and interest is accrued to contracts. This is treated as deferred income until the pupil joins the school whereupon the fees for each school term is charged against the remaining balance and taken to income.

2.16 Pensions

Retirement benefits to employees of the charity are provided by the Teachers' Pension Scheme ("TPS").

The TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the academy in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. TPS is an unfunded multi-employer scheme with no underlying assets to assign between employers. Consequently, the TPS is treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

The charity is also a member of a multi-employer scheme which is accounted for as a defined contribution scheme because it is not possible for the charity to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme. The scheme has a funding shortfall, to eliminate this funding shortfall, the charity has agreed to a deficit funding arrangement and recognises a liability for this obligation, which is included in other creditors. Further information is in note 26.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.17 Fund accounting

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

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

Investment income, gains and losses are allocated to the appropriate fund.

3. Income from donations and legacies

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations	3,160	3,160	2,381

In the prior year all income was unrestricted.

4. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Fee Income (note 5)	3,445,727	3,445,727	3,611,828
Other Educational Income	151,400	151,400	238,735
School shop and cafe income	17,902	17,902	46,676
	<u>3,615,029</u>	<u>3,615,029</u>	<u>3,897,239</u>

In the prior year all income was unrestricted.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. School Fees

	2020	<i>2019</i>
	£	£
Gross fees	5,424,436	<i>5,534,130</i>
Less: Recurring bursaries and remissions	(1,858,503)	<i>(1,917,302)</i>
Less: Coronavirus special discount	(120,206)	-
	<u>3,445,727</u>	<i><u>3,616,828</u></i>

Total remissions and bursaries include the exceptional cost of £120,206 (2019: £nil) in respect of the governors' special discount given in recognition of remote learning during the period of school closure as a result of the coronavirus crisis.

6. Investment income

	Unrestricted funds 2020	Total funds 2020	<i>Total funds 2019</i>
	£	£	£
Lettings income	36,290	36,290	<i>93,185</i>
Bank interest received	942	942	<i>4,001</i>
	<u>37,232</u>	<u>37,232</u>	<i><u>97,186</u></i>

In the prior period all income was unrestricted.

7. Other incoming resources

	Restricted funds 2020	Total funds 2020	<i>Total funds 2019</i>
	£	£	£
Coronavirus job retention scheme grant	316,714	316,714	-
	<u>316,714</u>	<u>316,714</u>	<i><u>-</u></i>

The charity has been eligible to claim additional funding in the year from government support schemes in response to the coronavirus outbreak. The charity furloughed some of its staff under the government's Coronavirus Job Retention Scheme. The funding received of £316,714 relates to staff costs which are included within note 11 below.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

8. Expenditure on raising funds

Costs of raising income

	Unrestricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Financing	56,147	56,147	43,847
Trading costs	21,672	21,672	79,115
Development	31,678	31,678	41,376
	<u>109,497</u>	<u>109,497</u>	<u>164,338</u>

In the prior period all expenditure was unrestricted.

9. Analysis of expenditure by activities

	Activities undertaken directly 2020 £	Support costs 2020 £	Total funds 2020 £
Teaching	1,799,661	-	1,799,661
Welfare	800,734	-	800,734
Premises	495,810	-	495,810
Support costs of schooling	585,114	-	585,114
Grants, awards and prizes	3,011	-	3,011
Property impairment (note 13)	604,859	-	604,859
Other Ancillary Income	462	-	462
Governance	-	123,799	123,799
	<u>4,289,651</u>	<u>123,799</u>	<u>4,413,450</u>

SAINT FELIX SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

9. Analysis of expenditure by activities (continued)

	<i>Activities undertaken directly 2019 £</i>	<i>Support costs 2019 £</i>	<i>Total funds 2019 £</i>
Teaching	1,940,859	-	1,940,859
Welfare	715,407	-	715,407
Premises	595,718	-	595,718
Support costs of schooling	725,848	-	725,848
Grants, awards and prizes	8,688	-	8,688
Other Ancillary Income	1,702	-	1,702
Governance	-	63,118	63,118
	<u>3,988,222</u>	<u>63,118</u>	<u>4,051,340</u>

