

Company Number 00571803
Charity Number 312739

**BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
(A COMPANY LIMITED BY GUARANTEE)
REPORT AND ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2020**

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
CONTENTS
YEAR ENDED 31 AUGUST 2020

	Page
School information	1
Governors' Report	3
Independent Auditor's Report	13
Statement of financial activities	14
Balance sheet	15
Cash flow statement	16
Notes to the accounts	17

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
SCHOOL INFORMATION
YEAR ENDED 31 AUGUST 2020

GOVERNORS, DIRECTORS AND CHARITY TRUSTEES:

The Governors present their report and the audited accounts for the year ended 31st August 2020. The accounts comply with current statutory requirements, the requirements of the charity's governing document and the requirements of the Charities SORP (FRS 102).

Bute House operates as a charitable company limited by guarantee (for further details see page two below).

The Governors of Bute House Preparatory School for Girls are the School's charity trustees under charity law and the directors of the charitable company. The Governors who served during the year and subsequently are detailed below:

Governors & / Committees:	Finance	Bursary	Nominations	Education
Mr SWJ Wathen (Chairman – resigned 09.09.19)	*	*	*	
Mrs S Bailes (Chair from 09.09.19)			*	*
Mrs A Barron				*
Mr T Clementi (resigned 09.09.19)	*	*	*	
Mrs A Thomson		*		
Miss K Kerr	*		*	
Mrs S Kooros		*		
Mrs A Aughwane (resigned 14.10.19)				*
Mr M Perry	*	*		*
Mr J Beckitt (Vice-Chair from 09.09.19)			*	
Mrs P McAndrew		*		
Dr M Sherman				
Mrs L Nettelton (resigned 25.06.2020)	*			

An asterisk (*), indicates membership of a Committee. Other ad hoc committees operate as required. The Finance Committee's full title is the Finance, Operations & Risk Committee.

HEAD

Mrs Helen Lowe

BANKERS

Barclays Bank PLC
 1 Churchill Place
 Canary Wharf
 London
 E14 5HP

Lloyds Bank PLC
 25 Gresham Street
 London
 EC2V 7HN

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
SCHOOL INFORMATION
YEAR ENDED 31 AUGUST 2020

SOLICITORS

Veale Wasborough Vizards LLP
24 King William Street
London
EC4R 9AR

AUDITOR

Saffery Champness LLP
71 Queen Victoria Street
London
EC4V 4BE

BURSAR

Ms Sandra Frost BSc (Econ), ACA

CLERK TO THE GOVERNORS AND COMPANY SECRETARY

Mrs C Rimmer

REGISTERED OFFICE

Bute House
Luxemburg Gardens
London W6 7EA

Company Registration Number 00571803
Charities Registration Number 312739

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT
YEAR ENDED 31 AUGUST 2020

GOVERNORS' REPORT

PRINCIPAL ACTIVITY, STRATEGIC AIM AND INTENDED EFFECT

Principal Activity

Bute House operates as a charitable company ("the Company") limited by guarantee, and accordingly its constitution is set out in its Memorandum and Articles of Association. The objects of the company are 'to advance education, including, without limitation, by conducting the school known as Bute House Preparatory School for Girls and any other school or schools, for girls or boys, as the Governors may think fit; and purposes incidental or ancillary to the same'.

The powers of the Company are set out in the Articles, which may be exercised only in promoting its objects. The powers set out in the documents relate primarily to the acquisition, use and disposal of assets of the Company, including investments in funds not immediately required for the Company's charitable purposes.

Governing Body

The School's Governors are its Directors and Charity Trustees. They are required under the Articles of Association to serve as members of the Company. They are elected at a meeting of the Directors. New Directors are recommended to the Governors by the Nominations Committee on the basis of the skills and experience which he or she would bring to the Governing body.

Governors serve terms of office of four years from the date of their appointment and are eligible for re-election for one further term of office of four years. The Governors who served during the year are shown on page one.

Two Governors, who served until 9th Sept 2019, SWJ Wathen and T Clementi, are Liverymen of the Mercers' Company. The Mercers' Company, as the trustee of the St Paul's Schools Foundation, owns the freehold of the land on which the School stands, and has granted in 1998 a 125-year lease. There are currently no Governors on the Board who are Liveryman of the Mercers' Company. Seven Governors are parents of past pupils and one Governor is a current parent.

Recruitment, Induction and Training of Governors

Governors are selected by reference to their eligibility, personal competence and specialist skills. The Governors can appoint between 5 and 15 Governors. On appointment new Governors are inducted into the workings of the Governors and of the School via a formal process. The induction pack provided to Governors includes a number of School documents and policies including:

- "Guidelines for Governors," a booklet produced by the Association of Governing Bodies of Independent Schools.
- Keeping Children Safe in Education Part 1
- Charity Commission booklet CC3: The Essential Trustee
- Charity Commission Guidance on Charitable Purposes and Public Benefit
- Charity Commission Guidance on decision making

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2020

Individual Governors attend tailored training courses in key aspects of school governance and management run by such bodies as AGBIS (Association of Governing Bodies of Independent Schools), IAPS (Independent Association of Preparatory Schools) and ISBA (Independent Schools' Bursar's Association). In addition Governors have attended safeguarding training provided for all staff at the School or an online course.

Organisational Management

Responsibility for the overall management and organisation of the School rests with the Governors, who meet at least termly. They are supported in carrying out their responsibilities by committees largely made up of Governors, including the Education Committee and Finance, Operations and Risk Committee, which meet at least once a term prior to the Governors' meeting. The Bursary Committee and the Nominations Committee meet as required.

The day to day management of the School is delegated to the Head supported by the Deputy Head and Bursar, and this group together with the Assistant Academic Head, the Assistant Pastoral Head, Development Manager and Head of Assessment form the School's key management. Staff salaries are reviewed annually by Governors.

