

St. Margaret's School Bushey

(A Company Limited by Guarantee)

Incorporated in England and Wales No. 03201182

Registered Charity No. 1056228

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

For the year ended

31 August 2020

St. Margaret's School Bushey

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REPORT OF THE GOVERNORS

for the year ended 31 August 2020



REFERENCE AND ADMINISTRATION DETAILS OF GOVERNORS AND ADVISORS

The Governors are members of the Governing Body, are the Charity Trustees and are the Directors of the Company for Companies Act purposes. The Governors who have served during the period and since the period end are indicated below:

Governors

The Governors of the School are also Trustees and the following served during the year:

	Mr J Alford – Board Chair (Finance and General Purposes (F&GP)) (Governance and Nominations (G&N))
	Rev W Gibbs - Deputy Chair (G&N) (Property)
	Mr B T Coulshed (Academic) (Property)
	Mr D Clout (Academic) (Pastoral and Co-Curricular (P&CoCu))
	Ms J Fenn (F&GP) (G&N)
	Mrs E Hill (Academic): retired 31 st August 2020
	Mrs R Hodgson (P&CoCu) (Marketing and Admissions (M&A))
	Ms Y Jones-Henry (P&CoCu) (M&A)
	Mrs C Lyons (Academic) (P&CoCu)
	Mr L Miller (F&GP) (M&A)
The Head:	Mr M Spooner (F&GP) (Property)
Bursar & Clerk:	Miss J Chatkiewicz (Acting Head appointed 01/09/2019), Ms L Péchard (from 01/01/2020)
Registered Office:	Dr K V Young St. Margaret's School Merry Hill Road Bushey Herts WD23 1DT
Solicitors:	Harrison Clark Rickerbys 62 Cornhill London EC3V 3NH
Bankers:	Barclays Bank PLC 22/24 Upper Marlborough Road St Albans AL1 3AL
Auditors:	Moore Kingston Smith LLP Devonshire House 60 Goswell Road London EC1M 7AD
Registered Charity No	1056228
Registered Company No	03201182

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REPORT OF THE GOVERNORS

for the year ended 31 August 2020



The Governors present their report for the period ended 31 August 2020 together with the audited financial statements which have been prepared in accordance with company's legislation, the Statement of Recommended Practice Accounting and Reporting by Charities SORP 2015 (FRS 102), the requirements of the Charities Act 2011 and applicable accounting standards.

In August 2013 Parliament approved The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013. These Regulations introduce into the Companies Act 2006 a requirement for all large and medium-sized companies to prepare a separate Strategic Report. The Governors have incorporated the requirements of the Strategic Report into their Governors' Report.

Details of the Governors, executive officers and principal advisors at the time of signing, unless otherwise indicated, are shown on page 1.

STRUCTURE, GOVERNANCE AND MANAGEMENT

All Governors give of their time freely and no remuneration is paid. No Governor or person related to a Governor received any benefit from bursary or scholarship awards to our pupils.

Governing Document

St. Margaret's School Bushey is an independent school founded by the Clergy Orphan Corporation in 1749. The School is governed by its Memorandum and Articles of Association dated 20 May 1996 (as amended 2018). The company is limited by guarantee and is a registered charity.

Recruitment, Induction and Training of Governors

The School's Governors are appointed at a meeting of the Board of Governors following nomination by the Governance and Nominations Committee. Nominations are proposed on the basis of adding specialist skills to the Governing body e.g. legal, financial, educational or land/property expertise. New Governors are formally inducted into their role through a series of briefings with the Chairman, the Head and the Clerk to the Governors. They are encouraged to visit the School regularly and are given an insight into the previous meetings of the Board via minutes and the accompanying reports.

The Governors are offered further training and are informed of seminars held throughout the period that are thought to be beneficial to their governance.

Specifically, the charity governance code (which is currently out for review and consultation) has been instrumental in the Governors' approach to increasing diversity on the Board. As a consequence of the Covid restrictions, the school has invested in state-of-the-art conference facilities, which enable effective meetings in mixed mode, satisfying the needs of those who are unable to meet in person when this is permissible for others.

A byproduct of this technology is the ability now to increase the geographical area from which Governors can be recruited, not just nationally, but globally.

Organisational Management

The Governors are responsible for the overall running of the School with the day to day management delegated to the Head and the Bursar, who utilise a Senior Management Team to assist in their leadership roles. The Board delegates certain areas of responsibility to the following committees: 'Academic', 'Finance and General Purposes', 'Governance and Nominations', 'Pastoral and Co-curricular', 'Marketing and Admissions' and 'Property'. These committees and the Board itself meet at least three times each period.

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REPORT OF THE GOVERNORS

for the year ended 31 August 2020



In May, the Finance and General Purposes Committee considers senior staff salaries; this being the salaries of the Head, the Vice Principal, Academic Director, the Junior School Head, the Director of Sixth Form and the Bursar. The Head's views are taken into consideration during this meeting. All other salaries are agreed annually by the Board.

The Committee's experience, along with the School's subscription to a recognised sector pay benchmarking exercise, facilitate these decisions.

Group Structure and Relationships

The School has a wholly owned non-charitable trading subsidiary, St Margaret's Enterprises Limited, whose principal activity is the management of the external activities of the School, such as third party use of the School's facilities when not needed by the School. The financial statements of the subsidiary have been consolidated within those of the School.

The School has close links with many local and national schools, groups and charities which are addressed in detail later in this report under the review of our achievements.

Risk

The Board of Governors is responsible for the management of risks faced by the School. Each year the Senior Management Team and the Board identify and assess risks and implement controls to mitigate against these. In addition, each year a formal review of the risk management process is undertaken.

The keys controls implemented by the School are as follows:

- Formal agendas for all Board and Committee activities;
- Strategic planning, budgeting and management accounting;
- Established organisational structure and understood line of reporting;
- Formal written policies; and
- Clear, authoritative and agreed approval levels.

