

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 2022

St. Margaret's School Bushey

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REPORT OF THE GOVERNORS

for the year ended 31 August 2022

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, Estates and General Purposes (FEGP)) (Governance and Nominations (G&N)): resigned 10th September 2021

Mr B T Coulshed (Academic) (FEGP)
Ms J Fenn (Pastoral and Co-Curricular (PCC)) (G&N) (FEGP): Board Chair from 10th September 2021
Mrs R Hodgson (PCC) (G&N) (Marketing)
Ms Y Jones-Henry (PCC) (Marketing)
Mr L Miller (FEGP) (Marketing)
Mr M Spooner (FEGP)
Mr T Calvey (Academic)
Dr K Jeyarajah (Academic)
Mr T O'Brien: Vice Chair (FEGP) (G&N)
Mrs S Hambury (Marketing)
Mrs C Jessop (PCC and Academic)
Mr G Budd (Academic)

The Head: Ms L Péchard

Director of Finance and Operations: Mr A Francombe

Registered Office: St. Margaret's School
Merry Hill Road
Bushey
Herts
WD23 1DT

Solicitors: Harrison Clark Rickerbys
62 Cornhill
London
EC3V 3NH

Bankers: Barclays Bank PLC
11 Bank Court
Hemel Hempstead
Hertfordshire
HP1 1BX

St. Margaret's School Bushey

REPORT OF THE GOVERNORS

for the year ended 31 August 2022

Auditors:	Moore Kingston Smith LLP 6th Floor 9 Appold Street London EC2A 2AP
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Registered Charity No	1056228
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Registered Company No	0320118
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St. Margaret's School Bushey

REPORT OF THE GOVERNORS

for the year ended 31 August 2022

The Governors present their report for the period ended 31 August 2022 together with the audited financial statements which have been prepared in accordance with Companies' 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. The Governors report also includes the Strategic 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. New Governors are formally inducted into their role through a series of briefings with the Chair, Vice Chair, the Head and the Clerk to the Governors.

The Governors are offered training and are informed of seminars and courses that are beneficial to their governance and their responsibilities as Charity Trustees.

Specifically, the charity governance code has been instrumental in the Governors' approach to increasing diversity on the Board. 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.

Organisational Management

The Governors are responsible for the policy and strategic direction of the School with strategic and operational management delegated to the Head and her Senior Management Team. The Board delegates certain areas of responsibility to the following committees: 'Academic', 'Finance Estates and General Purposes', 'Governance and Nominations', 'Pastoral and Co-curricular' and 'Marketing and Admissions'. These committees and the Board itself meet at least three times per annum.

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 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.

Following a review of the recent historical performance of St Margaret's Enterprises Limited and future cashflow projections, the Board have decided that effective March 1, 2023 St Margaret's Enterprises activities will be incorporated back into the School, with St Margaret's Enterprises remaining in operation merely as the party to fixed term utility contracts for the Sports Centre. St Margaret's Enterprises will become dormant as soon as the fixed term utility contracts expire.

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.

St. Margaret's School Bushey

REPORT OF THE GOVERNORS

for the year ended 31 August 2022

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 key 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 lines of reporting;
- Formal written policies; and
- Authorisation and approval procedures and processes.

For the year ended August 2022, the key risk was the potential impact on affordability of fees for our parents due to inflation and increases in interest rates, the impact on the school's costs, plus a forecast recession. The Governors consider that this risk has been significantly mitigated by the continued strong pupil numbers and admissions pipeline plus a robust review of the school's budgeting and financial projections. Following a review of its ability to generate sustainable profits, the Governors have decided to wind down the activities of St Margaret's Enterprises and integrate most of its activities back into the School. The Governors are satisfied that this mitigates the risk of the school having to fund any future losses of St Margaret's Enterprises by way of loans and any risk that loans may not be paid back to the school.

The Governors closely monitor the working capital of the school, and are satisfied that the school has sufficient reserves to continue its operations. An overdraft facility has been put in place to resolve any short-term cash fluctuations, as the school invests in people and facilities to cope with the continued growth in pupil numbers. Therefore, having assessed the school's financial position, and the plans for the foreseeable future, the risks to which the school is exposed to and the detailed cash projections, the Governors are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

The Governors are aware of the increasing number of cyber attacks on independent schools. The school's network resilience is robust with end point detection and response software, firewalls, multiple discrete backups and regular staff training on cyber threats. September 2022 saw the introduction of two factor authentication across the school. The school also has a cyber insurance policy.

