

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 2022

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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.

Dr M Short	Chair, (FBC),(EC), (F),(Est), (R)
Mr C J Hayfield	(FB),(F),(Est), (R)
Mr M Andrews	(FB),(F),(EstC)
Mrs C Cliffe	(FB),(E)
Mrs S Kothari	(FB),(FC),(Est), (R)
Ms S Labrum Appointed 11 th May 2022	(FB),(E)
Mr A Land	(FB),(E)
Mrs T Lashkari	(FB),(F),(Est)
Mrs L Malde	(FB),(F),(Est)
Mr R Raithatha	(FB)
Mr A Smith	(FB)
Mr A Sofat	(FB),(F),(Est)

(FBC) Chair of Full Board

(FB) Member of Full Board

(EC) Chair of Education Committee

(E) Member of Education Committee

(FC) Chair of Finance Committee

(F) Member of Finance Committee

(EstC) Chair of Estates Committee

(Est) Member of Estates Committee

(R) Member of Remuneration Committee

ORLEY FARM SCHOOL TRUST

CHARITY INFORMATION

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

Auditor

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 2022 together with the audited Financial Statements for the year, and confirm that these 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 pages 2 and 3.

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 Chair is elected to serve for five years which may be renewed once only. The new Chair as elected by the board commenced their tenure from 1st September 2022.

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 and they are encouraged to attend relevant training courses especially those organised by AGBIS and ISBA for which the School are members. 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 three committees which have agreed, and annually revised, Terms of Reference to assist their functionality. These committees are as follows: Education Committee, Estates Committee and Finance 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 Finance Committee, Remuneration Committee and the Board Meetings. The Director of Operations attends the Estates Committee, 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 two members of the Trust's Full Board 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 impact of the current international and national crisis on securing energy for UK consumers along with the soaring inflation on day to day business expenditure, the on-going impact of Coronavirus Pandemic on the provision of education services and possible spike in rates over winter months, the impact of Brexit on pricing and availability of goods and services required to maintain the School's provision, monitoring the financial impact of any future increase to employer contributions from the participation in the Teachers' Pension Scheme, a decline in the demand for places resulting from a general economic downturn which has been exacerbated by increased inflationary pressures on household incomes, 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;
- Comprehensive 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; 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
- Continue to 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.

Strategic Report: Review of Objectives for the year, Achievements and Performance**Objective 1: Maintain the excellence of the educational provision throughout the School.**

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 23 were taken up by our pupils. Highlights include 11 Academic Scholarships and 11 awards across a breadth of Sport Scholarships, Drama, Music, and Design and Engineering awards.

Objective 2: To continue to develop relations with the Grange School in Harrow.

Partnerships with the Grange School in Harrow continue to evolve and develop. The School has supported the Grange School in the following ways: making donation towards Christmas gifts for the Grange school pupils of the School; lending the School minibuses; running a termly lunch time sports club, and inviting Grange School children to watch our Christmas and Summer matinee productions.

Objective 3: To continue the review of our procedures and policies to ensure total regulatory compliance.

School Policies continue to be reviewed to ensure regulatory compliance with the frequently changing regulations. These policies are reviewed by staff and presented at the relevant committee meetings for Governors to review and approved.

Objective 4: Continue to improve the Former Pupils' Association (Orlunmi).

With the support of a former parent, the School has rebranded and launched the Orlunmi. The objective of the Orlunmi is to bring together former Orleyans and parents to enrich our current community through school hosted events. During the year the school successfully hosted three events including an outdoor launch event, a soft ball and picnic event and a university starter reconnection events.

Objective 5: To ensure the provision of IT within the School continues to meet the academic and business needs of the school.

The IT network continues to be upgraded to ensure IT support throughout the School for both pupils and administrative staff is up to date and is moving in line with current trends. During the year the School obtained its Cyber Essentials Certification. The process to obtain this certification included a self - assessment questionnaire and an external vulnerability scan that verifies the School's security status as well as an internal vulnerability scan of the School's network, PCs and mobile devices.