For the year ended August 2020, the key risk, identified mid-year was the effects of coronavirus and associated government guidance and legislation on the continued education of our pupils, underpinning of the role and acute potential downward pressure on fee levels and therefore net income. Less immediate and significant risks were identified such as the continued financial pressure on the demographic of parents that make up our current market (in particular our overseas, boarding market: Brexit and Covid uncertainty features greatly in our parents' appetite for an independent education), loss of relief on Business Rates, increased pension costs and increased competition from non-fee charging local schools and improving our transportation to offset the increasing congestion which reduces the market size.

Within the trading subsidiary, the key risk resultant from the cessation of all but school-related activity, was recognised, as was the ability and legitimacy of the parent company supporting the trading company such that it can satisfy the school's ongoing needs and remain a viable future source of income.

Through the established systems for managing risk, the Governors are satisfied that all foreseeable, major risks have been identified and managed appropriately where possible. It is, of course, recognised by the Governors that systems can provide reasonable but not absolute assurance that major risks have been adequately managed.

OUR ETHOS, OBJECTS, AIMS AND INTENDED IMPACT

Objects

St. Margaret's School was founded in 1749 by the Clergy Orphan Corporation to "maintain and educate poor orphans of clergymen". Its first home was in Southwark until 1812 when the School moved to St. John's Wood on the site of what is now the Nursery End of Lord's Cricket Ground (and from which the "Nursery End" derives its name). In 1895 the School relocated temporarily to Windsor having purchased land in Bushey and commissioned Alfred Waterhouse (eminent architect of the Natural History Museum and Manchester Town Hall) to design a state-of-the-art boarding school. Pupils and staff moved into their new home in 1897 and the School has expanded on this site over the last 120 years, moving with the times but consistently upholding its founding principles of hard work and kindness. This blend of timeless values combined with a modern and global outlook makes St Margaret's a unique place of education in the 21st century.

Our Governors have had regard to the general guidance from the Charity Commission including the guidance 'Public benefit: Running a Charity (PB2)' when determining the School's objectives.

Values and Aims

St Margaret's aims to provide:

- A diverse academic and co-curricular programme, which enables pupils to excel academically equipping them to pursue their ambitions with confidence, wisdom and compassion.
- An inclusive pastoral ethos rooted in kindness and respect for ourselves, each other and our environment with an emphasis on service to others both in School and in the global community.
- A striving for excellence in all aspects of School life, upholding the values of the School arising from its traditions and heritage as we look to the future.

Our aims and values can be more succinctly summed up by the two values that we hold most dear; kindness and hard work.

St Margaret's is a beautifully diverse community with pupils from a wide range of nationalities, cultures and faiths. Our diversity is one of our greatest strengths and allows the pupils to learn about differing cultures, faiths and traditions in an atmosphere of inclusion, respect and tolerance. The Boarding House contributes to this diversity with international boarders from all over the world as well as increasing numbers of more local pupils flexi-boarding. Our School community has a confident sense of identity and purpose and a belief that education does not just take place in the classroom but also in the form room, the Chapel, the Sports Centre and the Dining Room. We have excelled during this difficult year to ensure that this continues in the online classroom too.

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Admissions

The School roll currently stands at 456 pupils from age 2 to 18. The Junior School is moving towards two form entry in every year group.

Admission to the School is run by the Head of Marketing and Admissions, who heads a small team working with the Senior Management Team. The School's Admissions Policy aims to comply with the School's charitable purposes and to set selection criteria and procedures that are consistent with our charitable purpose and be fair to applicants from all backgrounds. The School wants pupils who will thrive in and contribute to the School community due to their personal characteristics, academic abilities and extra-curricular interests and talents. St Margaret's is accessible to those who may need learning support and takes great care to cater for the individual learning needs of pupils. Every applicant is interviewed and we aim to make the admissions process for children entering St Margaret's in any year group as stress free and positive as possible.

The selection criteria and interview procedure is determined and reviewed from time to time by the Governors of the School. All staff involved in selection and interviewing have received appropriate training.

This year Covid has impacted how we have run our admissions events, this has meant we have been creative and forward looking. There appears to be a high-level of satisfaction with the approach that we have taken which has still allowed for a high level of direct communication with prospective families and children.

The School has moved towards full co-education, with boys in the Junior School and the Sixth Form from 2020. This will roll up through the School over the next few years. The School has also introduced a Pre-Reception year from January 2020 and we are building on this provision as we aim to enhance the School's reputation as a family school.

Access and details of bursaries

As a business, the School must make sufficient operating surpluses to satisfy the need to invest in its infrastructure. However, it is important to us that we make the education we offer available to those who are unable to afford otherwise an independent education.

The School has no endowments or access to other funds; therefore, such benefit can only be funded by those who currently pay fees and from income generated by profitable use of the School's facilities and services by others. The former income stream is, we believe, already set at the market and affordability limits as evidenced by the numbers of parents who are now no longer able to afford to pay the full fee. To achieve our aims, we have successfully managed to maximise our residential and lettings income stream over the period.

To summarise the School's bursaries' policy, we offer means-tested support to two categories of pupils: those who are new to the School and those who are currently at School but have become unable to afford the fees. For those new to the School, our bursary awards are available to those who meet our entry requirements; the value being assessed against a number of factors which include income, net assets and extraordinary circumstances which may impact on family expenditure.

With the exception of the annual 100% bursary which, in normal circumstances affords free education from Year 7 to Year 13 for one new pupil each year, bursary awards range from 10% to 80% with most being around 30%.

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Since 2007, each year one 100% bursary has been awarded to a pupil on entry to Year 7. The bursary is available to a pupil who satisfies the normal entry criteria for a place but whose family circumstances would normally preclude them from a St Margaret's education. The bursary also includes daily travel on a School coach if appropriate, the cost of essential educational visits and a grant towards the initial cost of School uniform and equipment.

Information about this bursary is circulated annually to maintained schools in the vicinity of the School and information is available on the School's website, prospectus and local media.