Through the established systems for managing risk, the Governors are satisfied that all foreseeable, major risks have been identified and managed appropriately. It is, of course, recognised by the Governors that systems can only provide reasonable 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'.

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REPORT OF THE GOVERNORS

for the year ended 31 August 2022

Values and Aims

St Margaret's aims to provide:

- A modern and diverse academic and co-curricular programme, which enables pupils to excel academically equipping them to pursue their individual ambitions with confidence, wisdom and compassion.
- An inclusive pastoral ethos rooted in kindness and respect for ourselves which supports both child and family.

Reaching outside the school to ensure pupils have access to experts in their fields as well as opportunities for leadership, service and community 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 boarders from all over the world. 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.. Our co-curricular programme is an area of school life that continues to expand.

Admissions

The School roll currently stands at 659 pupils from age 2 to 18 – an increase of over 100 pupils compared to the 2021-22 academic year; the second year in a row when pupil numbers have increased by over 100 year on year. From April 2023, the Junior School will be further expanded with three form entry in year 6.

Admission to the School is run by the Head of Marketing and Admissions, who heads a small group of staff 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. Children applying to the School are also given an opportunity to experience a lesson and/or an activity.

The selection criteria and interview procedure is determined and reviewed annually by the Governors of the School. All staff involved in selection and interviewing receive appropriate training.

The school continues to offer a more individualized approach and employ family tours, alongside open days, to ensure there is real opportunity to ask questions. We have also continued to offer deferred entry to our local prep school market which has strengthened our relationships with our feeder schools. Generally, 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 continues to move towards full co-education, with increasing numbers of boys in the Junior School and the Sixth Form. Boys entered into years 7 and 9 for the first time in September 2022 and as of January 2023 those year groups comprised 40% and 38% boys respectively. We have also had boys join year 8 and 10 as well as boarding. The nursery continues to go from strength to strength and we are looking to continue to expand this offer. Increasing numbers of families are bringing younger siblings, demonstrating their loyalty and continuing to develop our 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

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for the year ended 31 August 2022

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.

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. Bursary awards range from 5% to 100%.

Since 2007, each year one 100% bursary has been awarded to at least one 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 Welfare Officer, 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 invest in training for our Heads of Year in the Senior School to ensure that they are qualified to attend outside agency Safeguarding meetings. Heads of Years also receive 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. In the next academic year, we will enhance our Personal, Social, Health & Economic education (PSHE) offering, with more curriculum time for those in years 7-9 as well as more events for parents to support them. We have targeted wellbeing in our PSHE and tutor programme and our Welfare Officer in collaboration with Heads of Year, ensures that there is appropriate interventions for those requiring support. 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. We are continually working with pupils through the student led council to ensure the provision is diverse and popular. The quality of food is high and the beautiful dining room means 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.

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for the year ended 31 August 2022

ISI Inspection

In September 2022, the School was routinely inspected by the Independent Schools Inspectorate, with the inspectors rating the quality of the pupil's academic and personal development excellent. The school also passed the all the compliance sections of the inspection.

Future Plans

St Margaret's priorities for the next academic year are to build a modern and broad curriculum that pupils find engaging and relevant to their interests and ambitions, prioritise engagement and communication with our families so we can best support our pupils, while building on our relationships and networks to enhance our innovation, pupil outcomes and to serve our communities. There is positive word of mouth recommendations and narrative around the school locally and far afield.

Summer 2022 saw many refurbishment projects completed across our site including a new contemporary library hub in the Waterhouse Building, a new 6th form café, redesign of the Senior school staff and Boarders common rooms, and a new Design and Technology teaching facility.

The increase in pupil numbers, and our continuing predicted growth, allows us confidently to plan investment in the redevelopment of our superb 60-acre site and use it in ways which extend and enrich the pupils' learning. We are currently working with architects to develop a site Master Plan, which is due to be completed by April 2023. This will provide the School with a holistic plan for the development of the site. In April 2023, we will fit out of the top floor of the Junior School, providing additional classrooms and facilities.

