

ORLEY FARM SCHOOL TRUST

(A Registered Charity and a Company Limited by Guarantee)

Registered Company No: 628541

Registered Charity No: 312637

ANNUAL REPORT OF THE GOVERNORS AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 AUGUST 2021

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Governors

The Governors are members of the Governing Body, are the Charity Trustees and are the Directors of the Company for Companies Act purposes. The Governors who have served during the year and since the year end are indicated below. Alongside each Governor are details of the subcommittees on which they serve.

	Full Board	Education	F&GP Finance	- F&GP Estates	- H&S	Remuneration
Mr C J Hayfield: Chairman	•	•	•	•		•
Dr M Short: Deputy Chairman	•	•	•	•		•
Mr M Andrews	•		•	•		
Mrs Carol Cliffe	•	•				
Mrs S Kothari	•		•	•		•
Mr A Land	•	•				
Mrs L Malde	•		•	•		
Mr D Navapurkar Resigned 18 th November 2021	•		•	•	•	
Mr R Raithatha	•					
Mr A Smith	•					
Mr A Sofat	•		•	•		
Mrs T Lashkari Elected 1 st October 2021	•		•	•		

Officers

Headmaster	Mr T G Calvey
Secretary	Mrs T K Vaid
Director of Finance	Mrs T K Vaid
Director of Operations and Clerk	Mr J Shakespeare

**Principal Address
and Registered Office**

South Hill Avenue
Harrow-on-the-Hill
Middlesex
HA1 3NU

Advisors

Bankers

NatWest
1-9 St Ann's Road
Harrow
Middlesex HA1 1EB

Solicitors

Harrison Clark Rickerbys Limited
Ellenborough House
Wellington Street
Cheltenham GL50 1YD

Auditors

PKF Littlejohn LLP
Statutory Auditors
15 Westferry Circus
Canary Wharf
London E14 4HD

Insurance Brokers

Marsh Education Practice
Capital House
1-5 Perrymount Road
Haywards Heath
West Sussex RH16 3SY

The Governors present their Annual Report for the year ended 31 August 2021 together with the audited Financial Statements for the year, and confirm that the latter comply with the requirements of the Companies Act 2006, the Governing Instruments of the Charity and the Statement of Recommended Practice, Accounting and Reporting by Charities (“FRS 102 SORP”).

Reference and Administrative Information

Orley Farm School Trust (the Trust) is a company limited by guarantee registered as company number 628541. The Trust is also registered with the Charity Commission under charity number 312637. The Governors, executive officers and principal address of the Charity are listed, along with particulars of its professional advisors, on page 2.

Structure, Governance and Management

Governing Instruments

The Charity is governed by its Memorandum and Articles of Association, which date from 1959 and were substantially revised in 2004. In June 2007 the Charity Commission permitted an extension to the objects. In the furtherance of these objects the Directors, as the Trustees of the Charity, have complied with the duty in s.17(5) of the Charities Act 2011 to have due regard to the Charity Commission’s published general and relevant sub-sector guidance concerning the interpretation of the Public Benefit requirement under that Act.

Governing Body

The Board, detailed on page 2, is a self-appointing body with one exception being the Headmaster of Harrow School who is a member by virtue of this position. Service on the Board is for a term of three years which may be renewed no more than twice on retirement. The Chairman is elected to serve for five years which may be renewed once only. Due to exceptional circumstances, the Board has approved to extend the current Chairman’s tenure.

Trustee Recruitment and Training

The Charity’s elected Governors are appointed at Board meetings on the basis of nominations received from members of the Board and others, based on specifications concerning sympathy with the Charity’s objects, eligibility, personal competencies, specialist skills and local availability. New Governors receive induction in respect of Board Policies and Procedures in addition to familiarisation with current Strategic and Financial Planning. Following their appointment Governors are made aware of specialist training opportunities by the Clerk as appropriate. Governors receive ongoing training, such as safeguarding and many under take their own continuous professional development in their specialist areas.

Organisational Management

Orley Farm School Trust Governors, as the Trustees of the Charity, are legally responsible for the overall governance and control of the School. To discharge this duty they meet as a full Board at least three times each year. The work of implementing most of their policies is carried out by two committees which have agreed, and annually revised, Terms of Reference to assist their functionality. These committees are as follows: Finance and General Purpose Committee and Education Committee. Further subcommittees may be constituted as required.

The operational management of the School is delegated to the Headmaster, who together with the Director of Finance and Director of Operations is supported by a Senior Leadership Team and a Senior Management Team. The Headmaster attends meetings of all of the above committees. The Director of Finance attends the F&GP – Finance Committee, Remuneration Committee and the Board Meetings. The Director of Operations attends the F&GP – Estates, Health & Safety Committee and the Board Meetings. The Deputy Heads attend Education Committee and Board Meetings.

Organisational Management (continued)

The School, through its officers, is represented in a number of organisations including the Association of Governing Bodies of Independent Schools, the Independent Association of Preparatory Schools and the Independent Schools Bursars' Association.

Group Structure and Relationships

The Charity has two wholly-owned non-charitable subsidiary companies, whose activities are explained below.

South Hill Estates, Harrow Limited (Registered in England as Company Number 109974)

South Hill Estates Harrow Ltd was incorporated in 1910 and is limited by shares. The Trust is the beneficial owner of the whole of the share capital of the Company which owns roads on the South Hill Estate, and the benefit of certain covenants relating to privately-owned residential and other properties on this Estate. The Directors include the Trust's Chairman and member of the Trust's Board's Finance and General Purpose Committee, the Director of Operations and two residents of South Hill Estates. The Company's assets and transactions in the year are not considered material, therefore the Governors consider it is not appropriate to prepare consolidated accounts of the Trust and its subsidiary. Copies of the subsidiary's accounts are made available to the Governors of the Trust.