The School has invested in virtual reality headsets and has successfully integrated the use of this throughout the school within ICT lessons. The School continues to review IT platforms to ensure they remain update to date and deliver an intuitive and easy user experience. As a result of the Pandemic, the School has integrated the use of its remote learning platform of its educational provision more widely across the School.

Objective 6: Continue to manage the relationships with the School's neighbours, tenants and the wider community to best effect.

The continues to develop a new working partnership with South Hill Estates (Harrow) Ltd and the residents of the estate via the South Hill Estates board comprising two School trustees, two residents and the Director of Operations.

Objective 7: Continue to manage the School's education provision, estate management, and responsibility to pupils, staff and the wider school community to best effect whilst managing the risk of the Coronavirus Pandemic.

The School has identified two short term building projects that it is pursuing, one which will enhance the educational provision of its youngest pupils through improved play facilities, and the other consisting of a large landscaping project for the benefit of the entire School to enhance creative play and create outdoor teaching space.

The School is also 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.

Objective 8: To conduct due diligence on the creation of an outdoor curriculum offering at the School.

The Head of Pre Prep has successfully conducted due diligence into the creation of an outdoor curriculum offering at the School and will be piloting the offering next academic year within the Pre Prep on a phased year group basis.

Pupil destinations and Scholarship Awards in 2022

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
City of London	1	-
Hampton School	1	-
Haberdashers'	1	1
John Lyon	7	6
King Heights Academy, Canada	1	-
Merchant Taylors	7	5
St Alban's	3	-
St Margaret's School	1	-
St Paul's	3	2
Westminster	1	1
TOTAL	26	15

Girls:

Destination School	Number of Pupils	Scholarships Awarded
Bentley Wood High	1	-
Belmont School	1	-
Dr Challoners High	1	-
Francis Holland School	-	1
Godolphin & Latymer	1	-
Haberdashers' Aske's	3	-
Haileybury	1	-
Hatch End High School	1	-
Henrietta Barnet School	1	-
King Fahad Academy	1	-
North London Collegiate	2	-
Nower Hill High School	1	-
Notting Hill & Ealing	1	-
Northwood College	2	4
Pinner High School	1	-
Rickmansworth School	1	-
Royal Masonic	5	5
St Marylebone CE School	1	1
South Hampstead High	1	3
St Helen's	5	4
St Margaret's	2	3
St Paul's Girls'	1	-
Queen's College London	1	1
TOTAL	35	22

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 organisations, as they navigate the impact of the pandemic combined with the inflationary pressures felt by all nationally.

This academic year, the School has resumed its onsite provision of education in full including the much awaited Residential Expeditions Week enjoyed by all pupils. Despite the School's provision returning to pre pandemic days, the Governing Body were well aware of the ongoing uncertainty facing many of our parents as the impact of the pandemic and economic landscapes unfolds and continued to offer the Hardship Support Scheme. This Scheme, in conjunction with the Fee Support Scheme, provided financial support to 11 pupils. Further details are available below under the heading Fee Support.

During the Summer break, the School continued cautiously with the second phase of its Pre Prep refurbishment project - refurbishment of 3 Pre Prep classrooms, Pre Prep Atrium and staff room. As voted for 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, have continued to be developed over the academic year. The operating costs for the year were £7,231,524 (2021 - £6,751,064). 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 cautious approach to spending as a result of the Pandemic has allowed the School to generate surpluses that can be reinvested into the School's key, essential infrastructure projects, which are no longer able to remain on hold, whilst meeting its financial obligations. The School generated net fee income of £7,966,750 (2021 - £7,667,088), which was the primary source of revenue. Whilst the School does generate additional income in the form of lettings income and rents, the overriding primary source of income is derived from pupil fees.