STRATEGIC REPORT

REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

Operational Performance of the School

The operational performance of the School and its achievements against the context of the School's aims is led by the Head.

The principal achievements during the year:

- The new facilities created by the Building Project provided significant new opportunities for pupils. The Studio Theatre provided an opportunity for the creation of a new Performing Arts Department, encompassing Music, Drama and Dance. The Library and pods created new opportunities for pupils plus additional space for small group work in the pods. The facilities also provided opportunities for new extra-curricular clubs.
- The new Performing Arts Department resulted in new appointments of a Head of Performing Arts, and part-time Music and Dance teachers.
- Additional building work was carried out to create a new Food Technology classroom. This subject now forms part of the Design Technology curriculum.
- The new Food Technology classroom is also now used for pre and after-school care. This is run by external providers, Aktiva. Staff from Aktiva were also able to provide care for the children of Key Workers during the initial period of the national coronavirus lockdown.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2020

- 11+ results in 2020 were excellent. In the academic year 2019 -2020 sixty-one girls sat the 11+ in January 2020, and 49 awards or exhibitions were awarded, including one academic and one Music scholarship at St Paul's Girls' School. A quarter of the girls gained places at St Paul's Girls' School and eight went to boarding schools. One girl went to a maintained sector grammar school and the two boarding schools which girls transferred to this year were Wycombe Abbey and St Mary's, Ascot.
- Unfortunately, due to lockdown, the usual data collection at the end of the academic year could not take place. We remain committed to tracking children throughout their journey at Bute House, and will resume this once school has re-opened.
- The normal operating procedures were significantly impacted by the national lockdown due to coronavirus. From March 18th, the School was closed and provision was moved to online. The full provision in this area was in place post the Easter holidays.
- In June, girls in Reception, Year 1 and Year 6 returned to the school site. This required a great deal of reorganization as we ensured that all government guidance at that time was followed, including classes of children being no greater than fifteen. Online provision for other year groups continued. Girls in other year groups returned for some days prior to the end of term, but were mainly taught remotely. Lockdown resulted in all Summer term events, including Open Days for prospective parents and opportunities for new Year 3 girls joining the School to come into meet each other, and their new teachers, being cancelled.

Notable Sports Achievements 2019-2020

Sadly the sporting year came to an abrupt finish, but the girls still managed some fantastic achievements before all competitions were stopped. Only a few National tournaments went ahead.

- Our amazing gymnasts won the Regional round of the British floor and vault, and the ISGA 2 piece competitions. The girls won the Milano Regionals to represent London at the Nationals. Here they achieved an impressive 3rd place, and also got a silver medal as part of the London region. Special mention to Susie Mahendra, who won the trophy for the highest individual U11 girls score. Our gymnasts also managed to win IAPS Nationals, making them champions for the second consecutive year.
- In the first round of the London League Swimming Competition, Bute House won 37 of the 44 races and this included winning all of the relays. In the second round, Bute hosted the six top schools from the North of the River preliminary rounds to determine who would progress to the grand final in June. Bute House put in a great performance and ended up winning the gala with 499 points, over a 100 more points than second place. The Yr.5/6 girls did very well at the IAPS Regional round, with many individual and most of the relays qualifying for Nationals.
- The Yr.5 A netball team had an incredible season, winning all their home and away matches. They played in 2 netball tournaments, won one and were runners up in the other. The Yr.6 A were Regional champions, this is the 4th consecutive year Bute has managed this. We also entered the Surreys for the first time,

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2020

PUBLIC BENEFIT AND COMMUNITY RELATIONSHIPS

Public Benefit

The School's key public benefit is delivered through the provision of an education for 4 -11 year-old girls. The School is also committed to broadening access to the School by offering eligible parents/guardians means-tested financial support with the payment of school fees. Such support is known as a bursary and bursaries may be awarded in the form of a discount of up to 100 per cent of tuition fees payable together with a uniform allowance and support towards the cost of residential visits, depending on the financial circumstances of applicants. The School is cognisant of the importance of making sure that a girl awarded a bursary would benefit from the education provided by the School. Bursary awards will be offered for pupils on entry:

- Who meet the School's normal entry requirements, and
- Whose parents have demonstrated their inability to afford a full fee-paying place. A means testing process is in place.

Bursaries are awarded to girls joining in Year 3, and in the current year there were a total of thirteen pupils on means-tested Bursaries in Year 3-6, including one new joiner in Year 3.

The Governors give careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplemental guidance on public benefit in relation to the advancement of education and on fee-charging. The School is a registered charity and is very involved in seeking wider benefits for the public in line with its educational objectives.

The Bute House Explore Programme continues to develop a range of public benefit programmes, and reaches out to all local primary schools with programmes and activities to enrich learning across the curriculum and beyond.

The school has an established Saturday School, which ran during the Autumn Term in the current year, and through the Spring Term until the period just prior to the national lockdown. The School uses its own teaching and support staff to develop and run the Saturday School programme for children identified by local primary Heads who would most benefit from the programme. Bute House staff are involved in delivering the non-core public benefit programme, giving up their time to commit their expertise and talent to create the best experiences and opportunities for all the children who participate.

Community Relationships

The school continues to support the local community association and provides use of the Hall for its Annual Quiz.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2020

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The School reported a deficit of £124,940 (2019: surplus of £81,901) from its normal operating activities in the year and a restricted income surplus of £51,741 (2019: £846,772), primarily donations to support the School's Bursary Scheme. The exceptional level of restricted income in the prior year was from donations to support a programme of building work carried out during 2019. After taking account of bursaries funded by the Bursary Fund and restricted income donations, the net result for the year as shown in Note 2 to the accounts is a deficit of £73,199 (2019: surplus of £928,673).