Orley Farm School Enterprises Limited (Registered in England as Company Number 5345071)

The Company was made dormant on 1st September 2007 and will remain dormant until such a time as the level of trading activity within the Trust necessitates its management by a subsidiary company or when the Trustees elect that this be so.

Risk Management

The Board of Governors is responsible for identifying the key risks faced by the School and for ensuring these risks are managed. Each year the Senior Leadership Team and the Finance and General Purpose Committee identify and assess risks and implement controls to mitigate against these. In addition, each year a formal review of the risk management process is undertaken. The major risks have been identified as that of the recent impact of Coronavirus Pandemic on the provision of education services and health and safety of the entire school community, the impact of Brexit on pricing and availability of goods and services required to maintain the School's provision, monitoring the financial impact of the recent increase and any future increased to employer contributions from the participation of the Teachers' Pension Scheme, a decline in the demand for places resulting from a general economic downturn which has been exacerbated by the Coronavirus Pandemic, the risk that senior schools will increasingly take boys at age 11 rather than 13 years old, and that the costs of the School's development plan escalate out of control.

The key controls implemented by the School are as follows:

- Formal agendas for all Board and Committee activities;
- Detailed and regularly reviewed Terms of Reference for all committees;
- Strategic planning, budgeting and management accounting;
- Established organisational structure and understood lines of reporting;
- Formal written policies;
- Clear, authoritative and agreed approval levels;
- The appointment of suitably qualified professional advisers;
- Successful implementation of remote learning during the lockdown; and
- Ability to switch our educational delivery into remote learning in the event of any future lockdown measures.

Through the established systems for managing risk, the Governors are satisfied that for the major risks identified steps have been taken to manage these risks. It is, of course, recognised by the Governors that systems can provide reasonable but not absolute assurance that major risks have been adequately managed.

Objects, Aims, Objectives and Activities

Charitable Objects

To advance the education of boys and girls by the provision of a school known as Orley Farm School Trust in Harrow-on-the-Hill, and any other boarding school or day school for the education of boys and girls and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

Aims and Intended Impact

Within these objects, the School aims to be a leading co-educational preparatory school for children aged between 4 and 13 years old, by building on the strategies as stated in the 'Whole School Aims' which are summarised below, the full text being published in the School's prospectus and other media.

Whole School Aims

The School aims to provide a challenging environment to stimulate, maintain and develop a lively and enquiring mind: to encourage all pupils to reach their true potential and eventually become independent learners who value learning with and from others, as a life-long process.

We aim to appoint, develop and retain a staff of the highest quality and to develop a school community of responsible citizens, which affords equal value to all of its members, is seen to be just and encourages mutual respect, truthfulness and concern for others.

While carrying out our charitable purpose – the provision of education – we aim to deliver substantial benefit to all stakeholders, including our local communities, through the provision of an excellent and broad education and through access to our services, facilities and expertise.

Impact and Responsiveness

In accordance with our Governing Instruments, we continue to provide education for children aged 4 to 13 years – such provision relieving the state of relevant costs. In addition, the School continues to provide bursary support for current and new pupils. The School continues to build on the links with a wide section of the local community.

Key Elements of the School's Strategy

The School faces new and evolving educational, legislative, economic, environmental, demographic and social challenges. To respond to them positively and to enable Orley Farm School to head towards its 200th anniversary with confidence there must be equally careful planning. These Strategic Priorities and the School Development Plan are designed to set the destination and the broad outline of the journey. The Board of Governors and Senior Leadership Team intend that Orley Farm School:

- Continues to be one of the leading co-educational day schools in London;
- Will provide quality education and pastoral care for boys and girls in the 4-13 years age range;
- Will remain a preparatory school with a strong record of success in preparing pupils for entry to their senior independent schools;
- Continue to be blessed with a magnificent site and maintain an excellent range of facilities; and
- Build on its long and distinguished history.

Key Elements of the School's Strategy (continued)

The Board of Governors continues to oversee the pursuit of the School's strategic priorities and the maintenance of its agreed profile. These are reviewed regularly through the work of the Board and its Committees. The Governors intend that the School will:

- Remain a preparatory school providing quality education and pastoral care for boys and girls;
- Continue to recruit on the basis of academic potential alone and the School will continue to develop its bursary funds to give true effect to this aim;
- Continue to prepare boys and girls for entry to independent senior schools – with the aim that boys, and increasingly girls, will transfer at 13+; currently most girls transfer at 11+;
- Continue to plan with the aid of professional advisors, the further development of the estate in order to provide excellent buildings and facilities that support an outstanding educational provision;
- Develop and enact an ICT Strategy, a Communications Strategy and an Outdoor Education Strategy; and
- Develop a Leadership and Development Programme for staff.

The Governors measure the success of this strategy through a comprehensive review of the annual strategic school development and management action plans, and through the termly reporting of key performance measures produced by senior management for the Board to discuss. Ad hoc subcommittees are established to focus cross-governance/management effort on areas of interest, opportunity and concern.

Objectives for the Year

The objectives for 2020/2021 were:

1. Maintain the excellence of the educational provision throughout the School;
2. Obtain the necessary building and planning consents to improve the School's infrastructure by continuing refurbishing our Pre Prep and build an outdoor play area within our meadow;
3. To enact future phases of the Refurbishment Plan;
4. To enact phases of the School's Master Plan;
5. To carry on relations with the Grange School in Harrow;
6. To continue the review of our procedures and policies to ensure total regulatory compliance;
7. Continue to improve the Former Pupils' Association (The Orleyans);
8. To ensure the provision of IT within the School continues to meet the academic and business needs of the School;
9. Continue to manage the relationships with the School's neighbours, tenants and the wider community to best effect; and
10. Continue to manage the School's education provision, estate management, responsibility to pupils, staff and the wider school community to best effect whilst managing the risk of the Coronavirus Pandemic.

