



Felsted

FELSTED SCHOOL
ACCOUNTS
FOR THE YEAR ENDED 31 AUGUST 2018
TOGETHER WITH TRUSTEE'S
AND AUDITOR'S REPORTS

Registered Charity Number: 310870

FELSTED SCHOOL

GOVERNORS, OFFICERS AND ADVISERS

FOR THE YEAR ENDED 31 AUGUST 2018

GOVERNORS AND CHARITY TRUSTEES

Felsted School Trustee Limited The Directors of the Trustee Company who served during the year or were subsequently appointed are listed below:	(h)	(a)	(n)	(g)
Mrs J Abel Smith, DL			•	
M Beale * (appointed 12 March 2018)	•			
G P Boulton		•		
R Brown				
Mrs C A Carrington		•		•
Mrs J Crouch				•
J H Davies, OBE - Chairman	•	•	•	
B C W Grindlay		•		
P J Hutley	•		•	
P G Lee, DL (retired 31 December 2018)	•			
Dr J C Nicholson *				•
Mrs A L M Oxnam	•			
O H J Stocken CBE				
Rev N J Stuchfield	•			
W Sunnucks	•	•	•	
J B S Tibbitts	•		•	•
S Wolfe * (appointed 17 November 2018)	•			
(h) Member of the House and Finance Committee (a) Member of the Education Committee (n) Member of the Nominations Committee (g) Member of the Governance Committee * Parent of current pupil				

OFFICERS

HEADMASTER

Mr C J Townsend, BA

HEAD OF PREPARATORY SCHOOL

Mr S C James, BA

BURSAR AND CLERK TO GOVERNORS

Mr A G Clayton BA, MBA

Address and Registered Office

Felsted School
Felsted
Essex CM6 3LL
www.felsted.org

Website

ADVISERS

BANKERS

Barclays Bank Plc
PO Box 885
Mortlock House, Histon
Cambridge CB24 9DE

AUDITORS

Crowe U.K. LLP
St Bride's House
10 Salisbury Square
London EC4Y 8EH

SOLICITORS

Stone King LLP
16 St John's Lane
London EC1M 4BS

FELSTED SCHOOL

ANNUAL REPORT OF FELSTED SCHOOL TRUSTEE

FOR THE YEAR ENDED 31 AUGUST 2018

The Trustee of Felsted School presents its annual report together with the audited accounts for the year ended 31 August 2018 and confirms that they comply with the requirements of the Charities Act 2011, the trust deed and the Charities SORP (FRS 102) applicable to Charities preparing their accounts in accordance with FRS102 the Financial Reporting Standard applicable in the UK and Republic of Ireland.

1. REFERENCE AND ADMINISTRATION INFORMATION

The Charity was founded in 1564 and is registered with the Charity Commission under charity number 310870. The Directors of Felsted School Trustee Ltd, Felsted School's single Trustee, and the Executive officers and principal addresses of the Charity are as listed on the previous page as are particulars of the Charity's professional advisers.

2. STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Charity is governed by its Scheme dating from 1938 and last amended in October 2018.

Governing Body

The structure of the Charity consists of a Board of Directors of the Trustee Company that oversees the management of the Charity, a school, which has two elements, a Senior School for pupils aged 13-18 and a Preparatory School for pupils aged 4-13.

Recruitment and Training of Governors

The Trustee Company Directors are voted onto the Board by the current Board members. The Nominations Committee comprises five current Directors. The Nominations Committee when selecting possible new Directors considers specifications concerning eligibility, personal competence, specialist skills and local availability.

New Directors are inducted into the Trustee Company and the Schools (including Board policy and procedures) by current Directors and the School Executive.

Organisational Management

The Trustee Company Directors are legally responsible for the overall management and control of the School and meet at least three times a year.

The members of the House & Finance (H&F) Committee meet about a month before each meeting of the full Board and on extra occasions as required. This Committee specifically looks at the budget and accounts for the current year, short and medium term forecasts and at infrastructure investment plans and makes recommendations for approval by the Board.

The other committees are the Education Committee, the Governance Committee and the Nominations Committee. The Education and Governance Committees meet each term before the main Board meeting and the Nominations Committee meets once a year to discuss standing items and at other times as required. The Heads and the Bursar attend meetings of the above Committees.

The day to day running of the Schools is delegated to the Headmaster, with the Head of the Preparatory School and the Bursar as the Key Management Personnel. They are supported by their Senior Leadership Teams. Delivery of the School's charitable vision and purpose is primarily dependent on the Key Management Personnel.

FELSTED SCHOOL

ANNUAL REPORT OF FELSTED SCHOOL TRUSTEE

FOR THE YEAR ENDED 31 AUGUST 2018

Organisational Management

The remuneration of the Heads and Bursar is set by the Board, with the policy objective of providing appropriate incentive to encourage performance and of rewarding them fairly and responsibly for their individual contributions to the School's success. The Board delegates the annual review of remuneration of key personnel to the Nominations Committee, which refers to benchmarking information for other similar schools (including that currently compiled by AGBIS), the individual's performance in the previous year, and cost of living awards to other staff. The remuneration package when a new key member of staff is appointed is similarly benchmarked, and appointments are made following a competitive process, taking appropriate external professional advice. We aim to recruit, subject to experience, below or at the medium point within a band (for teaching staff), providing scope for rewarding excellence.

Structure and Relationships

A trading company, Felsted School Enterprises Ltd, was incorporated on 21 August 2006 and was dormant throughout the year.

Risk Management

The Trustee Company is responsible for the management of the risks faced by the School. Detailed considerations of risk have been delegated to the Governance Committee, assisted by the Executive. Risks are identified, assessed and controls established throughout the year. A formal review of the charity's risk management processes is undertaken on an annual basis, as part of that review other committees of the Board will in future review risks appropriate to their areas of oversight.

Through the annual review of the risk register, the Trustees consider the key risks facing the School and agree appropriate mitigation. The principal risks the School faces are considered to be:

- Fee affordability, particularly as the School has had to absorb increases in expenditure that are outside its control, such as pension costs and the apprenticeship levy. This concern is given a high priority when fee increases are considered, particularly in the current uncertain economic environment and the current political threats to the Independent School sector
- The School aims to recruit, retain and develop excellent staff, and this quality would be at risk if less than optimum staff remuneration and conditions were to depress morale. We also employ specialist staff and have clear policies and procedures to ensure high levels of staff welfare and safety.
- The aims and ethos of the School require continuing investment in facilities including ICT for teaching and learning, pastoral care and boarding, sports, drama and other activities. Failure to generate adequate annual surplus for reinvestment would compromise this.
- The School is subject to regulation by a number of bodies, particularly in relation to safeguarding, child protection and health and safety. We appoint and train staff appropriately, and take the necessary specialist advice to ensure compliance.

The key controls used by the charity include:

- formal agendas for all Committee and Board activity;
- detailed terms of reference for all Committees; these were last reviewed in detail in November 2018;
- comprehensive strategic planning, budgeting and management accounting;
- established organisational structure and lines of reporting;
- formal written policies;
- safeguarding procedures as required by law for the protection of the vulnerable.
- a detailed Risk Register reviewed annually by the Governance Committee with key risks reported to and discussed by the Board

FELSTED SCHOOL

ANNUAL REPORT OF FELSTED SCHOOL TRUSTEE

FOR THE YEAR ENDED 31 AUGUST 2018

Risk Management - continued

Through the risk management processes established for the School, the Trustees are satisfied that the major risks identified have been appropriately mitigated where necessary. It is recognised that systems can only provide reasonable and not absolute assurance that major risks have been managed. The Compliance Manager continues to support the Governors and the Leadership Team in the management of risk, policy review and best practice, with a particular emphasis on safeguarding and regulatory compliance. The Governors regularly review the effectiveness of current plans and strategies for managing all identified risks for the School.

Charity Code of Governance

The trustees are aware of the Charity Governance Code published in 2017 which sets out the principles and recommended practice for good governance within the sector. The trustees are satisfied that the Charity applies the principles of the code within its current Governance arrangements.

3. OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The Charity's Objects, as set out in its Scheme, are

The advancement of education specifically but not exclusively by:

- (1) the provision and maintenance of a secondary school ("the School") for boys and girls;
- (2) the provision and maintenance, if the Trustee thinks fit, of a nurse, pre-school, pre-preparatory and preparatory departments within the School; and
- (3) the conduct in connection with the School of such ancillary or incidental educational activities and other associated activities for the benefit of the community as the Trustee thinks fit.

Aims of the School

Felsted seeks to be the school of choice and aspiration for all. "Developing character and making a difference".

1. Felsted seeks to educate all Felstedians to develop them as individual characters, through provision of outstanding all round education.
2. Felsted seeks to develop and stretch students academically, to be life-long learners, well-rounded, aspirational, globally minded, with the skills to flourish beyond school, applying the principles of a growth mindset, to be the best that they can be.
3. Felsted seeks to provide outstanding pastoral care, a safe and supportive environment, co-curricular opportunities, lessons in leadership, service, challenge, personal growth, and emotional/intellectual development.
4. Felsted seeks to develop a strong sense of community, based on development of personal faith, tolerance and respect. This community will include all students, as well as parents, staff, Governors, Old Felstedians and the wider Felsted community.
5. Felsted seeks to make a difference, through developing truly effective global citizens, under the IDEALS of the Round Square, fulfilling our charitable purpose, including making a Felsted education available to families, through bursary, scholarship and outreach.
6. Felsted seeks to provide a strong foundation for the future of the school.

FELSTED SCHOOL

ANNUAL REPORT OF FELSTED SCHOOL TRUSTEE

FOR THE YEAR ENDED 31 AUGUST 2018

Public Benefit Aims and Intended Impact

Within its Objects, Felsted School's public benefit aim is to provide a first class independent education for children aged from 4 to 18, both through strong academic tuition and through developing wider sporting, artistic and social skills in all its pupils. This is intended to provide an environment where each pupil can develop and fulfil his or her potential, thus to help build self-confidence and inculcate a desire to contribute to the wider community.

In the furtherance of these aims the Governors, as the charity trustees, have complied with the duty in s17 of the Charities Act 2011 to have due regard to the Charity Commission's published general and sub-sector guidance concerning the operation of the Public Benefit requirement under that act. The Governors have undertaken appropriate activities in furtherance of their aims for the public benefit. The year's objectives, activities and achievements are set out below.

Felsted School Public Benefit Review 2018

Felsted School has always been mindful of its role in public service and both the School and individual staff and pupils have a long history of supporting charitable and worthy causes with both financial help and practical assistance. The Governors are committed to widening access for potential pupils to include those who cannot afford the School's fees and consider it important that those in poverty should not be excluded from the opportunity to receive the educational support that the School can provide. The School also provides opportunities for the local and wider community to use the educational and other facilities the School has to offer. The School is engaged in sharing the educational expertise of staff with others outside the School and developing the involvement of pupils in charitable activities for the wider benefit of the public.

In order to monitor and support the development of the School's practice in these areas a review is carried out each year.

The Curriculum

The School has high academic standards and educates pupils to excellent levels of achievement.

- The School's public examination results are extremely good. In 2018 96% of our GCSE results were between A* and C or between 9 and 4 and over 87% of A-level grades were between A* and C. The average IB points score in 2017 was 35.6.
- The education of pupils encompasses all aspects of their personal development and promotes their contribution to society in adult life.
- The school has a special interest and focus on Art, Music, Design Technology, Drama and Sport and invests in staff and facilities to provide tuition and resources that are of a national standard.

The School trains and inducts teachers each year to the long term benefit of the wider community. The School is able to induct staff through QTS and has done this for six members of staff in 2017/18.

Means-Tested Assistance

The Governors consider that bursaries are important in ensuring that children from families who would otherwise not be able to afford the fees can access the education offered. Bursary awards are available to children who meet the general entry requirements and are made on the basis of parental means or to relieve hardship where an existing pupil's education and future prospects would be at risk, for example in the case of bereavement or redundancy. In assessing means the School takes a number of factors into consideration including family income, investments and savings and family circumstances. However, the School does not have a large endowment and in funding bursaries the School has to be mindful of ensuring a balance between fee-paying parents, many of whom make considerable personal sacrifices to fully fund their children's education, and those benefiting from the awards. Bursaries are available for up to 100% of fees and can also provide assistance with extra costs for those whose financial need is greatest. They are advertised in the press and further details of the bursary policy and how to apply are provided on the School website. Bursaries are subject to annual review so that the School can ensure that support is only provided to those who require it.

FELSTED SCHOOL

ANNUAL REPORT OF FELSTED SCHOOL TRUSTEE

FOR THE YEAR ENDED 31 AUGUST 2018

Felsted School Public Benefit Review 2018 - continued

Means-Tested Assistance - continued

In total, the School provides fee assistance to over 250 pupils (approximately 24% of the total) at a cost of about £2,967k per annum; 13% of our gross fee income. In 2017/18 the School provided means tested bursary assistance to 68 pupils to the value of £882k; 4% of gross fee income. Ten pupils received bursaries of 100% or thereabouts. The school's policy, in line with that of other Independent Schools, is to award scholarships on the basis of the individual's educational potential, subject to any particular conditions imposed by the original donor where the award is out of restricted funds. Further awards in bursaries and allowances were made from unrestricted funds. Free and subsidised places on the International Summer School were also made available to pupils from local and partner schools.

Links with Other Schools

The School aims to widen access through a variety of initiatives and activities. Partnerships are being grown and developed with local primary schools and with the Royal Docks Community School in Newham, London E16, a mixed comprehensive school for ages 11 to 16.

A number of local children benefit from being able to take part in both term time and holiday time educational activities. These include:

- A number of local schools, as well as some from abroad took part in the Felsted Model United Nations conference and primary schools also attend the Prep School's Model United Nations conference;
- Providing teaching expertise, facility provision, and drama production invitations to local primary schools such as Flich Green Academy and Felsted primary School;
- Gifted and Talented Days for local children in Art, Sport, Science and Modern Languages
- A Design and Technology Day, an Art day and a Science day for pupils from junior schools

A Nursery Conference was hosted on site for local providers

Partnerships

In addition to the links with other Schools, Felsted is committed to building links with partners who can improve the education of children and offer an extended pathway. Current partnerships include

- Junior Guildhall School of Music
- Essex Cricket Club
- Saracens FC and Northampton Saints Rugby
- Blue Hornets Hockey
- Saracens Mavericks Superleague Netball Club
- Lord's Taverners

Charitable Giving and Fund-raising

The School Charity Team develops a programme of events and ideas to encourage Felstedians to grow as global citizens. The team decide which charities the School will support and assist the Houses in choosing how to deploy their efforts.

The School is committed to building partnerships with our four core charities:

FELSTED SCHOOL

ANNUAL REPORT OF FELSTED SCHOOL TRUSTEE

FOR THE YEAR ENDED 31 AUGUST 2018

Felsted School Public Benefit Review 2018 - continued

Charitable Giving and Fund-raising - continued

1. Sparkle Foundation

Founded by Old Felstedian Sarah Brook, the foundation provides education, nutritional support and medical treatment to over 150 vulnerable orphans in Malawi. Felsted pupils have raised a large sum for this fantastic charity over the past few years through numerous events across the School, including an annual Rugby 7's event which involves former pupils and parents. This has allowed the charity to invest in a fresh water borehole and pump, cleaning facilities, classrooms plus a vital vehicle for supplies and emergency treatment. A number of teachers, parents, pupils and the Headmaster have visited the orphanage in Malawi to give support and assistance.

2. Magic Bus

Founded by Old Felstedian Matthew Spacie, this charity aims to improve awareness, life skills and opportunities for vulnerable children in Mumbai. Pupils and staff regularly venture to Mumbai to work with this charity, taking a range of items including mobile phones, sports equipment and clothing.

3. Teach Uganda

Dedicated to supporting communities in Uganda, this organisation helps to bring about permanent, sustainable development through education, health promotion, infrastructure and job creation. Felsted made their first pupil trip to support this charity in 2016 and returned there again in 2018. Felsted has made a big impact to this charity and currently funds several underprivileged local children to study Science A-Levels at a secondary school in Uganda.