10. Auditors' remuneration

	2020 £	<i>2019 £</i>
Fees payable to the Company's auditor for the audit of the Company's annual accounts	18,000	18,000

11. Staff costs

	2020 £	<i>As restated 2019 £</i>
Wages and salaries	2,296,974	2,373,046
Social security costs	186,190	186,516
Contributions to pension schemes	225,738	193,818
	<u>2,708,902</u>	<u>2,753,380</u>

SAINT FELIX SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

11. Staff costs (continued)

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

	2020	2019
	No.	No.
Tuition	73	75
Non Teaching Staff	49	44
	<hr/> 122 <hr/>	<hr/> 119 <hr/>

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

	2020	2019
	No.	No.
In the band £80,001 - £90,000	1	1

Employer pension contributions to final salary schemes in relation to higher paid employees totalled £16,703 (2019 - £11,043).

Key management personnel received remuneration during the year totalling £253,198 (2019 - £209,745).

12. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, expenses totalling £422 were reimbursed or paid directly to 2 Governors (2019 - £168 to 1 Governor).

SAINT FELIX SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

13. Tangible fixed assets

	Freehold property £	Plant and machinery £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 September 2019	3,075,450	1,549,021	1,174,393	5,798,864
Additions	37,795	529	15,138	53,462
Disposals	-	(162,436)	(543,408)	(705,844)
At 31 August 2020	<u>3,113,245</u>	<u>1,387,114</u>	<u>646,123</u>	<u>5,146,482</u>
Depreciation				
At 1 September 2019	-	1,456,668	1,010,415	2,467,083
Charge for the year	-	24,315	34,305	58,620
On disposals	-	(162,436)	(543,408)	(705,844)
Impairment charge	604,859	-	-	604,859
At 31 August 2020	<u>604,859</u>	<u>1,318,547</u>	<u>501,312</u>	<u>2,424,718</u>
Net book value				
At 31 August 2020	<u><u>2,508,386</u></u>	<u><u>68,567</u></u>	<u><u>144,811</u></u>	<u><u>2,721,764</u></u>
At 31 August 2019	<u><u>3,075,450</u></u>	<u><u>92,353</u></u>	<u><u>163,978</u></u>	<u><u>3,331,781</u></u>

As described in the trustees' report, the charity disposed of Saint Felix School, its operation and certain associated assets and liabilities on 30 April 2021. In view of the realisation of the assets following the year end, an impairment review has been undertaken in order to consider the appropriate carrying value of the charity's assets as at 31 August 2020. Following this review an impairment loss of £604,859 has been recognised within the reported results to 31 August 2020. This impairment loss is calculated so as to reduce the carrying value of the charity's property and associated assets to recoverable amount as represented by the the amount realised from subsequent disposal.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

14. Fixed asset investments

	Investments in subsidiary companies £
Cost or valuation	
At 1 September 2019	2
At 31 August 2020	2
	2
Net book value	
At 31 August 2020	2
<i>At 31 August 2019</i>	2
	2

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity
Felicity (Southwold) Limited	02204487	Same as charity	Dormant
Class of shares	Holding	Included in consolidation	
Ordinary	100%	No	

The financial results of the subsidiary for the year were:

Name	Net assets £
Felicity (Southwold) Limited	2

SAINT FELIX SCHOOLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

15. Stocks

	2020 £	2019 £
Heating oil	2,098	5,169

16. Debtors

	2020 £	2019 £
Due within one year		
School fees	156,813	171,617
Other debtors	4,203	1,530
Prepayments and accrued income	89,107	14,030
	250,123	187,177

17. Creditors: Amounts falling due within one year

	2020 £	As restated 2019 £
Bank loan	934,262	951,554
Bank overdrafts	810,117	197,601
Other loan	70,000	70,000
Advanced fee scheme	96,203	161,588
Trade creditors	46,293	118,384
Fees from parents in advance of term	245,946	739,765
Other taxation and social security	40,141	48,202
Deposits from parents	270,723	274,454
Other creditors	99,083	63,438
Accruals and deferred income	121,652	187,065
	2,734,420	2,812,051

The bank loan and overdraft is secured against freehold property of the charity. Interest is charged on the loan at 2.8% over the Bank of England Base Rate. The charity was in breach of bank loan covenants at 31 August 2020 and 31 August 2019. The loan will be repaid following the school disposal.