Strategic Report**Review of Objectives, Achievements and Performance**

- The excellence of the education at the School was rewarded by the granting of a total of 37 scholarships to senior schools, of which a total of 20 were taken up by our pupils. Highlights include 17 Academic Scholarships, including a Queen's Scholar to Westminster, a John Colet Scholar to Scholar to St. Paul's Boys' School and 6 Academic Scholarships to Haberdashers' Aske's. The School had a record 7 Sport Scholarships along with a breadth of Drama, Music, and Design and Engineering awards.
- Under the school improvement plan we have addressed the following:
 - a. Our Edge Programme, a unique set of experiences and opportunities aimed at Upper School pupils has been extended further down the school – due to the success and feedback from pupils. It includes our pupils visiting the elderly at St. Peter's Church, supporting young readers at the Grange School, learning about and using public transport, service to the school, film making etc.;

Review of Objectives, Achievements and Performance (continued)

- b. We have identified two short term building projects that we are pursuing, one which will enhance the educational provision of our youngest pupils through improved play facilities, and the other consists of a large landscaping project for the benefit of the entire School to enhance creative play and create outdoor teaching space;
 - c. We are continuing to build a stronger alumni (The Orleyans) with a view to restarting events bringing former pupils and parents together to enrich our current community;
 - d. The School is building a 'Masterplan' to scope and service the future needs of the School for the coming decade. The aim is to join up the short, mid and long term aims with a cohesive overview to ensure that all future developments are embedded in the educational philosophy and aims of the School; and
 - e. Orley Farm School continues to develop a new working partnership with South Hill Estates (Harrow) Ltd and the residents of the estate.
- Relations with The Grange Primary School continue to evolve;
 - A total of 17 pupils received financial support towards their fees through the School's Bursary and Hardship Support Scheme, the latter which was specifically created in response to the Coronavirus Pandemic;
 - School Policies continue to be reviewed to ensure regulatory compliance with the frequently changing regulations;
 - The IT network continues to be upgraded to ensure IT support throughout the School for both pupils and administrative staff is up to date;
 - Use of WCBS PASS, iSAMS and firefly intranet software continue to evolve;
 - Elements of the 5-year strategic plan agreed by the Governing Body in 2015 continue to be implemented;
 - The pupil pick-up system continues, and has been adapted in response to the Coronavirus Pandemic, resulting in a substantial decrease in traffic congestion on the South Hill Estate;
 - The school continues to support our parent community currently facing ongoing financial challenges as a result of the Pandemic through the School's Hardship support scheme; and
 - The School has continued with use of its remote learning platform for the delivery of its educational provision during periods of nationwide lockdown whilst supporting 75 key worker children.

Pupil destinations and Scholarship Awards in 2021

Pupils often apply for, and are awarded, scholarships for more than one school. On these occasions, only the scholarship for their future school is accepted.

Boys:

Destination School	Number of Pupils	Scholarships Awarded
Aldenham	1	-
Berkhamsted	2	1
Eton	1	-
Haberdashers'	3	6
Haileybury	1	1
Harrow	3	1
John Lyon	6	6
Marlborough	1	-
Merchant Taylors	9	6
Mill Hill	1	-
Rugby	1	-
St Albans	1	-
St Paul's	2	1
Westminster	4	1
TOTAL:	36	23

Girls:

Destination School	Number of Pupils	Scholarships Awarded
Bushey Meads School	1	-
Haberdashers'	2	2
Mill Hill	-	1
Godolphin & Latymer	1	-
North London Collegiate	1	-
Notting Hill & Ealing	1	-
Northwood College	2	3
Rickmansworth	1	-
Royal Masonic	8	4
Moving abroad	1	-
South Hampstead High	-	1
Dragon School	1	-
St Helen's	6	1
St Margaret's	1	2
TOTAL:	26	14

Response to the on-going Coronavirus Pandemic, Financial Review and Results for the Year

It has been another year that has presented a host of challenges and much uncertainty for the Orley Farm Community, as has been the case for many nationally and globally. The Governing Body continue to be impressed and incredibly proud of our Orley Farm Community and its response to the on-going Coronavirus Pandemic.

The School continues to use the committee set up in the prior year, comprising of members of the Governing Body and the Senior Leadership team, to tackle and ensure a focused and timely response to the Coronavirus Pandemic. This committee ensured all areas of the School's operations, including the education provision, finance, and health and safety, were carefully assessed against a backdrop of rapidly changing legislation and Government policy. The outcomes from this committee were reported to the whole Governing Body ensuring all Governors were kept abreast with the challenges faced by the School and its responses.

The School smoothly pivoted to the delivery of the education provision remotely during the first half of the Spring Term and the School now looks to integrate elements of the use of technology for the provision of education more widely as the School resumes its onsite provision.

Over the Summer Term, the teaching and learning experience of pupils remained of paramount importance for the staff at Orley Farm School and, with their dedication and support, the School were able to offer a number of activities, all within Government guidelines, to provide an opportunity for the School community to reconnect with each other. These activities included an alternative to the usual 'Residential Expedition Week' where the Oakmead field was converted into a camp site and the pupils enjoyed a variety of exciting, fun activities and challenges along with fun packed day trips; staging of outdoor productions for both Upper

school and Pre-Prep; an opportunity for new Reception pupils to meet their teacher; resuming of Sports Day; and staging of an outdoor Speech Day, which became 'Orley Farm Celebration Day', for our leavers.