The School prides itself on its induction programme for both pupils and parents at whatever entry point to the School. All new day pupils and some boarders will have visited the School on a number of occasions prior to the start of term and induction continues into term with team-building days for Year 7 and a residential induction weekend for Year 12. Pupils who start at times other than the start of the academic year are inducted by their Head of Year and given a mentor or buddy to guide them through their early days. Year 7 pupils are assigned a peer mentor who they can talk to about any worries or concerns that may arise. Through the vertical House system pupils get to know other pupils outside their year group and the outstanding pastoral provision at St Margaret's and value placed upon kindness means that new pupils, staff and parents settle very quickly. There is a wide range of support available to all pupils including the School Nurse and the School Counsellor.

Child Protection and Welfare

Safeguarding is at the centre of our practice at St Margaret's. All staff are trained annually by the Vice Principal who is the Designated Senior Person. Her Deputy is the Head of the Junior School. We have invested in training for our Heads of Year in the Senior School in order that they are qualified to attend outside agency Safeguarding meetings. Heads of Years are also receiving regular supervision. The School is committed not just to safeguarding but to actively promoting the welfare of pupils. We accomplish this through our pastoral programme which is delivered through PSHE, Form time, assemblies, Chapel services and outside speakers on subjects such as Stress Management and the use of Social Media. We have targeted wellbeing in our PSHE and tutor programme and in particular during the Covid pandemic. Pupils enjoy age appropriate team-building activities which boost self-esteem and awareness. The School runs pupils and parents' evenings which address issues such as internet use, self-harm and stress. The School places great emphasis on nurturing healthy eating habits and our outstanding food and beautiful dining room mean that pupils enjoy eating at School with their teachers and friends.

The ethos of the School is such that we provide an environment where pupils feel safe and secure, are encouraged to talk and are listened to when they have a worry or concern. All staff understand their responsibility to ensure pupils' welfare and know who to turn to if they have concerns about the safety and well-being of a child. St Margaret's will continue to prioritise the mental health and well-being of both pupils and staff through our pastoral provision and procedures and we are confident that our pastoral excellence contributes to the progress and performance of the pupils in the classroom.

Future Plans

St Margaret's priorities for the next academic year are to strengthen the offer to our pupils, to broaden and deepen our reputation and relationships. Particular focus on the success and growth of co-education, as well as strengthening relationships with our feeder schools will occupy the attention of senior staff.

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Throughout the Covid pandemic we have continued to teach our pupils and support our families, offering over 9,500 lessons online during the first lockdown to senior school pupils alone. During this time the school has upskilled its staff and families and learnt new ways of communicating, teaching and assessing. It has provided powerful change. The community has responded well and there has been some excellent initiatives during this time like our webinars for parents, online co-curricular clubs and charitable efforts such as sharing assemblies and concerts with care homes. Going forward we intend to build on these foundations and to respond to the social changes that Covid has accelerated. The School's response to Covid and our excellent offer has generated a buzz and an improving reputation which has generated some positive word of mouth recommendations and narrative.

St Margaret's is undertaking a major works programme, with the build of a new music centre. The school has a long tradition of excellence in music and the Governors believe that this will be beneficial for all pupils at the School as well as the local community as there are exciting plans about how to use it to support the school's aim of broadening its involvement in the local community and partnership projects with local state schools. This development is under constant review in light of the potential reduction in fee income as a consequence, primarily, of a proportion of our overseas boarders electing to engage with our teaching from their home countries. The budget for this capital development was agreed in light of a forecast recurrent deficit for the year long before Coronavirus became a global phenomenon. The outturn for the year in which the School managed the impact of the pandemic for the third and fourth quarters was in fact favourable against the budget.

Additionally, we have added to the Senior Management Team with an appointment of Director of Studies to support the Academic Deputy. This will enable us to remain flexible during the pandemic and also prepare us to progress our curriculum and offer to ensure it provides excellence in experience, standards and opportunities for our diverse community.

We have spent considerable time looking at the marketing of the school and this is benefiting from a clearer strategy. This year we will move over to a new website.

We are looking creatively about the use of our superb 60-acre site and use it in ways which extend and enrich the pupils' learning. Covid has encouraged greater focus here. In the Junior School we are enhancing our outside areas as well as considering how we can grow our EYFS and overall provision.

Our hope is that as we come out of this pandemic we will be able to extend the charitable and community work of our pupils and school. There are plans for partnerships with other schools and institutions. We also want to open up the School to the local community and residents where beneficial.

COMMUNITY INVOLVEMENT AND DIRECT PUBLIC BENEFIT

St Margaret's long history in Bushey means that we are very much part of the local community. We are supporters of the local museum and our parish of St. James. Sixth Form pupils take part in voluntary community service in the locality. Wherever possible, we take pleasure in making our services and our facilities available to a wide range of local organisations and schools. The opening of a coffee shop in our Sports Centre has added another amenity to the local community.

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for the year ended 31 August 2020



We have hosted local community events including the annual Bushey Festival, resident's consultation evenings in the Sports Hall and the Bushey Horticultural Festival. We enjoy a good relationship with a number of maintained primary and secondary schools within a very short distance of our School. These schools have the opportunity of using our Sports Centre. We use our minibus and driver to transport classes of children from local primary schools to our swimming pool. This opens up useful channels of communication between the schools at different levels. On an academic level our staff continue to give interview practice to university applicants from maintained schools. Secondary schools in the area have been invited to our Careers and Higher Education fair. The Head is traditionally a trustee of the St Albans Cathedral Education Trust, which seeks to increase opportunities for educational outreach in the diocese and St Margaret's is a patron school.

FINANCIAL REVIEW

Net Income and expenditure

During the period to 31 August 2020, total income was £7.65 million compared to the previous period's £8.63 million.

Expenditure decreased from £8.22 million to £7.97 million. This resulted in a net loss of £327k (2019: £408k surplus), and funds at the year-end of £21.4 million (2019: £21.8 million).