The focus for the School is to prioritise key and essential infrastructure projects around the school site. The surplus of £1,076,605 (2021: Surplus of £1,177,135) generated within the year will place the School in a strong position to embark on the delayed key and essential infrastructure projects which are now seen as a priority for the School which include the development of the play areas in and around the school site, refurbishment of the School's Astro field, and refurbishment of the school's properties and its outdoor provisions. 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 lasting impact of the Pandemic and Brexit along with the inflationary pressures specifically surrounding energy costs, whilst balancing the interests of all key stakeholders.

There has been no outsourced fundraising via professional fundraisers or other third parties. As a result. The charity is not registered with the fundraising regulator and received no fundraising complaints in the year.

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, including school lettings, this year was £177,229 (2021 - £147,233).

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. The much awaited traditional Expeditions Week resumed this academic year and continues to thrive.

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. We are proud of the community links we have developed and continue to develop as listed below and we always look to strengthen these in line with the Charity Commission's guide to public benefit.

- **Partnership with Grange School.** The School continues to support the Grange School, Harrow. This support has included providing transport and invitations to sporting tournaments and drama productions; in addition, provided access to the use of our School minibuses, and donating to their Christmas Box Project appeal, providing a Christmas present to all pupils at Grange school
- **Partnership with Weldon Park.** The School hosts a number of science workshops for pupil of Weldon Park across the academic year.
- **Partnership with Alexander School.** The School runs a music club at the Alexander School each Friday lunch through our Edge Programme.
- **Use of Sporting facilities.** St Dominic's College, make use of our sports fields which include cricket pitches, Astroturf and 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 colt's 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 £5,506 for Winston's Wish and £2,641 for Henry van Straubenzee Memorial Fund.

Fee Support

This year we supported a total of 11 pupils at a cost of £155,521 (2021: 27 Pupils £144,240) through our own Fee Support Scheme and our Hardship Support Scheme. Whilst the Support Scheme supported fewer 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; and
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 2022/2023

1. Maintain the excellence of the educational provision throughout the School;
2. Carry on relations with the Grange School in Harrow and other Schools;
3. Continue the review of our procedures and policies to ensure total regulatory compliance;
4. Continue to develop the Orumni;
5. 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, and responsibility to pupils, staff and the wider school community to best effect.
8. Enact the Estates Strategy to improve the School's infrastructure, particularly focusing on key and essential infrastructure projects including continuing refurbishing and updating the outdoor play spaces;
9. Continue to develop the School's Master Plan with a Governor led strategy committee; and
10. Continue to conduct due diligence on the creation and phased implementation of an outdoor curriculum offering at the School.
11. Governors will focus on managing the impact of any financial implications which may arise from political and economic factors outside the School's control to ensure that the School will continue to thrive in the future.

Reserves Policy

The total reserves for the School were £15,750,492 of which £1,552,731 related to designated funds and a further 13,172,092 represented by fixed assets, leaving £1,025,669 of free reserves. The Reserves Policy of the School takes into account of a number of parameters such as:-

- Risks included in the School's risk register
- The School's objectives; and
- The current and future obligations of the School, including any commitments that it has already entered into.

Based on their assessment, the Governors consider that the minimum targeted level of reserves desired is working capital at the level of three month's expenditure which equates to £1.8m. The Governors will continue to strive to generate funds in line with minimum targeted levels.

The Governors will review the reserves policy 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

During the year the Trust undertook an audit tender exercise, resolving that Crowe U.K. LLP would be appointed for the year ending 31 August 2023. A resolution proposing their appointment will be submitted at the Annual General Meeting.

Approved by the Board of Governors of Orley Farm School Trust on 28/11/22 2022 and signed on its behalf by:



Dr M E Short
Chair

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 2022 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 2022 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 Strategic 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 Directors' Report included within the Annual Report of the Governors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Directors' Report included within 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: 9 March 2023