The movement in the net financial position year on year reflects the impact of school closures during the lockdown period during the Summer Term; Governors made the decision to offer a fee discount in the Summer Term of 10% of the terms fee for Years 3-6, and 30% for Reception to Year 2, although the school put in place a significant programme of remote learning for the Summer Term. The cost of fee discounting to the School was £264k and the school also incurred additional costs of supporting staff working remotely to support the Virtual School, and additional cleaning costs associated with COVID-19. The School continues to pay rental to the Mercers' Company for the land on which the school stands.

Pupil numbers remained consistent at 318 throughout the year, and fees increased by 6.5% from September 2019, the increase supporting continued investment in staffing, with the increase in the employer contributions to the Teachers' Pensions Scheme from 16.48% to 23.12%, effective from September 2019, impacting on total staffing expenditure for the year. Total operating expenditure increased by 3% year on year to £5.547mn (2019: £5.405mn), and staffing costs accounted for 67% of total expenditure (2019: 63%).

Following on from the significant programme of building works completed in August 2019, ready for the start of the Autumn Term, a new Food Technology and Wrap Around Care room was completed at the end of the Autumn Term and came into use in January 2020, a capital expenditure of £208k. This work was the main part of the capital expenditure in the current year, and provided space for the School to begin its wraparound care provision with an external provider, Aktiva Camps, from February 2020.

Restricted funds of £128,070 (2019: £900,372), were received during the year, consisting primarily of donations for the Building programme of £67,619, grants of £57,166 for the Bursary Fund and funding of £3,285 for the STEAM curriculum week.

Net assets decreased to £7,685,413 (2019: £7,759,094) and overall, the Governors are satisfied with the financial position of the School in relation to its ongoing commitments.

INVESTMENT POLICY

The School does not have significant investments apart from its cash holdings. The School currently minimises the investment risk by applying its treasury policy which includes:

Permitted investments:

- UK Deposits on demand
- UK Term deposits
- UK certificates of Deposit issued by UK banks

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2020

Counterparties

- Investments are only with UK institutions with a short-term rating of P1, A1 or F1.

Concentration risk

- Utilising more than one financial institution
- Funds are placed for a maximum of one year

Funds during the year were deposited with Barclays Bank PLC, and Lloyds TSB Bank plc in line with the above policy. £162,244 (2019: £163,690) also remained with the Charities Aid Foundation. Interest generated was constrained by the continuing low level of UK interest rates.

RESERVES POLICY

The Governors regularly review the level and nature of the reserve funds of the School.

After taking account of the net surplus in the current year of £0.9mn and the use of free reserves of £1.3mn for the building programme, at 31 August 2020 the School had free reserves of £679,607 (2019: £979,957), a reduction of £0.3mn. The School also had a fixed asset fund of £6,879,914 (2019: £6,626,182), and the balance of the bursary fund was £nil as at 31st August 2020 (2019: £11,185).

The Governors' long term intention is to maintain the free reserves to cover unforeseen risks. Currently this is targeted at the equivalent of approximately one term's expenditure. This level was maintained up to the Summer Term, but the unforeseen impact of COVID-19 and fee discounts that were given in the Summer year led to a reduction in the level of reserves, but it is the Governor's intention to build up the free reserve back to the level of one term's expenditure. Governors are also committed to maintaining and developing the School's premises and equipment which are key to delivering the School's aims.

The Governors believe that the School has adequate financial resources and is well placed to manage its business risks. The School's planning process, including financial projections, has taken into consideration the current economic climate and the impact of the COVID-19 pandemic on the Schools key sources of income and planned expenditure. The Governors have a reasonable expectation that the School has adequate resources to continue in operational existence for the foreseeable future, and is able to meet its objectives through a remote teaching programme should a further closure of schools be required in a future lockdown caused by the COVID-19 pandemic. They believe that there are no material uncertainties that call into doubt the School's ability to continue. The accounts have therefore been prepared on the basis that the School is a going concern.

PLANS FOR THE FUTURE

The School's key objective is to educate all its pupils in a challenging, happy and supportive environment, to be at the forefront of educational development, and to place its leavers in schools appropriate to their personalities and their abilities. The School is well placed to meet these objectives through the continued investment in staffing and premises. The School's Partnerships work with the local community continues to be expanded despite the lockdown and restrictions imposed by the COVID-19 outbreak.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2020

RISK MANAGEMENT

The Governors have assessed the major risks to which the School is exposed, in particular those relating to the operations and finances of the School, and are satisfied that systems are in place to manage exposure to those major risks within acceptable bounds. The School's risks are documented in a Risk Register which will continue to be reviewed and updated on a termly basis. Risks and controls are also regularly reviewed by the Finance, Operations & Risk Committee.

FUNDRAISING

The Governors take their responsibility under the Charities (Protection and Social Investment) Act 2016 seriously and have considered the implications on the school's activities. The School has not undertaken fundraising activity in the current year.

The School follows the Fundraising Regulator's Code of Practice, has established a Fundraising Committee and has a Fundraising Policy and anti-money laundering policy in place. The majority of fundraising is from current and past parents and alumni, as well as connected organisations.

The school does not actively solicit donations from the general public more widely, and will not accept donations from anyone who does not have a connection with the School, in line with its Fundraising Policy. The Governors are not aware of any complaints made in respect of fundraising during the period.

PRINCIPAL RISKS AND UNCERTAINTIES

Major risks to the School are considered to come from any physical or emotional harm to the pupils or staff, to the School's reputation, damage to its fabric, from its ability to attract and retain good staff, or from a serious incident. To help deal with these issues:

- All staff sign a safeguarding statement and all pupils' health is monitored on pupils' files and on an accident database which reports to the Health & Safety Committee termly.
- Staff health and safety is monitored and staff reminded termly of their legal obligations to work in a safe and healthy manner.
- Governors annually assess staff salaries and benefits to ensure staff are adequately rewarded.
- Reputational risk is assessed from all the key standpoints, financial and legal advice is taken as required, also a PR company advises on potential media issues arising.
- In terms of fabric damage, comprehensive insurance is maintained for all likely scenarios and a ten-year Maintenance Plan is in place.
- In terms of a serious incident affecting human safety or the school environment, the School has a Crisis Management Plan in place, which is updated and tested periodically.