In April 2022 we saw the opening of the new Music building, named The Garton Building after a previous Director of Music at the School. 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.

The Friends of St Margaret's, our parent teacher group, have continued to build on their work and have led some excellent and well supported events. Monies raised are awarded to groups within the school who apply through a bid scheme.

The school has recently appointed an EDI officer and we are implementing initiatives to make the school more inclusive. The school has embedded an EDI calendar into the school calendar. We have made adaptations to our spiritual spaces and reviewed our curriculum to ensure it reflects our diverse population. Pupil led groups such as the Student Council as well as the SAGA group help ensure that pupil voice is included shaping this area of school life.

We offer a diverse offer of enrichment clubs where people can come together with mutual beliefs, we are now more actively looking at ways to integrate these clubs into the wider St Margaret's community. Having facilitated meetings with both staff and students with an EDI expert, we are looking at how we can continue to shape this important area.

The school has established an Environment & Sustainability Group which is responsible for the development and adoption of an Environmental Policy for the School. Initiatives include an "At Source" recycling plan for the which has been strongly welcomed by pupils. This has also been extended to our waste management procedures resulting in a dramatic increase in paper and plastic recycling. Other initiatives include the replacement of old-style lamps to LED equivalents, the launch of a parent ride share app to reduce the number of cars coming to the school and fruit & vegetable growing on site, integrating this into the curriculum.

We will continue 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

St. Margaret's School Bushey

REPORT OF THE GOVERNORS

for the year ended 31 August 2022

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. Our Sports Centre and its coffee shop are used by the local community. Our various and extensive list of holiday camps are also open to current, prospective and local children.

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. We continue to offer use of our swimming pool to local state schools. 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.

FINANCIAL REVIEW

Income and expenditure

As detailed on Page 14, in the period to 31 August 2022, despite an increase in income by some £2.1million, the School experienced a net loss for the year, and an increased loss versus 2020/21. This due to the Governors' commitment during 2021/22 to a strategy of investing in improving and developing the School's educational offering, resources and facilities as the school continues its rapid recent growth.

A key indicator of the success of this strategy is the increase in pupil numbers. These are due to exceed 700 by September 2023. This represents a significant increase of over 250 since 2020.

The progress to being fully co-educational continues apace and is a contributor to this increase with boys now in the majority of school years, including over 32 expected in Year 7 in September 2023.

The Junior School is also expanding notably. There is a two-form entry throughout in 2022/23, with Year 6 moving to three forms in April 2023. There is now also a much-enhanced nursery provision, and numbers continue to grow with further expansion planned during 2023.

The investment in enhancing our staff continued with a wave of new teaching appointments during summer 2022 bringing talent and diverse interests to our School. This is evident in both the classroom and our excellent co-curricular offer.

Investment and improvements in staff welfare and pupil facilities have been made, notably the new modernized Library Hub and senior staff common room in the Waterhouse Building. Refurbishment was also undertaken to our Boarding and 6th Form Common Rooms, which now houses a dedicated 6th Form Café, together with new pupil bathroom facilities and office spaces in the Waterhouse Building.

The Governors also regularly review the school's performance versus a number of academic, co-curricular & welfare, marketing & admissions, and financial key performance indicators. The key financial KPI's are absolute cash surplus, cash surplus as a percentage of fees, pupil/teacher ratios, average class size and debtors. Good progress has been made against all indicators versus last year, except for the school's cash surplus due to the decision to invest in support staff resources plus repairing and upgrading facilities during 2021/22.

In summary, we look forward with confidence to a strong and improving sustainable financial position which will enable further investment in the School in the immediate future for the benefit of our pupils and all the Schools' stakeholders.

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

St. Margaret's School Bushey

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for the year ended 31 August 2022

- 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 6% of gross fees
- Working capital £1,800k (3 months of expenditure excluding depreciation)
- Building and Infrastructure £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 reserves policy is reviewed on an annual basis.

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, including the ongoing commitment to bursaries and scholarships.

Statement of Governors' Responsibilities

The Governance and Nominations Committee acts as the remuneration committee. The Committee is responsible for setting the remuneration of the senior leadership team, including the Head and the Director of Finance and Operations, ensuring that they are fairly rewarded using external benchmarking wherever possible.