		2022	2021
		£	£
	Note		
Income from:			
Charitable Activities			
School fees receivable	1	7,966,750	7,667,088
Registration fees		19,550	11,000
Ancillary income	2a	68,078	50,773
Other income	3	245,633	182,206
Grant income	4	5,069	16,604
		3,049	528
Investments		<u>3,049</u>	<u>528</u>
Total Income		<u>8,308,129</u>	<u>7,928,199</u>
Expenditure on:			
Raising funds			
Financing costs		79,512	75,490
Charitable Activities			
Ancillary costs	2b	35,345	51,983
Primary educational costs	5	7,116,667	6,623,591
		<u>7,231,524</u>	<u>6,751,064</u>
Total Expenditure		<u>7,231,524</u>	<u>6,751,064</u>
Net Income and Movements in Funds for the Year	7	1,076,605	1,177,135
Balance at beginning of year		14,673,887	13,496,752
		<u>15,750,492</u>	<u>14,673,887</u>
Balance at End of Year		<u>15,750,492</u>	<u>14,673,887</u>

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

All income and expenditure was unrestricted in both years.

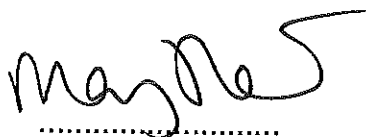
The Accounting Policies and Notes on pages 21 to 30 form part of these Financial Statements.

ORLEY FARM SCHOOL TRUST
Company Number: 628541

BALANCE SHEET
At 31 August 2022

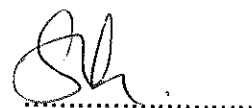
Fixed Assets	Note	2022	2021
		£	£
Tangible fixed assets	8	13,172,092	13,161,203
Investments	9	20,950	20,950
		<hr/>	<hr/>
		13,193,042	13,182,153
Current Assets		<hr/>	<hr/>
Debtors	10	242,207	172,372
Cash at bank and in hand		5,629,957	4,881,084
		<hr/>	<hr/>
		5,872,164	5,053,456
Creditors: due within one year	11	(1,265,207)	(1,184,505)
		<hr/>	<hr/>
Net Current Assets		4,606,957	3,868,951
Creditors: due in more than one year	12	(2,049,507)	(2,377,218)
		<hr/>	<hr/>
Net Assets		15,750,492	14,673,887
Unrestricted Funds	14	<hr/>	<hr/>
General fund		14,197,761	12,673,887
Designated Funds:			
Building Refurbishment fund		1,552,731	2,000,000
		<hr/>	<hr/>
		15,750,492	14,673,887
		<hr/>	<hr/>

Approved and authorised for issues by the Board of Governors on 28/11/22 2022 and signed on its behalf by:



Dr M E Short

Chair



Mrs S Kothari

Chair of Finance Committee

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 2022

		2022 £	2021 £
	Note		
Net Cash Inflow from Operating Activities	15	1,591,248	1,803,146
Cash flows from Investing Activities			
Payments to acquire tangible fixed assets		(450,982)	(332,651)
Interest received		3,049	528
Interest paid		<u>(79,512)</u>	<u>(75,490)</u>
Net Cash Outflow from Investing Activities		(527,445)	(407,613)
Cash flow from Financing Activities			
Loan Repayment		(314,931)	(134,548)
Increase in cash in the year	15	<u>748,872</u>	<u>1,260,984</u>
Reconciliation of Net Cashflow to Movement in Net Funds			
Increase in cash in the year		748,872	1,260,984
Net decrease in bank loan		<u>314,931</u>	<u>134,548</u>
Change in funds resulting from cash flows and Movement in net funds in the year	15	1,063,803	1,395,532
Net funds at beginning of the year		<u>2,217,373</u>	<u>821,841</u>
Net Funds at End of the Year	15	<u>3,281,176</u>	<u>2,217,373</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 3 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 current economic uncertainty including the inflationary cost pressures and the exposure to significant increases in utility costs, 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).

All costs, including support costs, are allocated between expenditure categories and departments on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly.