The risks to the school associated with the ongoing COVID-19 pandemic are monitored closely, and the school follows the latest guidance from the Department for Education in its ongoing operations. The School has a risk assessment in relation to COVID-19 available to view on the school website. This is regularly updated and reviewed by Governors. The School revised the budget for 2020 – 2021, considering cost savings made during the period of school closure during January – 8th March 2021 and a small rebate on fees has been given to parents in light of these savings during the period of lockdown.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
GOVERNORS' REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2020

AUDITORS

Saffery Champness LLP were appointed during the year and have expressed their willingness to continue as auditors for the next financial year.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of Bute House Preparatory School for Girls Limited for the purposes of company law) are responsible for preparing the Governors' 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 accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The Governors are responsible for keeping proper 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.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governors of Bute House Preparatory School for Girls, including in their capacity as company directors approving the Strategic Report contained therein.

This report was approved by the governors on *12th May* 2021 and signed on their behalf by:

.....*Susan Bailes*.....

Susan Bailes
Chair of Governors

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
INDEPENDENT AUDITOR'S REPORT
YEAR ENDED 31 AUGUST 2020

Opinion

We have audited the financial statements of Bute House Preparatory School for Girls Limited for the year ended 31 August 2020 which comprise the statement of financial activities, balance sheet, 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 Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the charitable company's state of affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

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

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2020

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of 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 Trustees' Annual Report and Strategic Report.

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

- adequate 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 set out on page 10, the trustees (who are also 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 to do so.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
INDEPENDENT AUDITOR'S REPORT (CONTINUED)
YEAR ENDED 31 AUGUST 2020

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with that Act.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting 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 and the trustees, 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, the charitable company's members and trustees as a body, for our audit work, for this report, or for the opinions we have formed.



.....

Cara Turlington (Senior Statutory Auditor)
for and on behalf of Saffery Champness LLP

Chartered Accountants 71 Queen Victoria Street
Statutory Auditors London
 EC4V 4BE

Date: 13 May 2021

Saffery Champness LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
STATEMENT OF FINANCIAL ACTIVITIES
(INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted funds £	Restricted funds £	Total 2020 £	Total 2019 £
INCOME AND ENDOWMENTS FROM					
Charitable activities					
School fees	2	5,163,364	-	5,163,364	5,013,962
Other educational income		95,984	-	95,984	308,525
Registration fees and other		63,198	-	63,198	52,739
Other activities to generate funds					
Investment income		19,197	-	19,197	24,325
Donations	3	-	128,070	128,070	900,372
Other activities	3	5,953	-	5,953	25,831
Total income		5,347,696	128,070	5,475,766	6,325,754
TOTAL EXPENDITURE ON					
Raising funds					
Financing costs	4	1,688	-	1,688	4,086
Charitable activities					
School operating costs and grants		5,470,948	74,883	5,545,831	5,401,213
Total expenditure	5	5,472,636	74,883	5,547,519	5,405,299
Net income/(expenditure) before gain/(loss) on investments		(124,940)	53,187	(71,753)	920,455
Net (losses)/gains on investments	9	-	(1,446)	(1,446)	8,218
Net income/(expenditure)		(124,940)	51,741	(73,199)	928,673
Actuarial gain/(loss) on defined benefit pension scheme	17	(482)	-	(482)	(12,751)
Transfers	12	67,619	(67,619)	-	-
Net movement in funds		(57,803)	(15,878)	(73,681)	915,922
Total funds brought forward		7,617,324	141,770	7,759,094	6,843,172
Total funds carried forward	13	7,559,521	125,892	7,685,413	7,759,094

The statement of financial activities includes all gains and losses recognised in the year.
All income and expenditure derives from continuing activities.
The notes on pages 17 to 34 form part of these financial statements.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	£	2020 £	£	2019 £
Fixed assets					
Tangible fixed assets	8		6,879,914		6,626,182
Investments	9		162,244		163,690
			<u>7,042,158</u>		<u>6,789,872</u>
Current assets					
Debtors	10	254,070		398,560	
Cash at bank and in hand		<u>2,349,847</u>		<u>2,988,345</u>	
		2,603,917		3,386,905	
Creditors: amounts falling due within one year	11	<u>(1,911,220)</u>		<u>(2,364,727)</u>	
Net current assets			692,697		1,022,178
Total assets less current liabilities			<u>7,734,855</u>		<u>7,812,050</u>
Creditors: amounts falling due after one year			-		-
Net assets before pension liability			<u>7,734,855</u>		<u>7,812,050</u>
Defined benefit pension scheme	17		(49,442)		(52,956)
Net assets			<u><u>7,685,413</u></u>		<u><u>7,759,094</u></u>
Funds					
<i>Unrestricted funds</i>					
General funds		679,607		979,957	
Fixed assets fund		6,879,914		6,626,182	
Bursary fund		<u>-</u>		<u>11,185</u>	
			7,559,521		7,617,324
<i>Restricted funds</i>			<u>125,892</u>		<u>141,770</u>
Total funds	12		<u><u>7,685,413</u></u>		<u><u>7,759,094</u></u>

The notes on pages 17 to 34 form part of these financial statements.