There were numerous required changes which both teachers and support staff had to adapt to in order to prepare for the safe return of all staff and pupils on the School site for the start of the new academic year. Throughout the year, the School had to quickly respond and adapt to rapidly changing Government guidelines. For example, following the Government's announcement of a 'Rapid Testing Programme' in schools, the meeting room in Oakmead was converted into the School's designated testing site and a 'testing workforce' was developed with a number of those staff members involved undertaking training. The testing programme began with lateral flow testing of school staff and was followed by testing of Year 7 and 8 pupils, before transitioning to self-testing at home. The Government guidance necessitated both physical changes to the way the School operated as well as operational changes to the provision of a number of support services. From an operational perspective in particular, this required a significant degree of planning by caretaking, cleaning and catering staff in order to ensure the School buildings were adequately ventilated and cleaned each day, along with adapting to staggered and separate break and lunch times between 'bubbles', and the creation of one-way systems for all staff and pupils to navigate the School. The grounds and maintenance teams had to adapt to staggered drop off and collection times via the drive through, and the increase in traffic generally with less car sharing and use of public transport, whilst the administration and nursing teams dealt with a significant increase in calls from both staff and parents in relation to coronavirus seeking help, guidance and often just reassurance.

The Governing Body were well aware of the ongoing uncertainty facing many of our parents during these unprecedented times and continued to offer the Hardship Support Scheme. This Scheme, in conjunction with the Fee Support Scheme, provided financial support to 17 pupils. Further details are available below under the heading Fee Support.

During the Summer break, the School cautiously resumed its Pre Prep refurbishment project, albeit on a phased basis, starting with the refurbishment of 6 Pre Prep classrooms, the Reception outdoor play spaces, and the Pre Prep toilets, which were in need of attention. As voted in by Orley parents, works for a 'Wellbeing Hub', with the aim of creating a flexible space where parents can reconnect with each other and have informal conversations with teachers, as well as a space for outdoor school events, commenced and will continue to be developed over the course of next academic year. The operating costs for the year were £6,751,259 (2020 - £6,617,988). This expenditure has been closely monitored and balanced against the School's existing banking facilities as it carefully navigates its way back to Pre Pandemic operations. The School's cautionary approach to spending as a result of the Pandemic has allowed the School to generate surpluses that can be reinvested back into the School's key, essential infrastructure projects, which are no longer able to remain on hold, whilst meeting its financial obligations in respect of its existing loans. The School generated net fee income of £7,667,088 (2020 - £6,983,682), which was the primary source of revenue. The additional income, as reported within the Statement of Financial Activity, was mainly generated from rental income and lettings, albeit at a reduced level due to the Coronavirus Pandemic, along with a government grant from the participation of the Coronavirus Job Retention scheme.

The focus for the School is to prioritise key and essential infrastructure projects around the school site. The surplus of £1,176,940 (2020: Surplus of £903,056) generated within the year will place the School in a strong position to embark on these infrastructure projects which, as mentioned above, are no longer able to be kept on hold and vital. These key and essential infrastructure projects include the continuation of the phased refurbishment programme for the Pre Prep building, development of the play areas in and around the school site, refurbishment of the School's Astro field, refurbishment of the school's properties and the continued development of the Wellbeing Hub. The Board of Governors are confident that the School's financial situation is in a sound position which will enable the School to manage the current economic uncertainty, including the ongoing impact of the Pandemic and Brexit, whilst balancing the interests of all key stakeholders.

Freehold Properties

In addition to the School buildings, the School owns four residential properties at New Julians (Headmaster's House), Oakmead House and Orley Farm Cottage (for staff occupation only), and Westbourne House (nine flats, part staff and part non-staff occupancy). Income generated from property revenue this year was £132,769 (2020 - £129,386).

Extra-Curricular Activities

Our extra-curricular programme continues to be built around our weekly programme of lunchtime and after school clubs, subject to government guidelines. This year the School organised an in house 'Residential Expeditions Week' in line with government guidelines as explained above.

Public benefit

As required by the Charities Act 2011, the Governors have referred to the general guidance on public benefit and have due regard to the Charity Commission's guidance on public benefit, including the guidance 'Public Benefit: Running a Charity (PB2)'.

As part of our public benefit, we co-operate with a range of local charities in our ongoing endeavours to widen public access to the schooling we provide; to optimise the *educational* use of our cultural and sporting facilities and to awaken in our pupils an awareness of the wider social context of the education they receive at the School. Of note, the following activities have taken place:

- **Partnership with Grange School.** The School continues to support the Grange Middle School, Harrow. This support has included providing transport and invitations to sporting tournaments and drama productions; in addition, our senior pupils are part of their paired reading scheme, Maths Day and they support younger children in class through our community "Edge" Programme. Whilst the Pandemic has placed restrictions on the activities, the School endeavours to continue to build on this strong relationship.
- **Use of Sporting facilities.** St Dominic's College, make use of our sports fields which include cricket pitches, Astroturf and soccer pitches. St. Georges School continue to make occasional use of our soccer pitches.
- **Work Experience.** The School continues to offer work experience placements to students from various colleges whereby some students gain sports coaching experience.
- **Harrow Cricket Club.** By continuing to subsidise the overheads of Harrow Cricket Club, over two hundred youth cricketers and a number of adult teams from the wider community have access to the sport. The junior colts' teams also make use of the sports hall during winter months in support of their expanding junior cricket programme.
- **Charitable Giving.** The school has raised £3,332 for Place to Be Hospital and £613 for Henry van Straubenzee Memorial Fund.

Fee Support

This year we supported a total of 17 pupils at a cost of £144,240 (2020: 27 Pupils £138,679) through our own Fee Support Scheme and our Hardship Support Scheme, the latter created as a direct response to the Coronavirus Pandemic. Whilst the Support Scheme supported less number of pupils this academic year, the values of the awards were higher.