Fixed assets

The movements in fixed assets are shown in Note 13 to the financial statements.

Reserves policy

The School aims to hold reserves for the following reasons

- To ensure support for those who have been offered assistance with fees
- To provide sufficient working capital
- To build up a fund for capital improvement

The target sums associated with these three strands are as follows

- Fees assistance £600k
- Working capital £1,800k (3 months' excluding depreciation)
- Building and Infrastructure of £15 million by 2030

The Governors recognise that the level of reserves will fluctuate during periods of substantial investment in the facilities of the School.

The School's current level of unrestricted reserves excluding designated funds are £20.7 million: tangible fixed assets amount to £20.9 million, which therefore leaves a balance of free reserves of approximately £214k. A fund is designated to support the ongoing cost of bursaries and scholarships already awarded. Based on cash flows generated from continuing operations and available banking facilities, the Governors are satisfied that the School has sufficient working capital to meet its foreseeable financial obligations.

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This year has been one of truly unprecedented challenges for the independent education sector. Before the outbreak of the coronavirus pandemic, Heads, Bursars and Governors were already looking closely at the considerable financial impact of changes to teachers pensions, trying to assess the fallout from Brexit and keeping an eye on an increasingly fragile political landscape

Shortly after the school closed in March, we took advantage of an interest-free £1.5 million loan under the Coronavirus business interruption loan (CBIL) scheme. This was a cushion to support parents whose livelihoods were about to suffer by way of short-term fee remissions under the hastily constructed 'hardship' fund. By the year-end, this fund had facilitated about 40 pupils being able to remain on roll. The total cost was £112k and a further fund has been ring-fenced for the current year.

In continued support for our parents, the school reduced fees for the Summer Term across the board: the percentage reduction ranging from 20% for those in the senior school to 50% for our very youngest pupils and for boarders who remained domiciled overseas.

The school as part of its reaction to covid 19 accessed the Coronavirus job retention scheme (CJRS) which yielded £187k, but also most impressively, identified and achieved key cost savings in the second half of the year.

It is remarkable that the school finished the year £16k (or 5%) ahead of the budget set before the pandemic hit.

The school's trading subsidiary did not fare well, posting an annual loss of £100k with the absence of any letting activity in the second half of the year. Further, in the swimming and leisure centre, business ceased totally. However, on reopening in August we saw an almost instant return by the vast majority of user groups and individuals with added optimism also coming from a 2021 Language school contract renewal.

All Sports Centre activities resumed albeit at a reduced Covid-safe capacity in some areas which has been reflected in a down shift in staffing levels and associated costs. Prior to the second lockdown all indications from user groups were that they were committed to continue visits, bookings and usage.

Statement of Governors' Responsibilities

The Governors (who are also directors of the charitable company 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 period which give a true and fair view of the state of affairs of the charitable company and the group and of the incoming resources and application of resources, including the income and expenditure, of the charitable company and the group for the 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;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company 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 the group 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 the group 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.

In approving this Governors' Report the Governors are also approving the Strategic Report in accordance with Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 in their capacity as company directors.

Signed on behalf of the Board on



Justin Alford
Chair of Governors

Date: 08/01/2021

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF ST. MARGARET'S SCHOOL BUSHEY

Opinion

We have audited the financial statements of St. Margaret's School Bushey for the year ended 31 August 2020 which comprise the Group Statement of Financial Activities, the Group and Parent Charitable Company Balance Sheets, the Group 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 group's and the parent charitable company's affairs as at 31 August 2020 and of the group's incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF ST. MARGARET'S SCHOOL BUSHEY

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 strategic report and the trustees' annual report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the trustees' annual 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 group and parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the trustees' annual 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:

- the parent charitable company has not kept adequate and sufficient accounting records, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charitable company's 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 8, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group and parent 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 group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with ISAs (UK) we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT TO THE GOVERNORS OF ST. MARGARET'S SCHOOL BUSHEY

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the group and parent charitable company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the trustees.
- Conclude on the appropriateness of the trustees' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group and parent charitable company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or parent charitable company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit report.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters which 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 any party other than the charitable company and charitable company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Moore Kingston Smith LLP

Shivani Kothari (Senior Statutory Auditor)
for and on behalf of Moore Kingston Smith LLP, Statutory Auditor

Date *11 January 2020*

Devonshire House
60 Goswell Road
London
EC1M 7AD

St. Margaret's School Bushey

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including the income and expenditure statement)

for the year ended 31 August 2020

	Notes	Total 2020 £	Total 2019 £
INCOME FROM:			
Charitable Activities			
School fees	3	6,655,326	7,479,868
Other educational income	4	518,877	672,483
Other income	5		
Other trading income		262,936	433,134
Investments	6		
Investment Income		8,054	9,102
Interest received		-	-
Rental income		43,554	31,469
Voluntary sources			
Grants and donations	7	158,425	4,334
Total income and endowments		7,647,172	8,630,390
EXPENDITURE ON:			
Costs of raising funds			
Other trading costs		491,732	485,951
Charitable activities			
Education	8	7,482,152	7,736,608
Total expenditure	8	7,973,884	8,222,559
Net income/(expenditure)	14	(326,712)	407,831
Transfer between funds		-	-
Net movement in funds		(326,712)	407,831
Fund balances brought forward		21,754,074	21,346,243
Fund balances carried forward	21, 22	21,427,362	21,754,074

The statement of financial activities includes all gains and losses in the year and therefore a statement of total recognised gains and losses has not been prepared.

All of the above amounts relate to continuing activities.

The accompanying notes form part of these financial statements.