Approved by the Board of Governors and authorised for issue on 12 May 2021 and signed on its behalf by:

.....*Susan Bailes*.....
 Susan Bailes
 Chair

.....*Mark Perry*.....
 Mark Perry
 Chair of Finance Committee

Company registration number 00571803

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
CASH FLOW STATEMENT
YEAR ENDED 31 AUGUST 2020

	2020		2019	
	£	£	£	£
Cash flows from operating activities:				
Net cash provided by/(used in) operating activities		(154,095)		1,506,306
	<i>(see below)</i>			
Cash flows from investing activities:				
Interest received	19,197		24,325	
Purchase of property, plant and equipment	<u>(503,600)</u>		<u>(2,154,696)</u>	
Net cash provided by/(used in) investing activities		(484,403)		(2,130,371)
Cash flows from financing activities:				
Repayment of bank loan	<u>-</u>		<u>(90,000)</u>	
Net cash provided by/(used in) financing activities		-		(90,000)
Change in cash and cash equivalents in the reporting period		<u>(638,498)</u>		<u>(714,065)</u>
Cash and cash equivalents at the beginning of the period		2,988,345		3,702,410
Cash and cash equivalents at the end of the period		<u>2,349,847</u>		<u>2,988,345</u>

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

Net income/(expenditure) for the reporting period	(73,199)		928,673
Adjustments for:			
(Gains)/losses on investments	1,446		(8,218)
Non- cash movement on Independent Schools' Pension Scheme	(482)		(12,751)
Depreciation charges	302,918		245,775
Interest receivable	(19,197)		(24,325)
Loss/(profit) on the sale of fixed assets	-		16,754
(Increase)/decrease in debtors	144,490		(153,839)
Increase/(decrease) in creditors	(510,071)		514,237
Net cash provided by/(used in) operating activities		<u>(154,096)</u>	<u>1,506,306</u>

Analysis of changes in net debt

	At the start of year	Cash flows	At the end of year
Cash	2,988,345	(638,498)	2,349,847
	<u>2,988,345</u>	<u>(638,498)</u>	<u>2,349,847</u>

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS
YEAR ENDED 31 AUGUST 2020

Charity information

Bute House Preparatory School for Girls is a registered charity (No. 312739) and company (No. 00571803) which is incorporated and registered in England and Wales. The address of the registered office is Bute House, Luxemburg Gardens, London, W6 7EA.

The charity is a company limited by guarantee. In the event of the charity being wound up, the liability of members in respect of the guarantee is limited to £1. At 31 August 2020, the total of such guarantees was £12 (2019: £12).

1. Accounting policies

1.1 Basis of accounting

The accounts have been prepared in accordance with the Companies Act 2006 and the 'Statement of Recommended Practice: Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011.

The financial statements are prepared on the historical cost basis excepting the revaluation of investments.

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

The Charity constitutes a public benefit entity as defined by FRS 102.

Going concern

Having reviewed the funding facilities available to the School together with the expected ongoing demand for places and the School's future projected cash flows, the Governors have a reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the School's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities.

In March 2020 the World Health Organisation declared the outbreak of the Covid-19 virus to be a global pandemic. The school re-opened fully for all year groups from 3rd September 2020 following the period of closure from 18th March 2020, during which time a comprehensive programme of remote teaching was in place. The arrangements for the re-opening of School to all year groups was carried out in line with the guidance issued from the Department of Education and Public Health England. Governors have approved the risk assessment for the re-opening of school and this continues to be regularly updated and reviewed in line with the latest Government Guidance.

Governors remain confident that the school remains a going concern, and that appropriate steps to manage the ongoing risk of COVID-19 in the school are taken, and the academic and pastoral welfare of the pupils is being well supported.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

1.2 Income

Fees receivable and similar earned income are credited to the Statement of Financial Activities (SOFA) in the year for which they are due. Deferred income represents amounts received for future periods and is released to the SOFA in future periods when the service is provided.

Fees due in respect of Bursary Students are deducted from fee income and a transfer is made from the Bursary Fund to the General Reserve to cover the Bursary Fee income.

Donations are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Trust is considered probable.

Gifts of assets and services are recognised at the time of receipt at their value to the charity when the benefit is reasonable, measurable and quantifiable.

1.3 Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities. The School is not registered for VAT and accordingly expenditure is shown gross of VAT.

Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of the resources. Governance costs are those incurred in connection with the administration of the charity and in compliance with constitutional and statutory requirements.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less depreciation. Depreciation is recognised so as to write off the cost of assets less their residual values over their useful lives on the following bases:

Leasehold premises	over 50 years on cost
<i>Plant and equipment:</i>	
Computer equipment	33% per annum
Fixtures, fittings and equipment	10% per annum

Assets purchased which cost less than £500 are not capitalised and are expensed to the Statement of Financial Activities in the year in which they are purchased.

The School negotiated with the Mercers' Company to grant a new lease for 125 years which took effect from 24 December 1997. Amortisation of the School's premises is charged over 50 years on a straight line basis, with effect from 1 September 1998.

1.5 Investments

Fixed asset investments held for charitable purposes are stated at market value. Unrealised gains and losses arising on the revaluation of fixed asset investments during the year are credited or charged to the Statement of Financial Activities under 'Unrealised gain on investments'.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

1.6 Debtors

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

1.7 Cash at bank and in hand

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

1.8 Creditors

Creditors are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured or estimated reliably. Creditors are normally recognised at their settlement amount after allowing for any trade discounts due.

1.9 Funds

General funds are unrestricted funds available for use at the discretion of the Governors to further the general objectives of the School that have not been designated for other purposes.

Designated funds, comprising the fixed asset fund which is maintained at the amount of net tangible fixed assets less the bank loan (repaid during the year) and the bursary fund, are unrestricted funds that have been set aside by the Governors for particular purposes.

Restricted funds are funds that the School has received subject to specific restrictions imposed by the donor.

1.10 Pension costs

The School contributes to two independently administered defined benefit pension schemes: the Teachers' Pension Defined Benefit Scheme and the Independent Schools Pension Scheme (ISPEN). The school contributes to these schemes at rates set by the schemes' actuaries and advised to the School by the scheme's administrators. The schemes are multi-employer pension schemes and it is not possible to identify the assets and liabilities of the schemes which are attributable to the School. The School also contributes to one defined contribution scheme, contributions by the School are accrued as they fall due.