The Governors (who are also directors of the charity 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.

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for the year ended 31 August 2022

Auditors

Moore Kingston Smith LLP were appointed as auditor to the company and in accordance with section 485 of the Companies Act 2006, a resolution proposing that they be reappointed will be put at a General Meeting.

Signed on behalf of the Board on 29 March 2023

A handwritten signature in purple ink, appearing to read 'Judith', with a horizontal line underneath.

Judith Fenn
Chair of Governors

St. Margaret's School Bushey

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for the year ended 31 August 2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ST MARGARET'S SCHOOL

Opinion

We have audited the financial statements of St Margaret's School Bushey (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2022 which comprise of the Group Statement of Financial Activities, the Group Summary Income and Expenditure Account, the Group and Parent Charitable Company Balance Sheets, the Group Cash Flow Statement and notes to the financial statements, including 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 2022 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

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

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

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

Other information

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

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

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for the year ended 31 August 2022

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the 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 their 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, 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.

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for the year ended 31 August 2022

- 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.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

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

The objectives of our audit in respect of fraud, are; to identify and assess the risks of material misstatement of the financial statements due to fraud; to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud, through designing and implementing appropriate responses to those assessed risks; and to respond appropriately to instances of fraud or suspected fraud identified during the audit. However, the primary responsibility for the prevention and detection of fraud rests with both management and those charged with governance of the charitable company.

Our approach was as follows:

- We obtained an understanding of the legal and regulatory requirements applicable to the charitable company and considered that the most significant are the Companies Act 2006, the Charities Act 2011, the Charity SORP, and UK financial reporting standards as issued by the Financial Reporting Council
- We obtained an understanding of how the charitable company complies with these requirements by discussions with management and those charged with governance.
- We assessed the risk of material misstatement of the financial statements, including the risk of material misstatement due to fraud and how it might occur, by holding discussions with management and those charged with governance.

St. Margaret's School Bushey

REPORT OF THE GOVERNORS

for the year ended 31 August 2022

- We inquired of management and those charged with governance as to any known instances of non-compliance or suspected non-compliance with laws and regulations.
- Based on this understanding, we designed specific appropriate audit procedures to identify instances of non-compliance with laws and regulations. This included making enquiries of management and those charged with governance and obtaining additional corroborative evidence as required.

There are inherent limitations in the audit procedures described above. We are less likely to become aware of instances of non-compliance with laws and regulations that are not closely related to events and transactions reflected in the financial statements. Also, the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion.

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

31 March 2023

9 Appold Street
London
EC2A 2AP

St. Margaret's School Bushey

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

(including the income and expenditure statement)

for the year ended 31 August 2022

	Notes	Total 2022 £	Total 2021 £
INCOME FROM:			
Charitable Activities			
School fees	3	9,131,115	7,161,362
Other educational income	4	384,504	399,134
Other income			
Other trading income	5	393,332	182,297
Investments			
Investment Income	6	4,268	342
Interest received		-	-
Rental income		21,000	45,268
Voluntary sources			
Grants and donations	7	-	68,791
Total income and endowments		9,934,219	7,857,194
EXPENDITURE ON:			
Costs of raising funds			
Other trading costs	8	605,759	475,982
Interest and other costs		30,153	4,698
Charitable activities			
Education	8	10,020,558	7,985,083
Total expenditure		10,656,470	8,465,763
Net income/(expenditure)		(722,251)	(608,569)
Transfer between funds		-	-
Net movement in funds		(722,251)	(608,569)
Fund balances brought forward		20,818,793	21,427,362
Fund balances carried forward		20,096,542	20,818,793