4. Felsted Mission

For over a hundred years, the links between The Ascension Church and the Felsted School Mission in the East End of London have continued to grow and develop. The Ascension Church works with the local community through a Garden Café and youth activities, promoting fitness and social interaction. This now extends to the Royal Docks School, where one 100% bursary is offered to a pupils each year to attend Felsted School. Funded mainly by Old Felstedians, the Felsted School Mission contributes some £40,000 per annum to the Ascension.

Use of Facilities

Felsted prides itself in supporting the village and local community, providing opportunities for educational events and school facilities to be used whenever possible. Felsted School allows the use of its facilities for a range of activities which are open to non-School members. This includes classrooms, function rooms, the Hunt Theatre, sporting facilities, the indoor pool and the Felsted Gym. Felsted also hosts many concerts and drama performances throughout the year, all of which are open to the public and most of which are free entry. The Felsted School Steel Band performs regularly and on request (time permitting) outside school at venues such as Essex Cricket. Pupils also exhibit their art at a local gallery each year, which is open to the public.

The following Arts organisations use Felsted facilities:

- The Felsted Choral Society
- The Felsted Parochial Church Council
- Associated Board of the Royal Schools of Music (ABRSM - for music exams)
- The Junior Guildhall
- Essex Music Services
- The National Children's Orchestra
- Essex Chamber Orchestra
- Pro Corda
- Felsted Friendship Club

FELSTED SCHOOL

ANNUAL REPORT OF FELSTED SCHOOL TRUSTEE

FOR THE YEAR ENDED 31 AUGUST 2018

Services to the Community

The School has a very positive relationship with the local village residents and business community. The Felsted Friendship Club is invited to the school play each year and many of our students have helped provide activities for the Felsted Youth Club. Richard Lord Riche (the School's founder) left a number of Almshouses for those in need in the village. Managed by Felsted as part of his legacy, Almshouse residents are nurtured by the School through a number of supportive activities.

A large number of the Senior School participate in weekly volunteer work. These include conservation work around the village, working at the Tabor Centre, helping in local primary schools and a pre-school, visiting residential and care homes for the elderly, helping in a special educational needs school, sorting and packing for Felsted Aid, volunteering in local charity shops and taking part in the community Speedwatch programme.

Community Service Projects: Alongside the regular community service volunteering, the Senior School pupils have been involved in a number of projects:

- A swimathon for charity
- A sponsored whole school "Colour Run", raising a significant sum for Felsted's charity partners.
- An enterprise competition run by Barnardos to raise money for disadvantaged children. They reached the final, meaning that the school community donated clothes and shoes and the team ran a local Barnardo's charity shop for a day, raising considerable sums for the charity.
- Every year at the Prep School, charity fundraising projects raise approximately £15,000 for various charities. Activities include spellathons, fetes, food parcels, cakes sales and sponsored runs.

Economic Impact

In 2018 Oxford Economics was commissioned by the Independent Schools Council, on behalf of their 1,205 schools in Britain, to assess the economic contribution made by those schools annually. Based on the tool developed as part of their review, Felsted School has contributed the following in 2017/18

- Total savings generated for the UK taxpayer, as a result of attendance at Felsted by pupils who could otherwise take up a free UK state school place is £6.7m per annum.
- Felsted employed 520 people during 2017/18.
- Total amount of UK tax supported by Felsted's activities is £11.4m per annum (£5.4m of 'direct tax contribution', £1m of 'indirect tax contribution' and £4.9m of 'induced tax contribution').

Total contribution to UK GDP of £33.5m per annum (£15.6m of 'direct GDP', £4.8m of 'indirect GDP' and £13.1m of 'induced GDP').

Primary Objectives

The objectives are set to reflect the educational aims and the ethos of the School, and to maintain and enhance the academic success of the School. This objective is, however, set in the context of the broader goals set for the School and its pupils.

In setting the objectives and planning the activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education and on fee-charging.

This year, the focus has been on the continued achievement of academic performance and academic value added, and development of the co-curricular programme. The key objectives for the year included:

FELSTED SCHOOL

ANNUAL REPORT OF FELSTED SCHOOL TRUSTEE

FOR THE YEAR ENDED 31 AUGUST 2018

Primary Objectives - continued

- To develop further mechanisms for the improvement of academic performance
- To progress the site development plan, including enhanced provision for academic activities
- To develop measures of added value in all areas of school life, including the co-curriculum for our youngest pupils
- To embed the Felsted Diploma in the provision for Senior and Prep School pupils in order to facilitate and encourage the personal development of all pupils
- To enhance the programme of staff training and development
- To maintain, and grow where possible, pupil numbers in both the Prep and Senior Schools
- To continue to build on the School's extra- curricular strength and internationalism through membership of organisations such as the Round Square
- To develop and implement the School's policy on the provision of means-tested bursaries
- To continue to develop the school's rich and diverse links with the local community

Strategies to achieve the year's objectives

These included continuing to review the School's academic syllabus in order to benchmark academic standards against external public examinations and independent value-added criteria, with academic achievements being balanced by a strong emphasis on sporting and social skills. The School continued to develop the expertise of teaching staff and ensure successor planning and staff development and to develop further the School's links with local junior schools and facilitate wider community access to the School's facilities.

Principal activities of the year

The charity principally provides education to boys and girls from the ages of 4 - 18 in its two schools, the Preparatory School and the Senior School, and also hosts summer schools for overseas students. In 2018 the Senior School maintained pupil numbers at 544 (2017: 521) of whom 430 (2017: 427) were boarders. The Preparatory School averaged 516 (2017: 505) pupils of whom 19 (2017: 24) were full boarders. Waiting lists in some years are encouraging. Pupil numbers in January 2019 were 549 in the Senior School and 508 in the Prep School, and this gives us confidence that the schools can operate at or near capacity for the foreseeable future. This is a result of the continued resolve to build the academic, co-curricular and sporting standards for which the school has become known. A successful Summer School in 2018 built on the success of previous years and provided a sound foundation for future development.

Scholarships and bursaries

This year, the value of scholarships, grants, prizes and other awards made to the schools' pupils was £2,967k (2017 £2,896k). Included in this was £882k in means-tested bursaries (2017 £814k). The school's policy, in line with that of other independent schools, is to award scholarships on the basis of the individual's educational potential, subject to any particular conditions imposed by the original donor where the award is out of restricted funds. Further awards in bursaries and allowances were made from unrestricted funds.

FELSTED SCHOOL

ANNUAL REPORT OF FELSTED SCHOOL TRUSTEE

FOR THE YEAR ENDED 31 AUGUST 2018

4. REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR

2017/18 was another very successful year for the School with continued progress towards the aims of the development plan coupled with some excellent student achievements.

Academically, good progress was made in both schools. Felsted students enjoyed significant success at 'A' level, GCSE and IB.

In sport and the co-curriculum there were a number of achievements, including regional success in girls' and boys' hockey, netball, cricket, tennis, football, athletics, swimming and show-jumping.

Pupils participated in a large number of events to promote internationalism including our own Model United Nations and Round Square events and exchanges.

Fundraising performance

Significant progress has been made this year in the School's ongoing work of raising voluntary funding. Donations totalled £577,817 (2017: £109,467), including Restricted Funds £538,519 (2017: £109,467). Restricted funds will allow the School to increase its provision for means-tested bursaries to allow social mobility for children from disadvantaged backgrounds.

All fundraising activities for the School are carried out by School staff. The School has not used professional fundraisers or have any commercial participators during this financial period. All fundraising activities are managed by the Head of Development and are monitored by the Headmaster and Bursar, with oversight by the Development Steering Group.

No complaints relating to fundraising activities have been received by the School during this financial period. However, the School has in place procedures that would be followed in the event of a complaint being received with the initial response being the responsibility of the Bursar. Any continuing issues would then be passed to the governing body to determine what further action might be required.