1.11 Taxation

The School is a registered charity and its income is not liable to taxation as it is applied to wholly charitable purposes.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

1.12 Financial instruments

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

1.13 Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in accordance with FRS 102 requires the trustees to make estimates and assumptions concerning the future. The estimates and assumptions that could have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year include accruals, depreciation, freehold building residual values and revenue recognition. The accounting in these areas of the accounts requires management to use judgement.

2. School fees

	2020	2019
	£	£
The school's fee income comprised:		
Gross fees	5,308,307	5,233,644
Less: Bursaries and grants	(202,109)	(261,682)
	5,106,198	4,971,962
Add back: grants and bursaries paid by restricted funds	57,166	42,000
	5,163,364	5,013,962
Operating school fee (excluding bursaries and Hardship grants)	5,163,364	5,013,962

The treatment of Bursaries and Grants during the year means the following:

	Unrestricted funds	Restricted funds	2020 Total funds	2019 Total funds
Net result for the year	(61,087)	(12,593)	(73,680)	915,922
Add back:				
Bursaries funded from restricted funds	-	57,166	57,166	42,000
Bursaries funded from unrestricted funds	11,185	-	11,185	219,682
Hardships funded from restricted funds	-	-	-	-
Less:				
Donations to the Building Fund	(67,619)	-	(67,619)	(825,872)
Operating surplus for the year	(117,521)	44,573	(72,948)	351,732

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

3. Other income

	2020	2019
	£	£
Donations:		
Bursary Fund (restricted)	57,166	42,000
Sainsbury Fund (restricted)	-	2,500
Saturday School (restricted)	-	30,000
Building Fund (restricted)	67,619	825,872
STEAM week (restricted)	3,285	-
	128,070	900,372
Other activities:		
Facilities hired out by the School	5,953	25,831

Donation income includes gift aid income on relevant donations.

4. Financing costs

	2020	2019
	£	£
Interest payable on bank loan	(760)	1,290
Other interest payable	555	809
Bank charges	1,893	1,987
	1,688	4,086

5. Analysis of total expenditure

2020	Staff costs	Other costs	Depreciation	Total
	£	£	£	£
Raising Funds				
Finance costs	-	1,688	-	1,688
Charitable activities				
School operating costs:				
Teaching	2,789,716	501,153	169,724	3,460,593
Welfare (including catering)	-	253,467	3,976	257,443
Premises	112,295	423,772	129,218	665,285
Support costs (note 6)	874,155	288,355	-	1,162,510
	3,776,166	1,466,747	302,918	5,545,831
Total Expenditure	3,776,166	1,468,435	302,918	5,547,519

Staff costs exclude Chartwells Independent staff of £138,007 (2019: £188,497).

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

2019	Staff costs £	Other costs £	Depreciation £	Total £
Raising Funds				
Finance costs	-	4,086	-	4,086
Charitable activities				
School operating costs:				
Teaching	2,542,358	737,587	112,581	3,392,526
Welfare (including catering)	-	338,326	3,976	342,302
Premises	137,624	378,021	129,218	644,863
Support costs	703,283	318,239	-	1,021,522
	<u>3,383,265</u>	<u>1,772,173</u>	<u>245,775</u>	<u>5,401,213</u>
Total Expenditure	<u>3,383,265</u>	<u>1,776,259</u>	<u>245,775</u>	<u>5,405,299</u>

6. Governance costs included in support costs

	2020 £	2019 £
<i>Current auditor</i>		
Auditor - Audit fees (current year)	11,750	11,700
- Audit fees (prior year under accrual)	400	-
Auditor - Non-audit fees	2,350	1,600
Governors' expenses	<u>1,487</u>	<u>8,287</u>
	<u>15,987</u>	<u>21,587</u>

The Governors receive no remuneration for their services.

Expenses reimbursed to Governors during the year amounted to £1,487 (2019: £8,287) for 12 Governors in total (2019: 13). Expenses related to travel and fees for training courses and seminars, and for subscriptions to the Governance magazine.

7. Employee information

Total staff costs were as follows:

	2020 £	2019 £
Wages and salaries	2,941,622	2,754,067
Employer's national insurance	309,899	280,160
Employer's pension contributions	<u>524,645</u>	<u>349,038</u>
Total staff costs	<u>3,776,166</u>	<u>3,383,265</u>

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

In addition, the School paid £16,776 (2019: £30,499) to club coaches. Whilst club coaches are paid through the payroll, they are not regarded as employees of the School and so their costs have been excluded from the staff costs shown above.

Remuneration totalling £1,090,600 was paid to Key Management Personnel during the year (2019: £837,402). The key management personnel are defined on page 4. This has increased following a restructure and there are now more members of the senior leadership team.

The number of staff with emoluments in excess of £60,000 is set out below:

	2020	2019
	No	No
£60,000 - £70,000	6	5
£70,000 - £80,000	4	3
£90,000 - £100,000	-	-
£100,000 - £110,000	-	-
£110,000 - £120,000	-	1
£120,000 - £130,000	1	-

Eight of these employees are members of the Government's Teachers Pension Defined Benefits Scheme.

The total number of employees during the year, including full-time and part-time staff was:

	2020	2019
	No	No
Teaching	37	41
Teaching assistants	10	11
Non-teaching	35	29
	<u>82</u>	<u>81</u>

The total head count of employees during year, calculated on the basis of full-time equivalents including those working under 30 hours per week was:

	2020	2019
	No	No
Teaching	33	37
Teaching assistants	10	11
Non-teaching	28	27
	<u>71</u>	<u>75</u>

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

8. Tangible fixed assets

	Leasehold premises £	Plant and Equipment £	Total £
Cost			
At 1 September 2019	8,571,485	1,266,191	9,837,676
Additions	342,502	214,148	556,650
Disposals	-	(42,537)	(42,537)
	<u>8,913,987</u>	<u>1,437,802</u>	<u>10,351,789</u>
Depreciation			
At 1 September 2019	2,429,947	781,547	3,211,494
Charge for the year	175,997	126,921	302,918
Disposals	-	(42,537)	(42,537)
	<u>2,605,944</u>	<u>865,931</u>	<u>3,471,875</u>
Net book value			
At 31 August 2020	<u>6,308,043</u>	<u>571,871</u>	<u>6,879,914</u>
At 31 August 2019	<u>6,141,538</u>	<u>484,644</u>	<u>6,626,182</u>