Plans for Future Periods

These plans remain:

1. To enact the School's Estates Strategy;
2. To enact our financial plans in support of this Estates Strategy;
3. To enact the School's other development plans and priorities as articulated in the 5 Year Strategy agreed by the Governors for which a designated fund has been created.

Objectives for 2021/2022

1. Maintain the excellence of the educational provision throughout the School;
2. To carry on relations with the Grange School in Harrow;
3. To continue the review of our procedures and policies to ensure total regulatory compliance;
4. Continue to improve the Former Pupils' Association (The Orleyans);
5. To ensure the provision of IT within the School continues to meet the academic and business needs of the school;
6. Continue to manage the relationships with the School's neighbours, tenants and the wider community to best effect;
7. Continue to manage the School's education provision, estate management, responsibility to pupils, staff and the wider school community to best effect whilst managing the risk of the Coronavirus Pandemic.
8. Enacting the Estates Strategy to improve the School's infrastructure, particularly focusing on key and essential infrastructure projects including continuing refurbishing the Pre Prep on a phased basis and updating the outdoor play spaces;
9. To establish a Governor strategy committee to develop the School's Master Plan;
10. To conduct due diligence on the creation of a forest school offering at the School.

Reserves Policy

The total reserves for the school were £14,673,692 of which £1,000,000 related to designated funds leaving £13,673,692 of reserves. As the assets of the school are £14,673,692 the school does not hold any free reserves. The aim of the school is to build up its reserves to ensure it has at least working capital which is greater than three months' expenditure and to have an additional amount to cover any existing commitments the school may have entered into. At 31 August 2021 working capital stood at £3,868,757 which is greater than three month's expenditure as desired. The Governors will continue to strive to generate funds in line with minimum targeted levels. The Reserves Policy will be reviewed on an annual basis.

Remuneration Policy

The Remuneration Committee are tasked with reviewing remuneration, including Key Management Personnel, on an annual basis. Consideration is given to the current market conditions, performance and objectives set at the beginning of each academic year.

Responsibilities of the Governors

The Governors (who are also directors of Orley Farm School Trust for the purposes of company law) are responsible for preparing the Report of the Governors (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, which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company for 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 (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

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

In so far as the Governors are aware:

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

Auditors

PKF Littlejohn LLP has signified its willingness to continue in office as auditors.

A resolution proposing their re-appointment will be submitted at the Annual General Meeting.

Approved by the Board of Governors of Orley Farm School Trust on 29th November 2021 and signed on its behalf by:



C J Hayfield
Chairman

Independent auditor's report to the members of Orley Farm School Trust**Opinion**

We have audited the financial statements of Orley Farm School Trust (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 company's affairs as at 31 August 2021 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 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 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

In auditing the financial statements, we have concluded that the Trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Annual Report of the Governors, other than the financial statements and our auditor's report thereon. The Trustees are responsible for the other information contained within the Annual Report of the Governors. 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. 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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 Annual Report of the Governors (which includes the Trustees' report and Directors' report) prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Annual Report of the Governors (which includes the Trustees' report and Directors' report) has 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 Annual 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 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 Trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

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

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

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- We obtained an understanding of the charitable company and the sector in which it operates to identify laws and regulations that could reasonably be expected to have a direct effect on the financial statements. We obtained our understanding in this regard through discussions with management, sector research and application of cumulative audit knowledge and experience.
- We determined the principal laws and regulations relevant to the charitable company in this regard to be those arising from the Companies Act 2006, Charities Act 2011, Charities (Accounts and Reports) Regulations 2008, Financial Reporting Standard 102 and the Charities SORP.

- We designed our audit procedures to ensure the audit team considered whether there were any indications of non-compliance by the charity with those laws and regulations. These procedures included, but were not limited to enquiries of management, review of minutes and review of legal and regulatory correspondence.
- We also identified the risks of material misstatement of the financial statements due to fraud. We considered, in addition to the non-rebuttable presumption of a risk of fraud arising from management override of controls, that there was a potential for management bias in the allocation of support costs against charitable activity categories. We addressed this through reviewing the method used for reasonableness and re-performing the calculation to ensure it had been performed accurately in line with the stated method.
- As in all of our audits, we addressed the risk of fraud arising from management override of controls by performing audit procedures which included but were not limited to: the testing of journals; reviewing accounting estimates for evidence of bias; and evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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

Use of our report

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



Alastair Duke (Senior Statutory Auditor)
For and on behalf of PKF Littlejohn LLP
Statutory Auditor

15 Westferry Circus
Canary Wharf
London E14 4HD

Date: 11 January 2022

Incoming Resources from		2021	2020
		£	£
	Note		
Charitable Activities:			
School fees receivable	1	7,667,088	6,983,682
Registration fees		11,000	10,150
Ancillary income	2a	50,773	55,141
Other income	3	182,206	167,532
Grant income	4	16,604	298,062
Other Activities to Generate Funds:			
Investments		528	6,477
Total Income		<u>7,928,199</u>	<u>7,521,044</u>
Expenditure on:			
Raising funds			
Financing costs		75,490	91,942
Charitable Activities			
Ancillary costs	2b	51,983	22,639
Primary educational costs	5	6,623,591	6,503,407
Total Resources Expended		<u>6,751,064</u>	<u>6,617,988</u>
Net Movements in Funds for the Year	7	1,177,135	903,056
Balance at beginning of year		<u>13,496,752</u>	<u>12,593,696</u>
Balance at End of Year		<u><u>14,673,886</u></u>	<u><u>13,496,752</u></u>

All of the activities of the School are continuing. The School has no recognised gains or losses other than as stated above.

All incoming resources are unrestricted.

The Accounting Policies and Notes on pages 21 to 30 form part of these Financial Statements.