The School is enrolled with the Fundraising Preference Service and is registered with the Fundraising Regulator and is complying with the Code of Fundraising Practice published by the Fundraising Regulator. The School also subscribes to membership of the Institute of Development Professionals in Education (IDPE). The School considers that its processes and controls should ensure that vulnerable people and other members of the public are protected from any unreasonable intrusion on a person's privacy and that no fundraising activities would be unreasonably persistent or place undue pressure on a person to give money or other property

5. FINANCIAL REVIEW AND RESULTS FOR THE YEAR

The school has continued to generate a surplus.

Net school fee income for the year to 31 August 2018 was up by 6.8% (2017: decrease 0.3%) on the previous year. Net income was £1,375,417 (2017: £665,585). Total reserves at 31 August 2018 were £41,734,095 (2017: £40,358,678).

Reserves policy

During the year the school's funds increased by £1,375,417 to £41,734,095 of which £18,067,131 were restricted or endowed funds. Restricted funds decreased by £203,687 to £549,528 as shown in note 19. In common with most independent schools, the school's unrestricted reserves are primarily invested in tangible fixed assets, which are all used for direct charitable activities. The School's financial viability does not depend on income reserves but on its ability to continue to trade at a surplus on an annual basis and on the portfolio of fixed assets held for operational use. The aim is to budget so as to provide sufficient working capital to meet the present needs and future development requirements of the school without the requirement to have recourse to sales of tangible fixed assets. The Trustees consider that the school is a going concern and that given the strength of the company's balance sheet, the stable cash flow from student rolls, the on-going popularity of the School, and the available banking facility that can be called upon if need arises, there is no need to build up a free reserve.

FELSTED SCHOOL

ANNUAL REPORT OF FELSTED SCHOOL TRUSTEE

FOR THE YEAR ENDED 31 AUGUST 2018

Investment powers and policy

The Trustee's investment powers are governed by the Trust Deed, which permits the Charity's funds to be invested by an approved investment manager.

The Trustee's policy is to balance the maintenance of the real value of the invested funds with an adequate income to fund expenses met by the investments. Notwithstanding fluctuations in the stock market this aim has been realised in the longer term.

6. FUTURE PLANS

The Senior School's and the Preparatory School's development plans for the year were approved by the Board in June 2018 and will be reviewed annually.

The key objectives within the current plans are:

- Enhancing recruitment and retention of pupils through a focused strategy
- Developing a long term business strategy with defined income streams to take into account the current external threats to the Independent School sector
- To realign the position of the School in the market place through evidence review
- To develop a strong national profile in relation to teaching and learning, welfare and pastoral processes to add value to every individual
- To develop premises and facilities to match and surpass provision in other similar schools including a new classroom facility in the Senior School

7. STATEMENT OF TRUSTEES' RESPONSIBILITIES

The Trustee is responsible for preparing the Trustee's Annual Report and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

The law applicable to charities in England and Wales requires the Trustee to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that year. In preparing these financial statements, the Trustee is required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

FELSTED SCHOOL

ANNUAL REPORT OF FELSTED SCHOOL TRUSTEE

FOR THE YEAR ENDED 31 AUGUST 2018

7. STATEMENT OF TRUSTEES' RESPONSIBILITIES - CONTINUED

The Trustee is responsible for keeping adequate accounting records that are sufficient to show and explain the charity's transactions, disclose with reasonable accuracy at any time the financial position of the charity and enable them to ensure that the financial statements comply with the Charities Act 2011, the Charities (Accounts and Reports) Regulations 2008 and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by the Trustee on and signed on its behalf by:

J H Davies OBE
Chairman of Felsted School Trustee Limited

9 March 2019

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

FELSTED SCHOOL

Opinion

We have audited the financial statements of Felsted School for the year ended 31 August 2018 which comprise the Statement of Financial Activities, Balance Sheet and the Cash Flow Statement 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 state of the charity's affairs as at 31 August 2018 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 Charities Act 2011.

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 charity 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 charity'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 we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE TRUSTEE OF

FELSTED SCHOOL - CONTINUED

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities (Accounts and Reports) Regulations 2008 require us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; 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 pages 10 and 11, the trustees 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 charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Crowe U.K. LLP
Statutory Auditor
London

26 March 2019

Crowe U.K. LLP is eligible for appointment as auditor of the charity by virtue of its eligibility for appointment as auditor of a company under section 1212 of the Companies Act 2006.

FELSTED SCHOOL

STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Year to 31 August 2018 £	Year to 31 August 2017 £
Income and endowments from:						
Charitable activities						
School fees receivable	2	20,875,687	-	-	20,875,687	19,642,072
Ancillary trading income	3	3,205,911	-	-	3,205,911	2,658,785
Other trading activities						
Non-ancillary trading income	4	521,235	-	-	521,235	599,584
Other activities	4	81,974	-	-	81,974	125,830
Investments						
Investment income	5	30,099	35,345	-	65,444	88,460
Bank and other interest		35,388	-	-	35,388	15,671
Voluntary sources						
Grants and donations	6	39,598	538,219	-	577,817	109,467
Total income		24,789,892	573,564	-	25,363,456	23,239,869
Expenditure on:						
Raising funds						
Non-ancillary trading		496,902	-	-	496,902	567,777
Other income-generating activities		1,127,501	-	-	1,127,501	868,340
Financing costs	8	65,279	-	-	65,279	60,461
Fundraising & Development		88,997	-	-	88,997	75,036
Total deductible costs	7	1,778,679	-	-	1,778,679	1,571,614
Charitable activities						
Education and grant making	7	21,941,467	107,934	229,295	22,278,696	21,098,877
Total expenditure		23,720,146	107,934	229,295	24,057,375	22,670,491
Net incoming funds from operations before transfers and investment gains						
		1,069,746	465,630	(229,295)	1,306,081	569,378
Gains on investments	11	-	-	69,336	69,336	96,207
Transfers between funds	19	261,943	(261,943)	-	-	-
Net income and movement in funds for the year		1,331,689	203,687	(159,959)	1,375,417	665,585
Fund balances at 1 September 2017	25	21,785,747	345,841	18,227,090	40,358,678	39,693,093
FUND BALANCES at 31 August 2018		23,117,436	549,528	18,067,131	41,734,095	40,358,678

The notes on pages 18 to 36 form part of these financial statements

FELSTED SCHOOL

BALANCE SHEET

AT 31 AUGUST 2018

	Notes	£	2018 £	£	2017 £	£
FIXED ASSETS						
Tangible assets	10		40,475,832		40,021,622	
Investments	11		1,085,921		1,016,585	
			<u>41,561,753</u>		<u>41,038,207</u>	
CURRENT ASSETS						
Inventories		270,000		283,550		
Debtors	12	946,203		795,469		
Cash		9,279,202		7,367,666		
		<u>10,495,405</u>		<u>8,446,685</u>		
CURRENT LIABILITIES						
Due within one year	13	(8,557,087)		(7,571,698)		
		<u>(8,557,087)</u>		<u>(7,571,698)</u>		
NET CURRENT ASSETS			1,938,318		874,987	
TOTAL ASSETS LESS CURRENT LIABILITIES			<u>43,500,071</u>		<u>41,913,194</u>	
CREDITORS: due after more than one year						
Fees in Advance Scheme	14	(1,599,204)		(1,361,704)		
Pension Scheme funding deficit	22	(166,772)		(192,812)		
		<u>(1,765,976)</u>		<u>(1,580,113)</u>		
NET ASSETS			<u>41,734,095</u>		<u>40,358,678</u>	
FUNDS						
Unrestricted – general reserve	19		23,310,248		22,004,156	
Unrestricted – pension reserve	22		(192,812)		(218,409)	
Restricted	19		549,528		345,841	
Endowment	19		18,067,131		18,227,090	
			<u>41,734,095</u>		<u>40,358,678</u>	

These financial statements were approved and authorised for issue by the Trustee on 9 March 2019 and signed on its behalf by:

J H Davies
Chairman of Felsted School Trustee Limited

The notes on pages 18 to 36 form part of these financial statements

FELSTED SCHOOL

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31 AUGUST 2018

	Notes	2018		2017	
		£	£	£	£
Cash flows from operating activities	(i)				
Net cash provided by operating activities			3,218,063		3,241,624
Cash flows from investing activities:					
Payments for tangible fixed assets		(1,362,705)		(985,635)	
Proceeds on sale of tangible fixed assets		20,625		17,930	
Investment income and bank interest received		100,832		104,131	
Net cash (used in) investing activities			(1,241,248)		(863,574)
Cash flows from financing activities					
Loan financing		-		22,000	
Finance costs paid		(65,279)		(60,461)	
Net cash (used in) financing activities			(65,279)		(38,461)
Change in cash and cash equivalents in the reporting period			1,911,536		2,339,589
Cash and cash equivalents at the beginning of the period			7,367,666		5,028,077
Cash and cash equivalents at the end of the period	(ii)		9,279,202		7,367,666

The notes on pages 18 to 36 form part of these financial statements

FELSTED SCHOOL**NOTES TO THE CASH FLOW STATEMENT****FOR THE YEAR ENDED 31 AUGUST 2018**

(i) Reconciliation of net income to net cash flow from operating activities	2018 £	2017 £
Net income for the reporting period (as per the Statement of Financial Activities)	1,306,081	569,378
Adjustments for:		
- investment income	(100,832)	(104,131)
- finance costs	65,279	60,461
Depreciation charge	897,967	875,862
Defined benefit pension scheme adjustments	(25,597)	(23,852)
(Profit) on sale of fixed assets	(10,098)	(17,930)
Decrease in inventories	13,550	60,256
(Increase)/decrease in debtors	(150,733)	180,717
Increase in creditors (excluding fees in advance scheme and entrance deposits)	690,029	748,287
Increase in fees in advance scheme creditors	374,896	521,028
Increase in entrance deposits	157,521	371,548
	<u>1,911,982</u>	<u>2,672,246</u>
Net cash provided by operating activities	<u><u>3,218,063</u></u>	<u><u>3,241,624</u></u>
ii) Analysis of cash and cash equivalents	2018 £	2017 £
Cash at bank	<u><u>9,279,202</u></u>	<u><u>7,367,666</u></u>

FELSTED SCHOOL

NOTES TO THE ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2018

1 STATEMENT OF ACCOUNTING POLICIES

Basis of Accounts Preparation

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Charities Act 2011 and the 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 (FRS102) – effective 1 January 2015.

These accounts are drawn up on the historical cost basis of accounting, as modified by the revaluation of investments. The financial statements have been prepared to give a 'true and fair' view and have departed from the Charities (Accounts and Reports) regulations 2008 only to the extent required to provide a 'true and fair view'. This departure has involved following Accounting and Reporting by Charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) issued on 16 July 2014 rather than the Accounting and Reporting by Charities: Statement of Recommended Practice effective from 1 April 2005 which has since been withdrawn.

After making enquiries, the trustees have a reasonable expectation that the charity 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 continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees Responsibilities on page 10.

The School is a Public Benefit Entity registered as a charity in England and Wales. It was registered as a charity on 10 April 1964 (charity number 310870).

Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Trustees are required to make judgments, estimates, and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying value in the next financial year.

The following accounting policies have been applied consistently in dealing with items which are considered to be material in relation to the School's financial statements.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the year in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School but include contributions received from Restricted Funds for Scholarships, Bursaries and other grants. Fees received in advance of education to be provided in future years under an Advance Fee Payments Scheme contract are held as interest-bearing liabilities until either taken to income in the term when used or else refunded.

Donations and legacies

Donations receivable for the general purpose of the Charity are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are legally binding on Felsted School Governors. Donation and legacy income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

1 STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Expenditure

Expenditure is accrued as soon as a liability is considered probable, discounted to the present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SOFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use of the underlying assets, as appropriate. The irrecoverable element of VAT is included within the item of expense to which it relates.

Governance costs comprise the cost of the external audit and reimbursement of Governor expenses when attending meetings.

Pension schemes

Retirement benefits to employees of the School are provided through three pension schemes, two defined benefit and one defined contribution. The pension costs charged in the Statement of Financial Activities are determined as follows:

- a) The Teachers' Pension Scheme – this scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable. The Charity contributes to the Teachers' Pension Scheme; a multi-employer defined benefit pension scheme, at rates, varying between 7.4% and 11.7% for employees and 16.48% for employers, set by the Scheme Actuary and advised to the Board by the Scheme Administrator.
- b) The Pension Trust Scheme – this scheme is a multi-employer pension scheme. It is not possible to identify each individual employee's share of the underlying assets and liabilities. In most respects it is a multi-employer scheme but it has some guarantees. As a result it is not possible to identify the School's share of the underlying assets and liabilities of the scheme. However, the School remains potentially liable for a debt on withdrawal from the scheme. In accordance with FRS102 the scheme is accounted for as if it were a defined contribution scheme – see also note 22 (b). The School's contributions of 5% are charged in the period in which the salaries to which they relate are payable for senior non-teaching members of staff
- c) The People's Pension Scheme – this is a money purchase pension scheme. The School's contributions are charged in the period in which the salaries to which they relate are payable for other non-teaching staff

School land and buildings, equipment and plant and machinery

Capitalisation and replacement

Freehold land and buildings were professionally valued by Mullucks Wells, chartered surveyors, in August 2014. The basis of the valuation was that residential freehold and educational buildings were valued on an open market valuation with vacant possession. The August 2014 valuation highlighted a material increase in the value of the freehold land and buildings and the assets are included at this value.

The School has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying values on 1 September 2014, the date of transition to FRS102, of any of the above freehold land and buildings previously carried at valuation, as their deemed cost. All tangible fixed assets are held for use on charitable activities.

Depreciation

Depreciation is provided on other fixed assets to write off their cost, less estimated residual value based on current market prices, in equal instalments over estimated useful lives at the following rates:

Freehold buildings	-	2% to 10% straight line
Plant and equipment	-	10% straight line
Motor vehicles	-	25% straight line

Items costing over £2,500 are capitalised.

1 STATEMENT OF ACCOUNTING POLICIES (CONTINUED)

Investments

Investments are valued in the balance sheet at their mid-market value at the balance sheet date. Unrealised gains and losses arising on revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate fund according to the "ownership" of the underlying assets.

Inventories

Inventories are valued at the lower of cost and estimated selling price less costs to sell.

Operating leases

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term

Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade, other debtors and accrued income but excludes prepayments. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions and fees received from parents in advance of Autumn term. No discounting has been applied to these financial instruments on the basis that the periods over which amounts will be settled are such that any discounting would be immaterial.

Advance Fee Scheme payments

Amounts received under the School's Advance Fee Scheme contracts for education not yet utilised to settle School fees are recorded as deferred income and allocated as current liabilities where the education will be provided within 12 months from the reporting date and as long-term liabilities where the education will be provided in subsequent years.

2 CHARITABLE ACTIVITIES – FEES RECEIVABLE

	2018	2017
	£	£
Fees receivable consist of:		
School fees	23,742,762	22,296,037
Less: total bursaries, scholarships and allowances	(2,966,770)	(2,805,328)
	<u>20,775,992</u>	<u>19,490,709</u>
Add back: Bursaries and other awards paid for by restricted funds	99,695	151,363
	<u>20,875,687</u>	<u>19,642,072</u>

Scholarships, bursaries and other awards were paid to 391 pupils (2017: 410). Within this means tested bursaries totalling £881,730 were paid to 68 pupils (2017: £814,493 to 66 pupils)

FELSTED SCHOOL

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2018

3 CHARITABLE ACTIVITIES - OTHER INCOME

	2018 £	2017 £
Ancillary trading income		
Extras	1,855,058	1,593,225
Entrance and registration fees	55,901	43,240
Commission and other income	1,015	1,465
Transport	225,227	181,200
International Summer School and courses	998,464	762,814
School bookshop	70,246	76,841
	<u>3,205,911</u>	<u>2,658,785</u>

4 OTHER TRADING ACTIVITIES

	2018 £	2017 £
Trading income		
Lettings and sports clubs	188,898	259,888
Other School Shops	332,337	339,696
	<u>521,235</u>	<u>599,584</u>
Other activities		
Interest on overdue fees	15,380	31,314
Other income	66,594	94,516
	<u>81,974</u>	<u>125,830</u>