A secured loan of £70,000 from the Isabella Gardiner Trust was received in 2015, repayable within 5 years. Interest is charged on loan at 2.5% over the Bank of England Base Rate.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Creditors: Amounts falling due after more than one year

	2020	<i>As restated</i>
	£	2019 £
Other creditors	95,018	119,098

Included in other creditors is £nil (2019: £7,394) due after more than five years.

19. Advanced Fee Scheme

Parents may enter into a contract to pay to the school tuition fees in advance. The money may be returned subject to specific conditions on the receipt of one terms notice. Assuming pupils will remain in the school, advanced fees will be applied as follows.

	2020	2019
	£	£
Within 1 year	67,886	114,678
Within 1 to 2 years	16,574	23,778
Within 2 to 5 years	11,742	23,132
	96,202	161,588

The total balance represents the accrued liability under the contracts.

20. Prior year adjustments

An accrual of £49,464 at the 31 August 2019 was omitted from the prior year accounts. The expenditure relating to the year ended 31 August 2019 was £16,488. A prior year adjustment has been made to include this liability and corresponding expenditure for the comparative period.

An agreed plan to fund a multi-employer defined benefit pension obligation had previously been agreed but was not provided for in the financial statements, with the agreed payments expensed as incurred. The liability at the 31 August 2019 was £144,789. A prior year adjustment has been made to include this liability, together with a corresponding adjustment to expenditure for the period.

The impact of the prior year adjustments is to increase liabilities and reduce reserves at 31 August 2019 by £194,253 and at 1 September 2018 by £229,693. The adjustments has reduced expenditure for the year ended 31 August 2019 by £35,440 and therefore reduced the deficit for that period by the same amount.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Statement of funds

Statement of funds - current year

	As restated Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Balance at 31 August 2020 £
Unrestricted funds					
General funds	600,812	3,655,421	(4,522,947)	316,714	50,000
Restricted funds					
Diana Russell Fund	96,000	-	-	-	96,000
CJRS	-	316,714	-	(316,714)	-
	96,000	316,714	-	(316,714)	96,000
Total of funds	696,812	3,972,135	(4,522,947)	-	146,000

The Diana Russell Fund is used to provide awards to one or more children annually. The investment income generated by the fund is transferred to unrestricted funds to be used by the school to enable gifted children to study design and technology, by contributing up to 50% of the annual fees for each child. The School, at its discretion, can apply an amount of the capital of the fund each year to enable larger awards to be given where the school thinks its appropriate.

The restrictions applying to the Diana Russell Fund are such that following the disposal of Saint Felix School on 30 April 2021 the balance on the fund becomes payable to another nominated education charity. The balance of £96,000 to be paid to another educational charity therefore becomes a liability as at 30 April 2021.

£Nil interest was earned by the fund and was transferred to unrestricted funds (2019: £Nil).

The charity furloughed some of its staff under the government's Coronavirus Job Retention Scheme. The funding received of £316,714 is recorded in the CJRS fund. The corresponding staff costs are recorded in the unrestricted fund, with a transfer made between funds to recognise that the costs were incurred in the period.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Statement of funds (continued)

Statement of funds - prior year

	<i>As restated Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>As restated Balance at 31 August 2019 £</i>
Unrestricted funds				
General funds	819,684	3,996,806	(4,215,678)	600,812
Restricted funds				
Diana Russell fund	96,000	-	-	96,000
Total of funds	915,684	3,996,806	(4,215,678)	696,812

22. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £
Tangible fixed assets	2,721,764	-	2,721,764
Fixed asset investments	2	-	2
Current assets	157,672	96,000	253,672
Creditors due within one year	(2,734,420)	-	(2,734,420)
Creditors due in more than one year	(95,018)	-	(95,018)
Total	50,000	96,000	146,000

SAINT FELIX SCHOOLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior period