Fixed Assets	Note	2021 £	2020 £
Tangible fixed assets	8	13,161,203	13,244,706
Investments	9	20,950	20,950
		<hr/>	<hr/>
		13,182,153	13,265,656
		<hr/>	<hr/>
Current Assets			
Debtors	10	172,372	242,797
Cash at bank and in hand		4,881,084	3,620,101
		<hr/>	<hr/>
		5,053,456	3,862,898
Creditors: due within one year	11	(1,184,505)	(951,106)
		<hr/>	<hr/>
Net Current Assets		3,868,951	2,911,793
Creditors: due in more than one year	12	(2,377,218)	(2,680,696)
		<hr/>	<hr/>
Net Assets		14,673,887	13,496,752
		<hr/>	<hr/>
Unrestricted Funds	14		
General fund		12,673,887	12,496,752
Designated Funds:			
Building Refurbishment fund		2,000,000	1,000,000
		<hr/>	<hr/>
		14,673,887	13,496,752
		<hr/>	<hr/>

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



C J Hayfield

Chairman

The Accounting Policies and Notes on pages 21 to 30 form part of these Financial Statements.

ORLEY FARM SCHOOL TRUST

STATEMENT OF CASH FLOWS
Year ended 31 August 2021

		2021 £	2020 £
	Note		
Net Cash Inflow from Operating Activities	15	1,803,146	1,515,885
Cash flows from Investing Activities			
Payments to acquire tangible fixed assets		(332,651)	(41,608)
Interest received		528	6,477
Interest paid		<u>(75,490)</u>	<u>(91,942)</u>
Net Cash Inflow/(Outflow) from Investing Activities		(407,613)	(127,073)
Cash flow from Financing Activities			
Loan Repayment		(134,548)	(145,935)
Increase/(Decrease) in cash in the year	15	<u>1,260,984</u>	<u>1,242,877</u>
Reconciliation of Net Cashflow to Movement in Net Funds			
Increase/(Decrease) in cash in the year		1,260,984	1,242,877
Net decrease/(increase) in bank loan		<u>134,548</u>	<u>145,935</u>
Change in funds resulting from cash flows and Movement in net funds in the year	15	1,395,532	1,388,812
Net funds at beginning of the year		<u>821,841</u>	<u>(566,971)</u>
Net Funds at End of the Year	15	<u>2,217,373</u>	<u>821,841</u>

The Accounting Policies and Notes on pages 21 to 30 form part of these Financial Statements.

Basis of Accounting

Orley Farm School Trust is a charitable company in the United Kingdom. In the event of the charity being wound up, the liability in respect of the guarantee is limited to £1 per member of the charity. The address of the registered office is given in the charity information on page 2 of these financial statements. The nature of the charity's operations and principal activities is the operation of Orley Farm School.

The charity constitutes a public benefit entity as defined by FRS 102. The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102), the Charities Act 2011, the Companies Act 2006 and UK Generally Accepted Practice as it applies from 1 January 2019.

The financial statements are prepared on a going concern basis under the historical cost convention, modified to include certain items at fair value. The financial statements are prepared in sterling which is the functional currency of the charity.

The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the School to continue as a going concern. The Governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Governors have considered the School's forecasts and projections and have taken account of pressures on fee income, particularly in light of the impact of the Coronavirus Pandemic which occurred before these financial statements were approved and is explained in more detail in the Risk Management section of the Governors Report in these financial statements. After making enquiries the Governors have concluded that there is a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future.

As such the School can expect to be able to meet its liabilities as they fall due in the period of at least 12 months from the date of approval of these accounts. However, there can be no certainty in relation to these matters. On this basis the Governors have concluded that the School is a going concern. The financial statements do not include any adjustments that would result from the School not being able to meet its liabilities as they fall due.

The significant accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all years presented unless otherwise stated.

The Trust is the beneficial owner of the whole of the share capital of South Hill Estates Ltd. The Company's assets and transactions in the year are not considered material, therefore the Governors consider it is not appropriate to prepare consolidated accounts of the Trust and its subsidiary.

Cash and cash equivalents

Cash and cash equivalents include cash at bank and in hand.

Judgements and key sources of estimation and uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates. The judgements (apart from those involving estimates) that have had the most significant effect on amounts recognised in the financial statements related to the useful economic lives of tangible fixed assets, and judgements in relation to the recoverability of debtor balances.

Income

All incoming resources are included in the Statement of Financial Activities (SoFA) when the School is legally entitled to the income, after any performance conditions have been met, when the amount can be measured reliably and when it is probable that the income will be received.

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees received prior to the end of the year in respect of the following terms are shown on the balance sheet as deferred income.

Investment income is earned through holding assets for investment purposes such as property. It includes interest and rent; Interest income is recognised when receivable and rent is recognised when the charity's right to receive payment is established.

Expenditure

All expenditure is accounted for on an accruals basis. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably.

Charitable activities costs include all expenditure directly relating to the objects of the School.

Governance costs comprise the costs of running the charity including strategic planning for future development, auditors' remuneration, certain legal costs, Governors' expenses and the costs of complying with constitutional and statutory requirements. These costs are contained within 'Support and Management Costs-other' (see note 4).

Unrestricted Funds

Unrestricted funds consist of general reserves which are available for the Governors to apply to the general purposes of the School.

Designated funds consist of certain unrestricted funds which the Governors have earmarked for particular purposes.

Tangible Fixed Assets

Expenditure on land and buildings which, in the opinion of the Governors, has not enhanced their long-term value is charged to the SOFA. Expenditure on improvements to land and buildings which, in the opinion of the Governors, has enhanced their long-term value is capitalised. Expenditure on plant, equipment (including IT equipment) and furniture which is in excess of £1,000 per item, or group of items, is capitalised.