5 INVESTMENT INCOME

	Unrestricted £	Restricted £	Endowed £	Total 2018 £	Total 2017 £
Securities investment income:					
Equities	-	35,345	-	35,345	34,917
Property investment income:					
Rents receivable	30,099	-	-	30,099	53,543
	<u>30,099</u>	<u>35,345</u>	<u>-</u>	<u>65,444</u>	<u>88,460</u>

FELSTED SCHOOL

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2018

6 GRANTS AND DONATIONS RECEIVABLE

	Unrestricted £	Restricted £	Endowed £	Total 2018 £	Total 2017 £
Bursaries	-	446,209	-	446,209	34,275
Development donations	-	92,010	-	92,010	75,192
Other	39,598	-	-	39,598	-
	<u>39,598</u>	<u>538,219</u>	<u>-</u>	<u>577,817</u>	<u>109,467</u>

7 ANALYSIS OF EXPENDITURE

a) Total expenditure

Year to 31 August 2018

	Staff Costs (note 9) £	Depreciation (note 10) £	Other costs £	2018 £
Cost of raising funds:				
Trading costs	186,669	-	310,233	496,902
Costs of other activities	546,197	-	581,304	1,127,501
Financing costs (note 8)	-	-	65,279	65,279
Development costs	58,650	-	30,347	88,997
Total costs of raising funds	<u>791,516</u>	<u>-</u>	<u>987,163</u>	<u>1,778,679</u>
Charitable expenditure				
Education and grant making				
Teaching	8,506,047	-	2,968,306	11,474,353
Welfare	2,201,583	-	1,170,148	3,371,731
Premises repair and maintenance	766,153	897,967	2,329,109	3,993,229
Support costs and governance	2,324,312	-	1,007,137	3,331,449
Grants, awards and prizes (note 7b)	-	-	107,934	107,934
Total charitable expenditure	<u>13,798,095</u>	<u>897,967</u>	<u>7,582,634</u>	<u>22,278,696</u>
Total expenditure	<u><u>14,589,611</u></u>	<u><u>897,967</u></u>	<u><u>8,569,797</u></u>	<u><u>24,057,375</u></u>

FELSTED SCHOOL

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2018

7 ANALYSIS OF EXPENDITURE (CONTINUED)

Year to 31 August 2017	Staff Costs (note 9) £	Depreciation (note 10) £	Other costs £	2017 £
Cost of raising funds:				
Trading costs	279,299	-	288,478	567,777
Costs of other activities	335,623	-	532,717	868,340
Financing costs (note 8)	-	-	60,461	60,461
Development costs	50,372	-	24,664	75,036
Total costs of raising funds	665,294	-	906,320	1,571,614
Charitable expenditure				
Education and grant making				
Teaching	8,157,231	-	2,671,206	10,828,437
Welfare	2,107,173	-	1,161,414	3,268,587
Premises repair and maintenance	707,131	875,862	2,071,896	3,654,889
Support costs and governance	2,342,516	-	822,615	3,165,131
Grants, awards and prizes (note 7b)	-	-	181,833	181,833
Total charitable expenditure	13,314,051	875,862	6,908,964	21,098,877
Total expenditure	13,979,345	875,862	7,815,284	22,670,491

Depreciation and other costs relating to Felsted School endowed fund properties totalling £229,295 (2017: £56,876), have been charged directly to the endowment fund.

b) Grants, awards and prizes

	Total and Restricted Funds	
	2018 £	2017 £
From Restricted Funds		
Bursaries and other grants and awards	107,934	181,833

c) Governance included in support costs

	2018 £	2017 £
Remuneration paid to auditor for audit services (including irrecoverable VAT)	25,200	24,600
Reimbursement of personal expenses to Governors – travel costs	502	521
	<u>25,702</u>	<u>25,121</u>

Travel expenses were reclaimed by two members (2017: two) of the Governing Body. In addition to the above audit remuneration the auditor received fees for taxation compliance services totalling £4,500 (2017: £9,366).

FELSTED SCHOOL

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2018

8 FINANCE AND OTHER COSTS

	2018	2017
	£	£
Fees in advance debt financing cost	65,279	58,461
Pension Scheme financing cost	0	2,000
	<u>65,279</u>	<u>60,461</u>

9 STAFF COSTS

	2018	2017
	£	£
The aggregate payroll costs for the year were as follows:		
Wages and salaries	12,352,523	11,721,065
Social security costs	1,109,122	1,075,751
Pension contributions	1,127,966	1,091,815
	<u>14,589,611</u>	<u>13,888,631</u>

None of the Governors received any remuneration or other benefits from Felsted School or from any connected body.

Aggregate employee benefits of key management personnel	<u>573,674</u>	<u>543,007</u>
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Number of higher paid employees in bands of:

	2018	2017
	Number	Number
£60,001 - £70,000	14	15
£70,001 - £80,000	1	1
£80,001 - £90,000	1	1
£100,001 - £110,000	2	2
£120,001 - £130,000	-	1
£130,001 - £140,000	1	-
	<u>1</u>	<u>-</u>

The number with retirement benefits accruing -in Defined Contribution Schemes was	2	3
Of which the contributions amounted to	£18,728	£35,247
- Defined Benefit Schemes was	17	17

FELSTED SCHOOL

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2018

9 STAFF COSTS (CONTINUED)

The average number of employees during the year was:

	2018 Actual Number	2017 Actual Number	2018 Full time equivalent Number	2017 Full time equivalent Number
Teaching	154	148	139	132
Welfare	179	183	99	102
Premises	28	25	27	25
Support	159	152	94	90
Other activities	63	49	18	14
Total	583	557	377	363

During the year there were redundancy and termination payments made which amounted to £1,854 and £22,921 respectively (2017: £93,604 and £nil respectively). There were no amounts outstanding at the year end.

10 TANGIBLE FIXED ASSETS

	Assets Under Construction £	Freehold Land and Building £	Plant and Equipment £	Motor Vehicles £	Total £
Cost					
At 1 September 2017	465,232	41,532,007	995,830	554,533	43,547,602
Additions	659,074	423,093	156,198	124,340	1,362,705
Disposals	-	-	(36,265)	(30,931)	(67,196)
Transfer on completion	(221,681)	221,681	-	-	-
At 31 August 2018	902,625	42,176,781	1,115,763	647,942	44,843,111
DEPRECIATION					
At 1 September 2017	-	2,605,480	523,896	396,604	3,525,980
Charge for the year	-	718,757	80,483	98,727	897,967
Disposals	-	-	(28,205)	(28,463)	(56,668)
At 31 August 2018	-	3,324,237	576,174	466,868	4,367,279
NET BOOK VALUE					
At 31 August 2018	902,625	38,852,544	539,589	181,074	40,475,832
At 31 August 2017	465,232	38,926,527	471,934	157,929	40,021,622

* The School has elected, in accordance with Section 35.10(d) of FRS102, to use the carrying values on 1 September 2014, the date of transition to FRS102, of any of the above freehold land and buildings previously carried at valuation, as their deemed cost. All tangible fixed assets are held for use on charitable activities.

FELSTED SCHOOL

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2018

11 SECURITIES INVESTMENTS	2018	2017
	£	£
At 1 September 2017	1,016,585	920,378
Increase in value of investments	69,336	96,207
Investments at 31 August 2018	1,085,921	1,016,585
Investments comprise:		
Listed investments		
Fixed interest	16,289	5,083
Equities	800,324	724,825
Alternative assets	222,614	210,433
Cash	46,694	76,244
Investments at 31 August 2018	1,085,921	1,016,585

In addition to the above investments, cash balances within the Fees in Advance Scheme are included in current assets as cash deposits. The main Securities investments are managed for the School by CCLA. All investments are managed and held in the UK.