St. Margaret's School Bushey

CONSOLIDATED AND CHARITY BALANCE SHEET

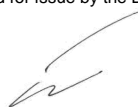
as at 31 August 2020

	Notes	Group 2020 £	Group 2019 £	School 2020 £	School 2019 £
FIXED ASSETS					
Tangible assets	13	20,929,882	20,916,505	20,799,684	20,767,720
Investments	14	-	-	1	1
		20,929,882	20,916,505	20,799,685	20,767,721
CURRENT ASSETS					
Debtors	15	297,414	147,875	513,567	277,959
Cash at bank and in hand		2,935,963	2,242,121	2,871,807	2,224,324
		3,233,377	2,389,996	3,385,374	2,502,283
CREDITORS: Amounts falling due within one year	16	(996,758)	(1,259,145)	(920,543)	(1,224,163)
NET CURRENT ASSETS		2,236,619	1,130,851	2,464,831	1,278,120
TOTAL ASSETS LESS CURRENT LIABILITIES		23,166,501	22,047,356	23,264,516	22,045,841
CREDITORS: Amounts falling due after more than one year	17	(1,739,139)	(293,282)	(1,739,139)	(293,282)
NET ASSETS		21,427,362	21,754,074	21,525,377	21,752,559
FUNDS					
Unrestricted funds – general	18	19,663,024	20,180,736	19,761,039	20,179,221
Unrestricted funds - designated	21	711,000	520,000	711,000	520,000
Revaluation reserve	21	1,053,338	1,053,338	1,053,338	1,053,338
		21,427,362	21,754,074	21,525,377	21,752,559

As permitted by the s408 Companies Act 2006, the School has not presented its own income statement and related notes. The School's deficit for the year was £(227,182) (31 August 2019: £306,283).

Approved and authorised for issue by the Board of Governors on 08/02/2021 and signed on their behalf by:

Justin Alford
Board of Governors



The accompanying notes form part of these financial statements.
Company Number: 03201182

St. Margaret's School Bushey

CONSOLIDATED CASHFLOW STATEMENT

for the year ended 31 August 2020

CASH FLOW STATEMENT

	Notes	2020 £	2019 £
Net cash inflow from operating activities	24	(258,347)	753,509
Cash flows from investing activities:			
Bank interest received		8,054	9,102
Investment income		-	-
Payments to acquire fixed assets		(555,865)	(482,060)
Net cash outflow from investing activities		(547,811)	(472,958)
Financing:			
Loans received		1,500,000	-
Net cash outflow from financing activities		1,500,000	-
Increase/(decrease) in cash		693,842	280,551
Cash and cash equivalents at the beginning of the reporting period		2,242,121	1,961,570
Cash and cash equivalents at the end of the reporting period		2,935,963	2,242,121

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

1 ACCOUNTING POLICIES

St. Margaret's School Bushey is a company limited by guarantee with registered number 03201182, incorporated and domiciled in England and Wales. Its registered office is St Margaret's School, Merry Hill Road, Bushey, Herts, WD23 1DT.

1.1 BASIS OF PREPARATION

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102). The School is a public benefit entity for the purposes of FRS 102 and therefore the School also prepared its financial statements in accordance with 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 (The FRS 102 Charities SORP), the Companies Act 2006 and the Charities Act 2011.

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

These financial statements are prepared on the going concern basis, under the historical cost convention as modified by the revaluation of investments and in accordance with the Companies Act 2006 and applicable accounting standards in the United Kingdom. The principal accounting policies, which have been applied consistently throughout the year, are set out below.

1.2 GOING CONCERN

The financial statements are prepared on a going concern basis which assumes the charitable group will continue in operational existence for the foreseeable future. The Governors have assessed whether the use of the going concern basis is appropriate and have considered possible events or conditions that might cast significant doubt on the ability of the School to continue as a going concern.

The Governors have made this assessment for a period of at least one year from the date of approval of the financial statements. In particular the Governors have considered the School's forecasts and projections and have taken account of pressures on fee income (having already approved a significant discount in the Summer term) and the material uncertainty around pupil numbers, particularly in light of the COVID-19 pandemic and the parents ability to pay school fees as they arise. In addition the Governors have taken into account the impact on the Enterprises company and the in ability to generate additional income, which has also been detailed in the Governors Annual Report.

The School has mitigated the financial impact by accessing the Government job retention scheme, reducing its cost base and utilising the availability of the Coronavirus Business Interruption Loan. The Governors accept that whilst there cannot be any certainty in these matters and having made the appropriate enquiries the Governors have concluded that there is a reasonable expectation that the School has adequate resources to meet its ongoing liabilities and to continue in operational existence for a period of at least 12 months from the date of approval of the financial statements. On this basis the Governors have continued to prepare the financial statements on a going concern basis.

1.3 COMPANY LIMITED BY GUARANTEE

The School is a company limited by guarantee, the guarantors at the present time being the Governors, to the extent of £1 each.

1.4 INCOME

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

Fee income comprises general school fees and disbursements and extras recharged are accounted for in the period in which the service is provided.

Donations received for the general purpose of the School are credited to unrestricted funds. Donations subject to specific wishes of the donors are credited to restricted funds.

Gifts in kind are included in income and the corresponding asset included in fixed asset additions or charged against the statement of financial activities as appropriate.

1.5 INTEREST RECEIVABLE

Interest on funds held on deposit is included when receivable and the amount can be measured reliably by the School; this is normally upon notification of the interest paid or payable by the Bank.

1.6 EXPENDITURE

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

Fundraising costs are those incurred in seeking voluntary contributions and do not include the costs of disseminating information in support of the charitable activities. Support costs are those costs incurred directly in support of expenditure on the objects of the School. Governance costs are those incurred in connection with administration of the School and compliance with constitutional and statutory requirements.

Governance costs comprise the costs of running the School, including strategic planning for its future development, external audit, and all other costs of complying with constitutional and statutory requirements.

1.7 TEACHING COSTS

Supplies of games equipment, books, stationery and sundry materials are written off when the expenditure is incurred.

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

1.8 FIXED ASSETS AND DEPRECIATION

All fixed assets are used in direct furtherance of the school's objectives. Fixed assets are included in these financial statements at their original cost less depreciation and accumulated impairment losses provided to date.

All assets costing more than £1,500 are capitalised.