9. Fixed asset investments

	2020 £	2019 £
UK Managed Funds		
Market value at 1 September 2019	163,690	155,472
Unrealised investment gains/(losses)	(1,446)	8,218
	<u>162,244</u>	<u>163,690</u>
Market value at 31 August 2020	<u>162,244</u>	<u>163,690</u>
Historical cost at 31 August 2020	<u>120,799</u>	<u>120,799</u>

The investment is held principally to provide income for the Sainsbury Fund (note 13).

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

10. Debtors

	2020	2019
	£	£
Fee debtors	28,214	35,397
Other debtors	(2,666)	357
Prepayments and accrued income	228,522	362,806
	254,070	398,560

Fee debtors relate to the cost of clubs, trips and other sundry costs in regard to summer term activities, billed in August and received in September.

11. Creditors: amounts falling due within one year

	2020	2019
	£	£
Trade creditors	43,476	65,178
Accruals	94,047	607,652
Deferred income	133,933	82,108
Acceptance fees deposits	1,637,068	1,609,108
Other creditors	2,696	681
	1,911,220	2,364,727

Acceptance fee deposits

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

Deferred income reflects payments received in advance for the Autumn term's fees. All income deferred in 2019 was released in 2020.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

12. Statement of movement in funds

2020	Balance at 1 September 2019 £	Income	Expenditure	Transfers, actuarial gain, and loss on investments	Balance at 31 August 2020 £
Unrestricted Funds:					
General funds	979,956	5,347,696	(5,169,718)	(478,327)	679,607
Fixed asset fund	6,626,182	-	(302,918)	556,650	6,879,914
Bursary fund	11,186	-	-	(11,186)	-
Restricted Funds:					
Bursary fund	-	57,166	(57,166)	-	-
The Sainsbury Fund	110,132	-	-	(1,446)	108,686
Saturday School	31,638	-	(14,432)	-	17,206
Building Fund	-	67,619	-	(67,619)	-
STEAM week	-	3,285	(3,285)	-	-
	7,759,094	5,475,766	(5,547,519)	(1,928)	7,685,413

2019	Balance at 1 September 2018 £	Income	Expenditure	Transfers, actuarial gain, and loss on investments	Balance at 31 August 2019 £
Unrestricted Funds:					
General funds	1,884,142	5,425,382	(5,097,706)	(1,231,862)	979,956
Fixed asset fund	4,607,292	-	(245,775)	2,264,665	6,626,182
Bursary fund	230,868	-	-	(219,682)	11,186
Restricted Funds:					
Bursary fund	-	42,000	(42,000)	-	-
The Sainsbury Fund	99,414	2,500	-	8,218	110,132
Saturday School	21,456	30,000	(19,818)	-	31,638
Building Fund	-	825,872	-	(825,872)	-
	6,843,172	6,325,754	(5,405,299)	(4,533)	7,759,094

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

The fixed assets fund represents the School's net investment in fixed assets, less the bank loan. The transfer to the fixed asset fund from general funds reflects the movement in the net book value of fixed assets in the year, less the movement in the amount in the bank loan.

The designated bursary fund represents funds set aside by the Governors to support the bursary scheme. The transfer from general funds to the designated bursary fund represents the bursaries funded by the designated funds.

The restricted bursary fund represents donations given to the School for bursaries as specified by the donors.

The Sainsbury Fund was established in 1991 to provide assistance with School fees to parents in cases of hardship. An established set of criteria exists for applications to the Hardship Fund, which are considered by the Bursary Committee of Governors.

The Saturday School Fund represents donations received to set up and fund a Saturday school.

The Building Fund represents donations given to the School for expenditure on the Bute Build project. The transfer from the Building Fund to the fixed asset fund represents purchases made using the restricted fund that are capitalised and the restriction has then been released.

The School invited donations from parents towards the cost of a high-profile visiting speaker to provide the keynote speech as part of its STEAM week in February 2020. The cost of £5k was higher than the school would budget for a visiting speaker, but felt it was an exciting opportunity for the pupils, and asked parents for donations to support the event. Donations of £3.3k were received towards the cost, and the School was able to invite Year 5-6 pupils from local state primary schools to participate, to broaden the benefit from the event to others.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

13. Analysis of net assets between funds

2020	Tangible fixed assets £	Investments £	Other assets/ (liabilities) £	Total £
Unrestricted Funds:				
General funds	-	-	679,607	679,607
Fixed asset fund	6,879,914	-	-	6,879,914
Bursary fund	-	-	-	-
Restricted Funds:				
The Sainsbury Fund	-	162,244	(53,558)	108,686
Saturday School	-	-	17,206	17,206
Total funds 2020	6,879,914	162,244	643,255	7,685,413

2019	Tangible fixed assets £	Investments £	Other assets/ (liabilities) £	Total £
Unrestricted Funds:				
General funds	-	-	979,956	979,956
Fixed asset fund	6,626,182	-	-	6,626,182
Bursary fund	-	-	11,186	11,186
Restricted Funds:				
The Sainsbury Fund	-	163,690	(53,558)	110,132
Saturday School	-	-	31,638	31,638
Total funds 2019	6,626,182	163,690	969,222	7,759,094

The liabilities included within The Sainsbury Fund represent the grants paid using unrestricted funds which will be transferred when the investment is realised.

14. Capital commitments

The School had no capital commitments at the year end.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

15. Operating lease commitments

Lessee

Operating lease payments represent rentals payable by the School for its property and office equipment. The property relates to a 125 year lease commencing 1997 from The Mercers' Company.