12 DEBTORS	2018	2017
	£	£
Fees and extras	599,340	511,471
Trade	44,294	33,284
Other debtors	91,512	86,341
Other prepayments and accrued income	193,476	142,091
Tax recoverable	17,581	22,282
	946,203	795,469
All debtors are due within one year		

FELSTED SCHOOL

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2018

13 CREDITORS: due within one year

	2018 £	2017 £
Deposits from parents	1,894,855	1,737,334
Fees received from parents in advance of term	2,857,281	2,394,680
Trade creditors	593,158	803,717
Taxation and social security	314,606	293,199
Fees in Advance Scheme	1,395,149	1,257,753
Accruals and deferred income	1,272,171	855,148
Philipps Fund loan	229,867	229,867
	<u>8,557,087</u>	<u>7,571,698</u>

There is a bank overdraft standing facility of £800,000, with an approved termly temporary increase to £1.8m, secured on the freehold property to provide working capital as the need arises. The loan from the Philipps Fund is interest free and payable on demand.

Pupil Fees Deposits – the total amount held in relation to fee deposits of £1,894,855 is included above. In the normal course of business the expected repayment of these amounts will be £378,733 (2017: £257,179) within one year and £1,516,122 (2017: £1,480,155) after more than one year. 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 2018 have been included within current liabilities.

14 FEES IN ADVANCE SCHEME

Parents may enter into a contract to a minimum of three terms School fees in advance. The funds may be returned should the pupil leave the school for whatever reason. Assuming pupils will remain in the School, advance fees will be applied as follows:

	2018 £	2017 £
After 5 years	85,127	242,441
Within 2 to 5 years	964,622	557,977
Within 1 to 2 years	549,455	561,286
	<u>1,599,204</u>	<u>1,361,704</u>
Within 1 year	1,395,149	1,257,753
	<u>2,994,353</u>	<u>2,619,457</u>

Summary of movement in liability

	£
Balance at 1 September 2017	2,619,457
New Contracts	1,984,188
Repayments	(141,413)
Amounts used to pay fees	(1,533,158)
Amounts accrued to contract as debt financing cost	65,279
Balance at 31 August 2018	<u><u>2,994,353</u></u>

FELSTED SCHOOL

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2018

15 FINANCIAL INSTRUMENTS

	2018 £	2017 £
Financial assets measured at amortised cost (a)	10,014,347	8,009,305
Financial assets measured at fair value (b)	1,085,921	1,016,585
Financial liabilities measured at amortised cost (c)	(4,193,513)	(3,746,905)
	<u>6,906,755</u>	<u>5,278,985</u>

- (a) Financial assets include cash, trade and fee debtors, staff loans, other debtors and accrued income
(b) Financial assets held at fair value include assets held as investments
(c) Financial liabilities include deposits, trade creditors, and other creditors

16 LEASES

The future minimum lease payments under non-cancellable operating leases for equipment which are all payable as follows:

	2018 £	2017 £
Within 1 year	79,636	6,021
Within 2 to 5 years	267,430	13,547
	<u>347,066</u>	<u>19,568</u>

Lease payments in year recognised as expenditure amounted to £133,992
(2017: £148,577)

17 FUNDS OF THE SCHOOL

The School's funds are analysed under the following headings

(a) Endowed funds

Endowment funds consist of investments and freehold land and buildings held by the School under permanent endowment, and special funds on which the capital must be retained and the income applied to specific purposes of the School.

(b) Restricted funds

- Annual Fund - this raises funds for small projects and extra-curricular activities that will be realised within a 12 month period.
- Bury Fund – the fund is provided to promote artistic and cultural endeavour by Felstedians and to provide support for art and travel costs.
- Bursary Funds – there are a number of bursary funds some of which are allocated to provide 100% bursary support for individual pupils as nominated by the benefactor. The income from endowed investments is used to support bursaries awarded during the year.
- Deacons' refurbishment – an appeal was undertaken to raise funds to refurbish Deacons Boarding House.
- Prize Funds – donations were received to nominate a pupil each year for a Prize. An amount is released each year to cover the cost of the prize awarded on Speech Day.

(c) Unrestricted funds

Unrestricted funds represent accumulated income from the School's activities and other sources that are available for the general purposes of the School.

FELSTED SCHOOL

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2018

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted £	Restricted £	Endowment £	Total 31 August 2018 £
Tangible fixed assets	23,246,239	248,383	16,981,210	40,475,832
Securities investments	-	-	1,085,921	1,085,921
Net current assets	1,663,213	301,145	-	1,964,358
Long term liabilities	(1,792,016)	-	-	(1,792,016)
	<u>23,117,436</u>	<u>549,528</u>	<u>18,067,131</u>	<u>41,734,095</u>

18 ANALYSIS OF NET ASSETS BETWEEN FUNDS AS AT 31 AUGUST 2017

	Unrestricted £	Restricted £	Endowment £	Total 31 August 2017 £
Tangible fixed assets	22,688,667	122,450	17,210,505	40,021,622
Securities investments	-	-	1,016,585	1,016,585
Net current assets	677,193	223,391	-	900,584
Long term liabilities	(1,580,113)	-	-	(1,580,113)
	<u>21,785,747</u>	<u>345,841</u>	<u>18,227,090</u>	<u>40,358,678</u>

FELSTED SCHOOL

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2018

19 SUMMARY OF MOVEMENTS ON MAJOR FUNDS

	1 September 2017	Income	Expenditure	Transfer between funds & revaluation	31 August 2018
	£	£	£	£	£
Unrestricted funds					
General reserve	22,004,156	24,789,892	(23,745,743)	261,943	23,310,248
Pension reserve	(218,409)	-	25,597	-	(192,812)
	<u>21,785,747</u>	<u>24,789,892</u>	<u>(23,720,146)</u>	<u>261,943</u>	<u>23,117,436</u>
Restricted funds					
Annual Fund	178,076	92,010	(8,239)	(261,847)	-
Bury Fund	2,799	-	-	-	2,799
Bursary Funds	155,533	481,554	(99,695)	-	537,392
Deacons' refurbishment	4,666	-	-	-	4,666
Prize Funds	4,767	-	-	(96)	4,671
	<u>345,841</u>	<u>573,564</u>	<u>(107,934)</u>	<u>(261,943)</u>	<u>549,528</u>
Endowed – permanent					
Endowed reserve	<u>18,227,090</u>	<u>-</u>	<u>(229,295)</u>	<u>69,336</u>	<u>18,067,131</u>
Total funds	<u>40,358,678</u>	<u>25,363,456</u>	<u>(24,057,375)</u>	<u>69,336</u>	<u>41,734,095</u>

The transfer between funds relates to prizes awarded during the year and use of the Annual Fund towards projects.

FELSTED SCHOOL

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2018

19 SUMMARY OF MOVEMENTS ON MAJOR FUNDS AS AT 31 AUGUST 2017

	1 September 2016	Income	Expenditure	Transfer between funds & revaluation	31 Au 20
	£	£	£	£	£
Unrestricted funds					
General reserve	21,207,760	23,004,771	(22,197,886)	(10,489)	22,000,000
Pension reserve	(242,260)	-	23,851	-	(218,409)
	<u>20,965,500</u>	<u>23,004,771</u>	<u>(22,174,035)</u>	<u>(10,489)</u>	<u>21,781,566</u>
Restricted funds					
Annual Fund	121,942	110,109	(64,559)	10,584	178,076
Bury Fund	3,627	-	(828)	-	2,799
Bursary Funds	237,704	34,275	(116,446)	-	155,533
Deacons' refurbishment	4,666	-	-	-	4,666
Prize Funds	4,862	-	-	(95)	4,767
	<u>372,801</u>	<u>144,384</u>	<u>(181,833)</u>	<u>10,489</u>	<u>349,835</u>
Endowed – permanent					
Endowed reserve	18,354,792	-	(223,909)	96,207	18,227,090
	<u>18,354,792</u>	<u>-</u>	<u>(223,909)</u>	<u>96,207</u>	<u>18,227,090</u>
Total funds	<u>39,693,093</u>	<u>23,149,155</u>	<u>(22,579,777)</u>	<u>96,207</u>	<u>40,359,573</u>

20 CAPITAL COMMITMENTS

Commitments for future capital expenditure not provided for in these accounts were as follows:

	2018 £	2017 £
Authorised and contracted	<u>-</u>	<u>-</u>

21 PENSION COMMITMENTS

The School makes annual payments to former employees, and during the year these amounted to £15,308 (2017: £15,007). These payments are subject to an annual review.