Assets in the course of construction are capitalised and depreciated when brought into use.

Depreciation is provided on all other tangible fixed assets, including freehold property, to write off their cost less residual value over their estimated useful lives when brought into use, at the following rates:

Freehold buildings	2% on cost
Buildings of non-permanent construction	4% on cost
All weather pitch	10% on cost
Furniture, fixtures and equipment	15% reducing value
Computers	25% on reducing value
Motor vehicles	25% on reducing value
Telephone System	20% on reducing value

The residual value for all classes of assets, including recent additions to the school buildings, is deemed to be zero. The exception to this rule being the original freehold buildings, for which the residual value is deemed to be 50% of the original cost to reflect land values.

Investments

Listed investments are stated at market value. Realised gains and losses arising on sales of investments and unrealised gains and losses arising on the revaluation of the investments at the year-end are taken to unrestricted funds on the SOFA.

Investments in subsidiary undertakings are recorded at cost less any provision for impairment.

Operating Leases

Rentals paid under operating leases are charged to the SOFA.

Taxation

The School, as a registered charity, is generally exempt from Corporation Tax but not from Value Added Tax (VAT). Irrecoverable VAT is included in the cost of those items to which it relates. The School's subsidiary trading companies are liable for Corporation Tax on taxable profits not paid to the School as qualifying donations under the Taxes Acts.

Pension Schemes

The School contributes to the Teachers' Pension Scheme, which is a defined benefit scheme, at rates set by the Government Actuary and advised to the Governors. The Scheme is a multi-employer pension scheme and it is not possible to identify the assets and liabilities of the Scheme which are attributable to the School. In accordance with Financial Reporting Standard (FRS 102) – Retirement Benefits, the Scheme is therefore accounted for as a defined contribution scheme. Contributions to the Scheme are charged to the SOFA as they become payable in accordance with the rules of the Scheme.

The School also contributes to individual personal pension schemes for non-teaching staff.

1. School Fees Receivable	2021	2020
	£	£
Fees receivable consist of:		
Gross fees	7,913,916	7,197,462
Less: total bursaries, grants and allowances	(246,828)	(213,780)
	<u>7,667,088</u>	<u>6,983,682</u>

Included within bursaries, grants and allowances of £246,828 (2020: £213,780) is amount of £144,240 (2020: £138,679) in respect of our Fee Support Scheme and our specifically created Hardship Support Scheme during the period as a direct response to the Coronavirus Pandemic.

2a. Ancillary Income	2021	2020
	£	£
Coaches	1,365	2,221
After School Clubs	8,219	19,835
Excursions	-	-
Disbursements	16,004	11,961
Pupil Insurance	25,185	21,124
	<u>50,773</u>	<u>55,141</u>

2b. Ancillary Costs	2021	2020
	£	£
Coaches	30	-
After School Clubs	-	-
Excursions	-	-
Disbursements	29,266	11,915
Pupil Insurance	22,687	10,724
	<u>51,983</u>	<u>22,639</u>

3. Other Income	2021	2020
	£	£
Property	147,233	150,269
Holiday Club	21,593	12,328
Miscellaneous	13,381	4,935
	<u>182,206</u>	<u>167,532</u>

4. Grant income

The School received a grant of £16,604 (2020: £298,062) in relation to the Coronavirus Job Retention scheme.

5. Analysis of Charitable Expenditure	Salaries £	Other £	Depreciation £	Total £	2020 £
Teaching	3,778,596	431,238	-	4,209,834	4,115,978
Welfare	207,667	136,710	-	344,377	356,188
Premises	364,499	520,872	416,154	1,301,525	1,265,426
Support and management costs	537,175	230,681	-	767,856	765,815
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	4,887,937	1,319,501	416,154	6,623,591	6,503,407
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

6. Employees and Key Management	2021 £	2020 £
Staff costs		
Salaries and wages	3,825,039	3,875,598
Social security costs	387,057	391,567
Pension costs	675,841	684,062
	<hr/>	<hr/>
	4,887,937	4,951,227
	<hr/> <hr/>	<hr/> <hr/>

Neither the Governors nor persons connected to them received any remuneration or benefits or reimbursements of expenses from the School with the exception of the items reported in note 16 of the statutory accounts.

The number of higher paid employees whose remuneration for the year fell within the following bands was:

	2021	2020
£60,001 - £70,000	1	1
£70,001 - £80,000	2	2
£100,001 - £110,000	-	1
£130,001 - £140,000	1	-

Pension contributions of £74,022 (2020 - £68,356) were made on behalf of these employees. Of these employee's pension contributions in respect of the School defined contribution scheme were £5,232 (2020 - £7,228).

Staff Numbers	No.	No.
The average number of full time equivalent staff employed by the school within each category was:		
Teaching staff	50	52
Other staff	47	48
	<hr/>	<hr/>
	97	100
	<hr/> <hr/>	<hr/> <hr/>

The key management personnel of the school includes the Governors, the Headmaster, the Director of Finance and the Director of Operations. The aggregate employee benefits of key management personnel of the School were £324,987 (2020 - £251,725).