	<i>As restated Unrestricted funds 2019 £</i>	<i>Restricted funds 2019 £</i>	<i>As restated Total funds 2019 £</i>
Tangible fixed assets	3,331,781	-	3,331,781
Fixed asset investments	2	-	2
Current assets	200,178	96,000	296,178
Creditors due within one year	(2,812,051)	-	(2,812,051)
Creditors due in more than one year	(119,098)	-	(119,098)
	<u>600,812</u>	<u>96,000</u>	<u>696,812</u>
Total As restated	<u>600,812</u>	<u>96,000</u>	<u>696,812</u>

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

	2020 £	2019 £
Net expenditure for the period (as per Statement of Financial Activities)	(550,812)	(218,872)
Adjustments for:		
Depreciation charges	663,479	49,643
Return on investments and servicing of finance	18,915	34,283
Decrease in stocks	3,071	23,616
Decrease/(increase) in debtors	(62,946)	2,207
Decrease in creditors	(696,935)	(55,973)
Net cash used in operating activities	<u>(625,228)</u>	<u>(165,096)</u>

SAINT FELIX SCHOOLS
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

24. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	1,451	103,832
Overdraft facility repayable on demand	(810,117)	(197,601)
Total cash and cash equivalents	(808,666)	(93,769)

25. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	103,832	(102,381)	1,451
Bank overdrafts repayable on demand	(197,601)	(612,516)	(810,117)
Debt due within 1 year	(1,021,554)	17,292	(1,004,262)
	(1,115,323)	(697,605)	(1,812,928)

26. Pension commitments

Teachers Pension Scheme

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

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

The employer contributions increased from 16.48% to 23.68% from 1 September 2019.

Valuation of the Teachers' Pension Scheme

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016. The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

SAINT FELIX SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

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

The next valuation result is due to be implemented from 1 April 2023.

The employer's pension costs paid to TPS in the year amounted to £225,638 (2019 - £203,348).

A copy of the valuation report and supporting documentation is on the Teachers' Pensions website (<https://www.teacherspensions.co.uk/news/employers/2019/04/teachers-pensions-valuation-report.aspx>).

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

TPT Scheme

The schools also participates in the TPT Retirement Solutions scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the school to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

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

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

SAINT FELIX SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

26. Pension commitments (continued)

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

From 1 April 2016 to 30 September 2025:	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 30 September 2028:	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

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

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

Present value of provision and reconciliation of opening and closing position

	2020	2019
	£	£
Provision at start of period (included in creditors)	144,789	196,717
Unwinding of the discount factor (interest expense)	1,271	3,087
Deficit contribution paid	(25,691)	(26,070)
Remeasurements - impact of any change in assumptions	1,110	2,721
Remeasurements - amendments to the contribution schedule	-	(31,666)
Provision at end of period (included in creditors)	121,479	144,789

Statement of financial activity impact

	2020	2019
	£	£
Interest expense	1,271	3,087
Remeasurements – impact of any change in assumptions	1,110	2,721
Remeasurements – amendments to the contribution schedule	-	(31,666)
Total (included in expenditure)	2,381	(25,858)

Assumptions

	2020	2019	2018
Rate of discount (%)	0.55	0.97	1.68

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

SAINT FELIX SCHOOLS
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

27. Operating lease commitments

At 31 August 2020 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	30,956	34,703
Later than 1 year and not later than 5 years	31,972	63,193
	<u>62,928</u>	<u>97,896</u>

28. Related party transactions

The following governors were all parents or grandparents of pupils at the school during the year:

Dr J Kelly
Mr R Stephens
Dr L W Dawson
Mr G Hillier

All school fees are charged at the rates available to all students, with no additional discounts given to governors. All related party transactions are carried out at arms length and under normal commercial terms.

29. Post balance sheet events

As described in the trustees' report, on 30 April 2021, the charity disposed of Saint Felix School, together with certain associated assets and liabilities to Inspired Learning Group. All staff and associated staffing costs and commitments also transferred on 30 April 2021. From that date the charity has no responsibility for the continuing operation of Saint Felix School. The proceeds of the sale will be used to settle charity's liabilities in full, with the remaining funds to be used to provide bursaries and to otherwise support Saint Felix School and its pupils on a continuing basis.