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	2022	2021
	£	£
Fees receivable consist of:		
Gross fees	8,203,940	7,913,916
Less: total bursaries, grants and allowances	(237,190)	(246,828)
	<u>7,966,750</u>	<u>7,667,088</u>
2a. Ancillary Income	2022	2021
	£	£
Coaches	2,065	1,365
After School Clubs	9,420	8,219
Disbursements	29,116	16,004
Pupil Insurance	27,477	25,185
	<u>68,078</u>	<u>50,773</u>
2b. Ancillary Costs	2022	2021
	£	£
Coaches	224	30
After School Clubs	27	-
Disbursements	10,341	29,266
Pupil Insurance	24,753	22,687
	<u>35,345</u>	<u>51,983</u>
3. Other Income	2022	2021
	£	£
Property	177,229	147,233
Holiday Club	27,221	21,593
Miscellaneous	41,183	13,381
	<u>245,633</u>	<u>182,206</u>
4. Grant income		
During the year the School received Coronavirus Statutory Sick Pay Scheme of £2,216 and Gift Aid Claim of £2,853 (2021: the School received a grant of £16,604 in relation to the Coronavirus Job Retention scheme).		

5. Analysis of Charitable Expenditure

	Salaries £	Other £	Depreciation £	Total £	2021 £
Teaching	3,994,997	486,792	-	4,481,789	4,209,834
Welfare	230,597	194,629	-	425,226	344,377
Premises	398,698	549,816	440,093	1,388,607	1,301,525
Support and management costs	556,115	264,930	-	821,045	767,856
	<u>5,180,407</u>	<u>1,496,167</u>	<u>440,093</u>	<u>7,116,667</u>	<u>6,623,591</u>

6. Employees and Key Management

	2022 £	2021 £
Staff costs		
Salaries and wages	4,063,719	3,825,039
Social security costs	424,597	387,057
Pension costs	692,091	675,841
	<u>5,180,407</u>	<u>4,887,937</u>

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:

	2022	2021
£60,001 - £70,000	1	1
£70,001 - £80,000	-	2
£80,001 - £90,000	2	-
£130,001 - £140,000	-	1
£160,001 - £170,000	1	-

Pension contributions of £77,683 (2021 - £74,022) were made on behalf of these employees. Of these employee's pension contributions in respect of the School defined contribution scheme were £5,311 (2021 - £5,233).

Staff Numbers

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

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 £362,167 (2021 - £324,987).

7. Net Movement in Funds	2022	2021
	£	£
This is stated after charging/(crediting):		
Auditors' remuneration - current year audit	13,050	12,430
Depreciation	440,093	416,154

8. Tangible Fixed Assets	Freehold land and buildings	Furniture, equipment and vehicles	Assets in the course of construction	Total
Cost	£	£	£	£
At 1 September 2021	16,013,405	2,087,578	33,426	18,134,409
Additions	236,739	214,243	-	450,982
Transfers	-	-	-	-
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	16,250,144	2,301,821	33,426	18,585,391
	<hr/>	<hr/>	<hr/>	<hr/>
Depreciation				
At 1 September 2021	3,159,051	1,814,155	-	4,973,206
Charge for the year	367,934	72,159	-	440,093
Disposals	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2022	3,526,985	1,886,314	-	5,413,299
	<hr/>	<hr/>	<hr/>	<hr/>
Net Book Value				
At 31 August 2022	12,723,159	415,507	33,426	13,172,092
	<hr/>	<hr/>	<hr/>	<hr/>
At 31 August 2021	12,854,354	273,423	33,426	13,161,203
	<hr/>	<hr/>	<hr/>	<hr/>

9. Fixed Assets Investments	2022	2021
	£	£
i) Investment in subsidiaries - shares at cost		
South Hill Estates, Harrow Limited	20,950	20,950
Orley Farm School Enterprises Limited	-	-
	<hr/>	<hr/>
	20,950	20,950
	<hr/>	<hr/>

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.