7. Net Movement in Funds	2021 £	2020 £
This is stated after charging/(crediting):		
Auditors' remuneration - current year audit	12,430	12,190
Depreciation	416,154	411,987
	<u>428,584</u>	<u>424,177</u>

8. Tangible Fixed Assets	Freehold land and buildings	Furniture, equipment and vehicles	Assets in the course of construction	Total
Cost	£	£	£	£
At 1 September 2020	15,730,069	2,038,263	33,426	17,801,758
Additions	283,336	49,315	-	332,651
Transfers	-	-	-	-
Disposals	-	-	-	-
	<u>16,013,405</u>	<u>2,087,578</u>	<u>33,426</u>	<u>18,134,409</u>
Depreciation				
At 1 September 2020	2,803,363	1,753,689	-	4,557,052
Charge for the year	355,688	60,466	-	416,154
Disposals	-	-	-	-
	<u>3,159,051</u>	<u>1,814,155</u>	<u>-</u>	<u>4,973,206</u>
Net Book Value				
At 31 August 2021	<u>12,854,354</u>	<u>273,423</u>	<u>33,426</u>	<u>13,161,203</u>
At 31 August 2020	<u>12,926,706</u>	<u>284,574</u>	<u>33,426</u>	<u>13,244,706</u>

9. Fixed Assets Investments	2021 £	2020 £
i) Investment in subsidiaries - shares at cost		
South Hill Estates, Harrow Limited	20,950	20,950
Orley Farm School Enterprises Limited	-	-
	<u>20,950</u>	<u>20,950</u>

The Trust owns 100% of the share capital in the following two subsidiary companies; South Hill Estates (Harrow) Limited, which owns and manages land and roads in the Harrow area, and Orley Farm School Enterprises Limited. Both companies are registered in England and Wales.

The results of the subsidiary companies as extracted from their audited Financial Statements are as follows:

	South Hill Estates		Orley Farm School Enterprises	
	2021 £	2020 £	2021 £	2020 £
Capital and reserves	28,425	32,188	-	-
Profit / (Loss) for the year	(3,763)	548	-	-

A decision was made in June 2007 to subsume the activities of Orley Farm School Enterprises within the School. The Company became dormant with effect from 1 September 2007.

10. Debtors	2021 £	2020 £
Fees and extras in arrears	57,728	108,541
Amount due from subsidiary company	19,174	11,832
Other debtors	10,719	10,719
Prepayments	84,751	111,705
	172,372	242,797

11. Creditors due within one year	2021 £	2020 £
Deposits	310,022	312,672
Tax and social security	181,866	220,809
Accruals and deferred income	320,049	167,299
Other creditors	86,073	132,761
Bank loan repayable within one year	286,495	117,565
	1,184,505	951,106

Deferred income consists of fees received in advance totalling £162,988 (2020 - £134,574)

12. Creditors due in more than one year	2021 £	2020 £
Amounts repayable between two and five years	2,377,218	2,425,287
Amounts repayable in more than five years	-	255,409
	2,377,218	2,680,696

The loans are unsecured and repayable over 120 months from 31 March 2015. The interest rates applicable to the loans are:

LIBOR loan	2.5% per annum over LIBOR plus mandatory cost
Business loan	2.95% per annum over base rate

13. 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 £574,562 (2020 - £587,002) and at the year-end £48,933 (2020 - £49,980) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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

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

The School also contributes to a defined contribution scheme on behalf of its support staff. Employer contributions payable to this scheme was £101,032 (2020: £99,620) and at the year-end £8,338 (2020: £8,591) was accrued in respect of these scheme.

14. Unrestricted Funds

	General fund £	Refurb- ishment fund £	Total funds £
At 1 September 2020	12,496,752	1,000,000	13,496,752
Net incoming resources	1,177,135	-	1,176,940
Expenditure/Transfers (to)/from designated funds	(1,000,000)	1,000,000	-
	<hr/>	<hr/>	<hr/>
At 31 August 2021	12,673,887	2,000,000	14,673,887
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	General fund £	Refurb- ishment fund £	Total funds £
At 1 September 2019	12,593,696	-	12,593,696
Net incoming resources	903,056	-	903,056
Expenditure/Transfers (to)/from designated funds	(1,000,000)	1,000,000	-
	<hr/>	<hr/>	<hr/>
At 31 August 2020	12,496,752	1,000,000	13,496,752
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Designated Funds

The Governors have reconsidered the Designated Funds and have agreed in line with the Charity Commission guidance to establish the Refurbishment Fund to enable the School Refurbishment Plan which is due to be implemented with the next twelve to eighteen months.

15. Cash Flow Statement

	2021 £	2020 £
Net Cash Inflow from Operating Activities		
Net incoming resources	1,177,135	903,056
Depreciation	416,154	411,987
Loss on disposal of fixed assets	-	-
Decrease / (Increase) in debtors	70,427	(75,405)
Increase / (Decrease) in creditors	64,663	190,782
Interest paid	75,490	91,942
Interest received	(528)	(6,477)
	<hr/>	<hr/>
	1,803,146	1,515,885
	<hr/> <hr/>	<hr/> <hr/>

Note 15 continued.

Analysis of Net Funds	As at beginning of year £	Cash flow £	Other Non-cash changes £	As at end of year £
Net cash balances	3,620,101	1,260,984	-	4,881,085
Other loans	(2,798,260)	134,548	-	(2,663,712)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	821,841	1,395,532	-	2,217,373
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

16. Related Party Transactions

- i. During the year amounts totalling £19,173 (2020 - £11,832) were payable to the subsidiary company, South Hill Estates, Harrow Limited relating to road levy charges.
- ii. Mr P Ryan, a teacher at the school, is the owner of World Cup Sports Ltd, the company that provided school sports activities during holidays. The profit share paid to the School by his company was £21,593 (2020 - £12,328).
- iii. Mrs C Cliffe, a School Governor at the school, provided teaching services to the School of £nil (2020- £1,828).
- iv. A Governor, Mr A Land, receives a fee discount of 20% under the Harrow Masters Fund. This fund is no longer open to new entrants.
- vi. During the year 3D Motors Limited provided vehicle maintenance services to the school at a cost of £1,236 (2020: £1,057). Mr R Raithatha, a Governor at the school, is a director of this company.

17. Capital Commitments

At 31st August 2021 capital works authorised by the Board of Governors but not contracted for amounted to £1,235,000 (2020- £nil).