Depreciation is provided on all tangible fixed assets, other than freehold land, at rates calculated to write off the costs less estimated residual value of each asset, by equal annual instalments, over their expected useful lives which are considered to be:

Freehold Property	-2% on cost
Building services	-2% on cost
Furniture, Fixtures and Fittings	-33% on cost
IT Hardware	-33% on cost
Vehicles	-25% on cost
Artificial Pitches	-12.5% on cost

1.9 PENSIONS

Full-time and part-time teaching staff employed under a contract of service are eligible to contribute to the Teachers' Pension Scheme (TPS). The TPS, a statutory, contributory, final salary scheme is administered by Capita Teachers' Pensions on behalf of the Department for Education and Skills.

Costs include normal and supplementary contributions. The regular cost is the normal contribution, expressed as a percentage of salary of a teacher newly entering service, which would defray the cost of benefits payable in respect of that service. Variations from the regular pension cost are met by a supplementary contribution. This occurs if, as a result of the actuarial investigation, it is found that the accumulated liabilities for benefits to past and present teachers are not fully covered by normal contributions to be paid in the future and by the fund built up from past contributions. The normal and supplementary contributions are charged to the income and expenditure account in the year.

The School also contributes to an auto-enrolment Work Save Pension Scheme run by Royal London for all eligible non-teaching staff. This is a defined contribution scheme and the School's liability is restricted to the amount of contributions made.

1.10 LEASES AND HIRE PURCHASE CONTRACTS

Rentals under operating leases are charged to the Statement of Financial Activities Incorporating Income and Expenditure Account on a straight line basis over the lease term.

1.11 INVESTMENTS

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at market value at the Balance Sheet date, unless market value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and shown in the heading 'Gains/(losses) on investments' in the Statement of Financial Activities incorporating the Income and Expenditure Account.

1.12 CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less.

1.13 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.

1.14 TAXATION

The School is a registered charity and is exempt from taxation as afforded by Section 505 ICTA 1988.

1.15 EMPLOYEE BENEFITS

The costs of short-term employee benefits are recognised as a liability and an expense.

2 KEY ESTIMATES & JUDGEMENTS

In the application of the School's accounting policies, the School is required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated 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 affects both current and future periods.

In the opinion of the Governors, the estimates and assumptions which have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities are outlined below.

Critical judgements

Useful economic lives

The annual depreciation charge for property, plant and equipment is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets.

Recoverable value of fee debtors

The School makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience.

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

3 FEE INCOME

The School's activities are carried out within the UK.
The school's fee income comprised:

	2020 £	2019 £
Gross fees	7,466,649	7,943,675
Less: bursaries, grants and allowances	(409,361)	(463,807)
Less: COVID related remissions	(401,962)	-
	6,655,326	7,479,868

4 OTHER EDUCATIONAL INCOME

	2020 £	2019 £
Extras and disbursements	472,102	632,930
Registration fees	36,374	26,043
Retained pupil deposits	9,387	12,525
Other income	1,014	985
	518,877	672,483

5 OTHER TRADING INCOME

Trading income consists of income generated by the School's subsidiary, St Margaret's Enterprise Limited. See note 14 for further detail.

6 INVESTMENT INCOME

	2020 £	2019 £
Investment income	8,054	9,102
Rental income	43,554	31,469
	51,608	40,571

7 DONATIONS AND GRANTS

	2020 £	2019 £
Donations and gifts	-	4,334
Furlough grant	158,425	-
	158,425	4,334

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

8 EXPENDITURE

(a) Costs of Raising Funds	Staff costs (note 9) £	Other £	Depreciation £	Total 2020 £
Trading costs	318,738	146,044	26,950	491,732
Total Costs of Raising Funds	318,738	146,044	26,950	491,732
Charitable expenditure	Staff costs (note 9) £	Other £	Depreciation £	Total 2020 £
Teaching	3,700,868	156,852	-	3,857,720
Welfare	598,862	175,191	-	774,053
Premises and Estates	241,522	414,988	515,538	1,172,048
Administration	577,517	490,721	-	1,068,238
Pupil resales and extras	-	568,895	-	568,895
Finance Costs	-	5,871	-	5,871
Governance	-	35,327	-	35,327
Total Charitable Expenditure	5,118,769	1,847,845	515,538	7,482,152
Total Expended	5,437,507	1,993,889	542,488	7,973,884
Costs of Raising Funds	Staff costs (note 9) £	Other £	Depreciation £	Total 2019 £
Trading costs	318,738	134,771	32,442	485,951
Total Costs of Raising Funds	318,738	134,771	32,442	485,951
Charitable expenditure	Staff costs (note 9) £	Other £	Depreciation £	Total 2019 £
Teaching	3,478,113	232,800	-	3,710,913
Welfare	719,794	206,446	-	926,240
Premises and Estates	212,320	478,246	581,440	1,272,006
Administration	570,130	527,986	-	1,098,116
Pupil resales and extras	-	689,033	-	689,033
Finance	-	6,807	-	6,807
Governance	-	33,493	-	33,493
Total Charitable Expenditure	4,980,357	2,174,811	581,440	7,736,608
Total Expended	5,299,095	2,309,582	613,882	8,222,559
(b) Other Governance Costs include:			2020 £	2019 £
Auditors' remuneration				
- Audit Fees			15,660	16,000
- underprovision from previous year			2,680	-
- Accountancy Fees			1,500	1,440
- Other Auditors remuneration			9,330	6,651
Governor's expenses			2,472	3,611

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

9 STAFF COSTS

	2020 £	2019 £
Wages and salaries	4,366,985	4,424,812
Social security costs	404,670	393,846
Other pension costs	665,852	480,437
	<u>5,437,507</u>	<u>5,299,095</u>

The average monthly number of employees during the year was as follows:

	2020 No.	2019 No.
Teaching	80	77
Other	39	38
Trading	60	62
	<u>179</u>	<u>177</u>

The number of employees whose emoluments amounted to £60,000 in the year was as follows:

	2020 No.	2019 No.
£60,000 - £70,000	4	2
£70,001 - £80,000	-	2
£80,001 - £90,000	1	1
£90,001 - £100,000	1	-
£110,001 - £120,000	-	1
	<u>6</u>	<u>6</u>

Total pensions for the above employees amounted to £100,798.