ORLEY FARM SCHOOL TRUST

NOTES TO FINANCIAL STATEMENTS
Year ended 31 August 2022

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

	South Hill Estates		Orley Farm School Enterprises	
	2022	2021	2022	2021
	£	£	£	£
Capital and reserves	3,142	28,425	-	-
Loss for the year	(25,284)	(3,763)	-	-

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	2022	2021
	£	£
Fees and extras in arrears	57,870	57,728
Amount due from subsidiary company	54,913	19,174
Other debtors	10,719	10,719
Prepayments	118,705	84,751
	<u>242,207</u>	<u>172,372</u>

11. Creditors due within one year	2022	2021
	£	£
Deposits	314,250	310,022
Tax and social security	182,887	181,866
Accruals and deferred income	261,286	320,049
Other creditors	207,510	86,073
Bank loan repayable within one year	299,274	286,495
	<u>1,265,207</u>	<u>1,184,505</u>

Deferred income consists of fees received in advance totalling £222,967 (2021 - £162,988)

12. Creditors due in more than one year	2022	2021
	£	£
Amounts repayable between two and five years	2,049,507	2,377,218
	<u>2,049,507</u>	<u>2,377,218</u>

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 £583,429 (2021 - £574,562) and at the year-end £47,064 (2021 - £48,933) 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. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation 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 £108,662 (2021: £101,032) and at the year-end £9,232 (2021: £8,338) was accrued in respect of these scheme.

14. Unrestricted Funds

	General fund £	Refurb- ishment fund £	Total funds £
At 1 September 2021	12,673,887	2,000,000	14,673,887
Net income	1,076,605	-	1,076,605
Expenditure/Transfers (to)/from designated funds	447,269	(447,269)	-
	<hr/>	<hr/>	<hr/>
At 31 August 2022	14,197,761	1,552,731	15,750,492
	<hr/>	<hr/>	<hr/>
	General fund £	Refurb- ishment fund £	Total funds £
At 1 September 2020	12,496,752	1,000,000	13,496,752
Net income	1,177,135	-	1,177,135
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/>

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

	2022 £	2021 £
Net Cash Inflow from Operating Activities		
Net income	1,076,605	1,177,135
Depreciation	440,093	416,154
(Increase) / decrease in debtors	(69,835)	70,427
Increase in creditors	67,922	64,468
Interest paid	79,512	75,490
Interest received	(3,049)	(528)
	<hr/>	<hr/>
	1,591,248	1,803,146
	<hr/>	<hr/>

Note 15 continued.

Analysis of Net Funds	As at 1 September 2021 £	Cash flow £	Other Non-cash changes £	As at 31 August 2022 £
Net cash balances	4,881,085	748,872	-	5,629,957
Other loans	(2,663,712)	314,931	-	(2,348,781)
	<hr/>	<hr/>	<hr/>	<hr/>
Total	2,217,373	1,063,803	-	3,281,176
	<hr/>	<hr/>	<hr/>	<hr/>

	As at 1 September 2020 £	Cash flow £	Other Non-cash changes £	As at 31 August 2021 £
Net cash balances	3,620,101	748,872	-	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/>

16. Related Party Transactions

- i. During the year amounts totalling £13,473 (2021 - £10,428) were payable to the subsidiary company, South Hill Estates, Harrow Limited relating to road levy charges. At the year-end £54,913 (2021 - £19,173) was due from the subsidiary company.
- ii. During the year Mrs Z Kemal, a teacher of the School, provided baking services at a cost of £262 (2021: £nil).
- iii. 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.
- iv. During the year the School hired facilities from harrow School Enterprises Ltd for various school events at a cost of £3,040 (2021: £3,291). Mr A Land, a Governor at the school, is a director of this company.
- vi. During the year 3D Motors Limited provided vehicle maintenance services to the school at a cost of £2,246 (2021: £1,236). Mr R Raithatha, a Governor at the school, is a director of this company.
- vii. Mrs R Gascoigne, a teacher at the school, is an owner of G&T School of Performing Arts, an organisation that hires parts of the school premises to provide drama activities during weekend. The hire charge for the year was £8,452 (2021: £3,946).

There were no other related party transactions in either years.

17. Capital Commitments

At 31 August 2022 capital works authorised by the Board of Governors but not contracted for amounted to £1,593,324 (2021- £1,235,000).