22 PENSION SCHEMES

a) Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,011,341 (2017: £992,148) and at the year-end £140,316 (2017: £132,088) 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 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 2018 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 is likely to increase substantially from September 2019 from 16.48% to 23.6%.

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.

b) The Pensions Trust Retirement Solutions - The Growth Plan

The company participates in the scheme, a multi-employer scheme which provides benefits to some 1,300 non-associated participating 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.

A full actuarial valuation for the scheme was carried out at 30 September 2011. This valuation showed assets of £780m, liabilities of £928m and a deficit of £148m. A full actuarial valuation for the scheme was carried out at 30 September 2014. This valuation showed assets of £793m, liabilities of £970m and a deficit of £177m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

22 PENSION SCHEMES (CONTINUED)**b) The Pensions Trust Retirement Solutions - The Growth Plan (continued)****Deficit contributions**

From 1 April 2016 to 30 September 2025 £12,945,440 per annum payable monthly increasing by 3% each year on 1st April; or

From 1 April 2016 to 30 September 2028 £54,560 per annum payable monthly and increasing by 3% each year on 1st April.

Unless a concession has been agreed with the Trustee the term to 30 September 2025 applies. The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities. Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

Present values of provision**Reconciliation of opening and closing provisions**

	2018	2017
	£	£
Provision at start of period	218,409	242,260
Unwinding of the discount factor (interest expense)	3,000	2,000
Deficit contribution paid	(25,597)	(24,851)
Remeasurements – impact of any changes in assumptions	(3,000)	(1,000)
Remeasurements – amendments to the contribution schedule	-	-
	<u>192,812</u>	<u>218,409</u>
Balance at 31 August 2018	<u>192,812</u>	<u>218,409</u>
	2018	2017
	£	£
After 5 years	62,612	88,652
Within 2 to 5 years	78,120	78,120
Within 1 to 2 years	26,040	26,040
	<u>166,772</u>	<u>192,812</u>
Within 1 year	26,040	25,597
	<u>192,812</u>	<u>218,409</u>
	192,812	218,409

FELSTED SCHOOL

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2018

22 PENSION SCHEMES (CONTINUED)

b) The Pensions Trust Retirement Solutions - The Growth Plan (continued)

Income and expenditure impact

	2018 £	2017 £
Interest expense	3,000	2,000
Remeasurements – impact of any changes in assumptions	(3,000)	(1,000)
Remeasurements – amendments to the contribution schedule	-	-
Costs recognised in Statement of Financial Activities	25,597	24,851

Assumptions

	At 31 August 2018	At 31 August 2017	At 31 August 2016	At 31 August 2015
	% per annum	% per annum	% per annum	% per annum
Rate of discount	1.68	1.20	1.08	2.25

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.

The School has been notified by The Pensions Trust Retirement Solutions of the estimated employer debt on withdrawal from the Plan based on the financial position of the Plan as at 30 September 2017. As of this date the estimated employer debt on withdrawal for the School was £410,052.

22 PENSION SCHEMES (CONTINUED)

(c) The Federated Flexiplan No.1

The Federated Flexiplan No.1 ("the Plan") is a defined benefit pension scheme. It is a "last man standing scheme" which means that all participating employers are joint and severally liable for the Plan's liabilities. However, because of the non-associated multi-employer nature of the Plan, the Company does not have sufficient information available (in particular to identify its share of the underlying assets and liabilities of the Plan) to use defined benefit accounting. As such and as permitted by FRS 102, it accounts for the Plan as if it were a defined contribution scheme. As a result, the amount recognised in the profit & loss represents the Company's contributions payable to the Plan in respect of the accounting period.

Members of the Plan are entitled to benefits on either a "Pensions Capital" or "Target Pension" basis. Under the Pensions Capital basis, contributions paid by and in respect of members are accumulated up to retirement and then used to secure benefits for the member. Under the Target Pension basis, members receive a defined pension at retirement based on length of service in the Plan and their Pensionable Salary at date of leaving. The Plan is closed to new members and to future accrual of benefits.

Buy-Out of the Scheme Liabilities

The Scheme Trustee entered a buy-in covering the full Scheme liabilities with an insurer in February 2017 and the transition achieved full buy-out in May 2018. When that process is completed there will be no further legal or financial obligations to the Scheme.

Recovery Plan

As the Plan was in deficit at the latest actuarial valuation a recovery plan was put into place. Under this recovery plan, contributions of £2,063,417 per annum are payable from 1 April 2016 to 31 March 2018 and £1,555,556 per annum are payable from 1 April 2018 to 31 March 2019. However, the Scheme Actuary certified that no further contributions are required to be made in respect of the two years commencing 1 April 2017.

The Company's agreed share of these contributions is £7,283 per annum from 1 April 2016. No other contributions are due from the Company.

The Company paid contributions totalling £Nil during the year (2017: £4,248)

23 RELATED PARTY TRANSACTIONS

Certain Directors of the Trustee Company had interests in transactions involving the School:

The wife of Mr J.H. Davies owns a property which is leased to the School. During the year rent of £800 (2017: £9,550) was paid by the School. Mr P.J. Hutley owns a property which is leased to the School. During the year rent of £10,140 (2017: £9,360) was paid by the School. The wife of Mr P.G. Lee owns a property which is leased to the School. During the year rent of £2,375 (2017:£8,400) was paid by the School. No balances were due at the year end.

Dr Nicholson, Mr Beale, Mr Wolfe are parents of pupils in the School. These families are paying School fees in accordance with the School's standard terms and conditions.

24 CONNECTED CHARITIES AND COMPANIES

Felsted School is supported by The Philipps Fund, which raises funds for the benefit of the School. At 31 August 2018 £229,867 (2017: £229,867) was owed to the Philipps Fund.

A trading company, Felsted School Enterprises Ltd, was incorporated on 21 August 2006 and remained dormant throughout the year.

FELSTED SCHOOL

NOTES TO THE ACCOUNTS - CONTINUED

FOR THE YEAR ENDED 31 AUGUST 2018

25 STATEMENT OF FINANCIAL ACTIVITIES – COMPARATIVE FIGURES BY FUND TYPE

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total Year to 31 August 2017 £
Income and endowments from:					
Charitable activities					
School fees receivable	2	19,642,072	-	-	19,642,072
Ancillary trading income	3	2,658,785	-	-	2,658,785
Other trading activities					
Non-ancillary trading income	4	599,584	-	-	599,584
Other activities	4	125,830	-	-	125,830
Investments					
Investment income	5	53,543	34,917	-	88,460
Bank and other interest		15,671	-	-	15,671
Voluntary sources					
Grants and donations	6	-	109,467	-	109,467
Total income		<u>23,095,485</u>	<u>144,384</u>	<u>-</u>	<u>23,239,869</u>
Expenditure on:					
Raising funds					
Non-ancillary trading		567,777	-	-	567,777
Other income-generating activities		868,340	-	-	868,340
Financing costs	8	60,461	-	-	60,461
Fundraising & Development		75,036	-	-	75,036
Total deductible costs	7	<u>1,571,614</u>	<u>-</u>	<u>-</u>	<u>1,571,614</u>
Charitable activities					
Education and grant making	7	20,693,135	181,833	223,909	21,098,877
Total expenditure		<u>22,264,749</u>	<u>181,833</u>	<u>223,909</u>	<u>22,670,491</u>
Net incoming funds from operations before transfers and investment gains					
		830,736	(37,449)	(223,909)	569,378
Gains on investments	11	-	-	96,207	96,207
Transfers between funds	19	(10,489)	10,489	-	-
Net income and movement in funds for the year		<u>820,247</u>	<u>(26,960)</u>	<u>(127,702)</u>	<u>665,585</u>
Fund balances at 1 September 2016 25		<u>20,965,500</u>	<u>372,801</u>	<u>18,354,792</u>	<u>39,693,093</u>
FUND BALANCES at 31 August 2017		<u><u>21,785,747</u></u>	<u><u>345,841</u></u>	<u><u>18,227,090</u></u>	<u><u>40,358,678</u></u>