Under the terms of the lease rental income is chargeable from 25th December 2019 up to a maximum cap of 3% of revenue.

The Mercers' Company have carried out a rent review. The school has carried out its review and agreed with The Mercers' Company an annual rent of £83,500 per annum, to be reviewed every five years per the terms of the lease.

The disclosure below shows future payments being made at £83,500 p.a. in respect of this lease.

	2020	2020	2019	2019
	£	£	£	£
	Land and		Land and	
	buildings	Other	buildings	Other
Within one year	83,500	26,833	83,500	26,833
Between two and five years	334,000	74,038	334,000	98,000
In over five years	8,183,000	-	8,266,500	-
	<hr/>		<hr/>	
	8,600,500	100,871	8,684,000	124,833
	<hr/>		<hr/>	

16. Related party transactions

Two Governors, S. W. J. Wathen and T. Clementi, are Liverymen of the Mercers' Company. The Mercers' Company, as the trustee of the St Paul's Schools Foundation, owns the freehold of the School, and granted in 1997 a 125-year lease. Note that these Governors have resigned during the year.

The School buildings adjoin the playing field, netball courts and swimming pool of St. Paul's Girls' School. The School hires the tennis courts and swimming pool for regular use during term time and the use of the field one day per year for the annual Summer Fair and Sports Day through a standard letting agreement, £13k (2019: £18k). In addition, the School has access to the St. Paul's Girls' School Maintenance Team and resources, £7k (2019: £11k).

Donations totalling £1,750 were received from the trustees during the period (2019: £1,350).

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

17. Pension schemes

17.1 Teachers' Pension Scheme (TPS)

The School participates in the Teachers' Pension Scheme for its teaching staff. The pension costs paid to TPS in the period amounted to £434,307 (2019: £466,124).

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 2012 and the valuation report, which was published in June 2014, confirmed an employer contribution rate for the TPS of 16.4% from 1 September 2015. Employers are also currently required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 16.48%.

This employer rate will be payable until the completion and outcome of the next actuarial valuation which is being prepared as at 31 March 2016. Her Majesty's Treasury published draft Directions for the TPS on 6 September 2019 to allow the Department for Education to finalise this valuation. Early indications from the valuation are that the amount employers will be required to pay towards the scheme may increase substantially from September 2019.

There are also indications that the protections in the new cost cap mechanism required by the Public Service Pensions Act 2013 mean public sector workers will get improved pension benefits for employment over the period April 2019 to March 2023.

17.2 Pensions Trust – Independent Schools' Pension Scheme

The company participates in the scheme, a multi-employer scheme which provides benefits to some 66 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

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

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

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

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

Deficit contributions

From 1 September 2020 to 30 April 2030:	£2,387,357 per annum (payable monthly and increasing by 3% on each 1 st September)
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Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £110.0m, liabilities of £147.4m and a deficit of £37.4m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 September 2016 to 31 August 2029:	£2,341,000 per annum (payable monthly and increasing by 3% on each 1 st September)
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The recovery plan contributions are allocated to each participating employer in line with their estimated share of the scheme liabilities

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

PRESENT VALUES OF PROVISION

	31 August 2020 (£s)	31 August 2019 (£s)	31 August 2018 (£s)
Present value of provision	49,442	52,956	43,156

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 August 2020 (£s)	Period Ending 31 August 2019 (£s)
Provision at start of period	52,956	43,156
Unwinding of the discount factor (interest expense)	555	809
Deficit contribution paid	(4,551)	(3,760)
Re-measurements - impact of any change in assumptions	482	2,379
Re-measurements - amendments to the contribution schedule	-	10,372
Provision at end of period	49,442	52,956

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 August 2020 (£s)	Period Ending 31 August 2019 (£s)
Interest expense	555	809
Remeasurements – impact of any change in assumptions	482	2,379
Remeasurements – amendments to the contribution schedule	-	10,372
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

	31 August 2020 % per annum	31 August 2019 % per annum	31 August 2018 % per annum
Rate of discount	0.90	1.10	1.96

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

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

17.3 Stakeholder scheme

In addition, the school participates in a stakeholder compliant scheme, which is available to non-teaching staff. The stakeholder compliant scheme is a defined contribution scheme. The pension charge for the year includes contributions to this scheme of £76,259 (2019: £88,042). As at the balance sheet date there were 34 active members of the scheme employed by the School. The school continues to offer membership of the scheme to its employees.

BUTE HOUSE PREPARATORY SCHOOL FOR GIRLS LIMITED
NOTES TO THE ACCOUNTS (CONTINUED)
YEAR ENDED 31 AUGUST 2020

18. Comparative statement of financial activities

	Unrestricted funds £	Restricted funds £	Total 2019 £
INCOME AND ENDOWMENTS FROM			
Charitable activities			
School fees	5,013,962	-	5,013,962
Other educational income	308,525	-	308,525
Registration fees and other income	52,739	-	52,739
Other activities to generate funds			
Investment income	24,325	-	24,325
Donations	-	900,372	900,372
Other activities	25,381	-	25,381
Total income	5,425,382	900,372	6,325,754
TOTAL EXPENDITURE ON			
Raising funds			
Financing costs	4,086	-	4,086
Charitable activities			
School operating costs and grants	5,339,395	61,818	5,401,213
Total expenditure	5,343,481	61,818	5,405,299
Net income/(expenditure) before gain/(loss) on investments	81,901	838,554	920,455
Net gains/(losses) on investments	-	8,218	8,218
Net income/(expenditure)	81,901	846,772	928,673
Actuarial gain/(loss) on defined benefit pension scheme	(12,751)	-	(12,751)
Transfers	825,872	(825,872)	-
Net movement in funds	895,022	20,900	915,922
Total funds brought forward	6,722,302	120,870	6,843,172
Total funds carried forward	7,617,324	141,770	7,759,094