10 GOVERNORS REMUNERATION AND BENEFITS

There were no Governors' remuneration or other benefits for the year ended 31 August 2020 nor for the year ended 31 August 2019.

Travel and training expenses of £2,472 (2019: £3,502) for 7 governors (31 August 2019: 5) were paid by the charity during the year.

Key management personnel include the Governors and the senior executives which are made up of the Head, the interim Head and the Bursar. The total pay and benefits received by key management personnel were £259,468 (2019: £261,554).

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

11 PENSIONS

The School participates in the Teachers' Pension Scheme ('the TPS') for its teaching staff. The pension charge for the year includes employer and employee contributions payable to the TPS of £605,452 (2019: £673,997) and at the year end £73,303 (2019: £Nil) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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

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

The non-teaching staff and some teachers are members of the St Margaret's School Group Personal Defined Contribution Scheme. During the period the school contributed 5% of the employees' gross pay and the employees contributed 5%. The contributions are invested in and benefits under the scheme are secured by policies with Royal London (previously Scottish Life). The School has no commitment to make good any actuarial deficit.

12 NET INCOME FOR THE YEAR

	2020 £	2019 £
Net income is stated after charging:		
Depreciation of tangible fixed assets	515,538	581,440
Operating lease rentals – other	28,947	28,644

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

13 TANGIBLE FIXED ASSETS

GROUP

	Freehold Property £	Plant & Equipment £	Total £
Cost:			
At 1 September 2019	23,871,097	2,172,462	26,043,559
Additions	476,964	78,899	555,863
Disposals	-	-	-
At 31 August 2020	24,348,061	2,251,361	26,599,422
Depreciation:			
At 1 September 2019	3,290,517	1,836,535	5,127,052
Charge for year	357,226	185,262	542,488
Disposals	-	-	-
At 31 August 2020	3,647,743	2,021,797	5,669,540
Net book value:			
At 31 August 2020	20,700,318	229,564	20,929,882
At 1 September 2019	20,580,580	335,927	20,916,507

SCHOOL

	Freehold Property £	Equipment & Vehicles £	Total £
Cost:			
At 1 September 2019	23,673,390	1,922,787	25,596,177
Additions	476,619	70,881	547,500
Disposals	-	-	-
At 31 August 2020	24,150,009	1,993,668	26,143,677
Depreciation:			
At 1 September 2019	3,198,090	1,630,365	4,828,455
Charge for year	349,482	166,056	515,538
Disposals	-	-	-
At 31 August 2020	3,547,572	1,796,421	5,343,993
Net book value:			
At 31 August 2020	20,602,437	197,247	20,799,684
At 1 September 2019	20,475,300	292,422	20,767,722

14 INVESTMENTS

Investments consist of the wholly owned share capital of one share of £1 in St. Margaret's Enterprises Limited, Company Number 05565055. The company's principal activity is the management of the external activities of the School, such as third party use of the Sports Centre. Its results for the year ended 31 August 2020 are as follows:

Profit and loss accounts for the year ended 31 August 2020

	£
Turnover	393,103
Expenditure	(484,889)
Loss for the period	(91,786)

Net assets at 31 August 2020

Fixed assets	137,942
Debtors	12,502
Cash	64,156
Due to parent undertakings	(228,655)
Other creditors	(76,215)
	(90,270)
Capital and reserves	(90,270)

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

15 DEBTORS

	Group	Group	School	School
	2020	2019	2020	2019
	£	£	£	£
Trade debtors	7,356	57,240	-	-
Fees and extras	196,409	169,882	196,409	169,882
Less provision for doubtful debts	(112,543)	(116,636)	(112,543)	(116,636)
Other debtors	5,146	5,529	-	-
Prepayments and accrued income	163,843	31,860	163,843	31,860
Amount due from group undertaking	-	-	265,858	192,853
	260,211	147,875	513,567	277,959

Amount due from group undertaking includes a loan to St Margaret's Enterprises Limited of £128,201 from 1st December 2019 repayable in 12 equal quarterly instalments with an interest rate of 0.25% over the Bank of England base rate. Included in the balance is £45,499 (2019: £20,000) that is due after one year.

16 CREDITORS

	Group	Group	School	School
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due within one year:				
Loans	55,556	-	55,556	-
Trade creditors	54,310	78,540	53,073	77,162
Taxation and social security costs	125,754	110,400	101,200	97,706
Fee Deposits	65,955	21,500	65,955	21,500
Fees in advance	409,707	762,042	409,707	762,042
Other creditors	139,989	125,497	89,565	104,587
Accruals	145,487	161,166	145,487	161,166
	996,758	1,259,145	920,543	1,224,163

	Group	Group	School	School
	2020	2019	2020	2019
	£	£	£	£
Deferred income:				
Brought forwards	762,042	496,534	762,042	496,534
Released in year	(762,042)	(496,534)	(762,042)	(496,534)
Received in year	409,707	762,042	409,707	762,042
	409,707	762,042	409,707	762,042

Deferred income relates to schools fees received in advance for the following term.

17 CREDITORS DUE AFTER ONE YEAR

	Group	Group	School	School
	2020	2019	2020	2019
	£	£	£	£
Amounts falling due after more than one year:				
Bank loan	1,444,444	-	1,444,444	-
Fee deposits	261,290	278,484	261,290	278,484
Fees in advance	33,405	14,798	33,405	14,798
	1,739,139	293,282	1,739,139	293,282
			2020	2019
			£	£
Movement on loans				
In one year or less			55,556	-
Between one and two years			166,667	-
Between two and five years			500,000	-
After five years			777,777	-
			1,500,000	-

The School's loan balances as at 31 August 2020 consist of the following:

A loan of £1,500,000 from Barclays PLC drawn down in April 2020, of which the remaining balance at the reporting date is £1,500,000 (2019: £nil). This loan is secured on a charge over the school's freehold property. Interest is charged on a floating rate basis based on the Bank of England base rate, with an interest free period for the first 12 months. The amount is being repaid over 6 years starting from May 2021.

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

18 STATEMENT OF FUNDS

GROUP	At 1 September 2019	Income	Expenditure	Transfer Between Funds	Gains/ (losses)	At 31 August 2020
	£	£	£	£	£	£
Unrestricted funds:						
General reserve	15,306,352	7,384,236	(7,482,152)	(334,266)	-	14,874,170
Capital fund	4,886,869				-	4,886,869
Revaluation reserve	1,053,338				-	1,053,338
Designated	520,000			191,000	-	711,000
Trading	(12,485)	262,936	(491,732)	143,266		(98,015)
Total funds	21,754,074	7,647,172	(7,973,884)	-	-	21,427,362

	At 1 September 2018	Income	Expenditure	Transfer Between Funds	Gains/ (losses)	At 31 August 2019
	£	£	£	£	£	£
Unrestricted funds:						
General reserve	14,931,054	8,197,256	(7,736,608)	(85,350)	-	15,306,352
Capital fund	4,886,869	-	-	-	-	4,886,869
Revaluation reserve	1,053,338	-	-	-	-	1,053,338
Designated	520,000	-	-	-	-	520,000
Trading	(45,018)	433,134	(485,951)	85,350	-	(12,485)
Total funds	21,346,243	8,630,390	(8,222,559)	-	-	21,754,074

CHARITY	At 1 September 2019	Income	Expenditure	Transfer Between Funds	Gains/ (losses)	At 31 August 2020
	£	£	£	£	£	£
Unrestricted funds:						
General reserve	14,772,352	7,385,137	(7,612,319)	(191,000)	-	14,354,170
Capital fund	4,886,869	-	-	-	-	4,886,869
Revaluation reserve	1,053,338	-	-	-	-	1,053,338
Designated	520,000	-	-	191,000	-	711,000
Total funds	21,232,559	7,385,137	(7,612,319)	-	-	21,005,377

	At 1 September 2018	Income	Expenditure	Transfer Between Funds	Gains/ (losses)	At 31 August 2019
	£	£	£	£	£	£
Unrestricted funds:						
General reserve	14,951,064	8,197,896	(7,856,608)	-	-	15,292,352
Capital fund	4,886,869	-	-	-	-	4,886,869
Revaluation reserve	1,053,338	-	-	-	-	1,053,338
Designated	520,000	-	-	-	-	520,000
Total funds	21,411,271	8,197,896	(7,856,608)	-	-	21,752,559

The designated fund is to support bursarial assistance. It is assumed that assistance will cease at Year 11 for girls in that year or lower.

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

20 ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Unrestricted funds £	Trading company £	Designated funds £	2020 Total £
Tangible fixed assets	20,799,684	130,198	-	20,929,882
Investments	-	-	-	-
Current assets	2,636,719	76,658	520,000	3,233,377
Current liabilities	(1,479,768)	(259,371)	-	(1,739,139)
Long term liabilities	(951,259)	(45,499)	-	(996,758)

Total net assets	21,005,376	(98,014)	520,000	21,427,362
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	Unrestricted funds £	Trading company £	Designated funds £	2019 Total £
Tangible fixed assets	20,767,720	148,785	-	20,916,505
Current assets	1,789,430	80,566	520,000	2,389,996
Current liabilities	(85,447)	(207,835)	-	(293,282)
Long term liabilities	(1,239,145)	(20,000)	-	(1,259,145)

Total net assets	21,232,558	1,516	520,000	21,754,074
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CHARITY	Unrestricted funds £	Designated funds £	2020 Total £
Tangible fixed assets	20,799,684	-	20,799,684
Investments	1	-	1
Current assets	2,674,374	711,000	3,385,374
Current liabilities	(920,543)	-	(920,543)
Long term liabilities	(1,739,139)	-	(1,739,139)

Total net assets	20,814,377	711,000	21,525,377
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	Unrestricted funds £	Designated funds £	2019 Total £
Tangible fixed assets	20,767,720	-	20,767,720
Investments	1	-	1
Current assets	1,982,283	520,000	2,502,283
Current liabilities	(1,224,163)	-	(1,224,163)
Long term liabilities	(293,282)	-	(293,282)

Total net assets	21,232,559	520,000	21,752,559
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21 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2020, the School had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2020 Plant & Equipment	2019 Plant & Equipment
Due within one year	28,946	9,809
Due between two and five years	28,946	9,809
Due after more than five years	45,403	42,047
	103,295	61,665

22 RELATED PARTIES

During the prior year there was one transaction with an organisation that one of the Trustees is a Director of, 2019: £500 (2018: £Nil), outstanding at the year end was 2019: £Nil. No transactions occurred in the current year.

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

23 MEMBERS LIABILITY

Each member of the charitable company undertakes to contribute to the assets of the company in the event of it being wound up while he/she is a member, or within one year after he/she ceases to be a member, such amount as may be required, not exceeding £1 for the debts and liabilities contracted before he/she ceases to be a member.

24 NOTES TO THE CASHFLOW STATEMENT

	2020 £	2019 £
Reconciliation of operating result to net cash inflow from operating activities		
Net movement in funds	(326,712)	407,831
Depreciation	542,488	613,882
Bank interest received	(8,054)	(9,102)
Increase/(Decrease) in creditors	(316,530)	(370,439)
(Increase)/Decrease in debtors	(149,539)	111,337
	<u>(258,347)</u>	<u>753,509</u>

25 CAPITAL COMMITMENTS

At the year end there were capital commitments totalling £632,479 (2019: £nil) relating to ongoing building projects.