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 2022

	Notes	Group 2022 £	Group 2021 £	School 2022 £	School 2021 £
FIXED ASSETS					
Tangible assets	13	22,765,449	21,186,766	22,707,179	21,099,611
Investments	14	-	-	1	1
		22,765,449	21,186,766	22,707,180	21,099,612
CURRENT ASSETS					
Debtors	15	484,002	170,161	484,509	437,480
Cash at bank and in hand		1,315,884	2,841,025	1,281,507	2,823,483
		1,799,886	3,011,186	1,766,016	3,260,963
CREDITORS: Amounts falling due within one year	16	(3,117,314)	(1,881,617)	(3,012,411)	(1,841,691)
NET CURRENT LIABILITIES		(1,317,428)	1,129,569	(1,246,395)	1,419,272
TOTAL ASSETS LESS CURRENT LIABILITIES		21,448,021	22,316,335	21,460,785	22,518,884
CREDITORS: Amounts falling due after more than one year	17	(1,351,479)	(1,497,542)	(1,351,479)	(1,497,542)
NET ASSETS		20,096,542	20,818,793	20,109,306	21,021,342
FUNDS					
Unrestricted funds – general	18	18,332,204	19,054,455	18,344,968	19,257,004
Unrestricted funds - designated	18	711,000	711,000	711,000	711,000
Revaluation reserve	18	1,053,338	1,053,338	1,053,338	1,053,338
		20,096,542	20,818,793	20,109,306	21,021,342

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 £(912,036) (31 August 2021: £504,035).

Approved and authorised for issue by the Board of Governors on 29th March 2023 and signed on their behalf by:



Judith Fenn
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 2022

CASH FLOW STATEMENT	Notes	2022 £	2021 £
Net cash inflow from operating activities	23	1,163,407	782,693
Cash flows from investing activities:			
Bank interest received		4,268	342
Interest payable		(30,153)	(4,698)
Payments to acquire fixed assets		(2,362,663)	(823,275)
Net cash outflow from investing activities		<u>(2,388,548)</u>	<u>(827,631)</u>
Financing:			
Loans repaid		(300,000)	(50,000)
Net cash outflow from financing activities		<u>(300,000)</u>	<u>(50,000)</u>
Increase/(decrease) in cash		(1,525,141)	(94,938)
Cash and cash equivalents at the beginning of the reporting period		<u>2,841,025</u>	<u>2,935,963</u>
Cash and cash equivalents at the end of the reporting period		<u><u>1,315,884</u></u>	<u><u>2,841,025</u></u>

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

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 and the material uncertainty around pupil numbers, particularly in light of the current economic climate 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 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.

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

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.

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

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

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.

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

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 2022

3 FEE INCOME

The School's activities are carried out within the UK.

The school's fee income comprised:

	2022 £	2021 £
Gross fees	9,757,552	7,719,109
Less: bursaries, grants and allowances	(626,437)	(557,747)
	<u>9,131,115</u>	<u>7,161,362</u>

4 OTHER EDUCATIONAL INCOME

	2022 £	2021 £
Extras and disbursements	315,541	336,329
Registration fees	54,518	40,231
Retained pupil deposits	13,682	21,985
Other income	763	589
	<u>384,504</u>	<u>399,134</u>

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

	2022 £	2021 £
Investment income	4,268	342
Rental income	21,000	45,268
	<u>25,268</u>	<u>45,610</u>

7 DONATIONS AND GRANTS

	2022 £	2021 £
Donations and gifts	-	8,371
Furlough grant	-	60,420
	<u>-</u>	<u>68,791</u>

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

8 EXPENDITURE

(a) Costs of Raising Funds	Staff costs (note 9) £	Other £	Depreciation £	Total 2022 £
Trading costs	396,617	173,719	35,423	605,759
Total Costs of Raising Funds	396,617	173,719	35,423	605,759
Charitable expenditure	Staff costs (note 9) £	Other £	Depreciation £	Total 2022 £
Teaching	4,105,425	471,931	-	4,577,356
Welfare	874,057	322,526	-	1,196,583
Premises and Estates	220,987	729,396	750,571	1,700,954
Administration	1,073,541	841,507	-	1,915,048
Pupil resales and extras	-	488,469	-	488,469
Finance Costs	-	39,176	-	39,176
Governance	-	133,125	-	133,125
Total Charitable Expenditure	6,274,010	3,026,130	750,571	10,050,711
Total Expended	6,670,627	3,199,849	785,994	10,656,470
Costs of Raising Funds	Staff costs (note 9) £	Other £	Depreciation £	Total 2021 £
Trading costs	300,703	132,236	43,043	475,982
Total Costs of Raising Funds	300,703	132,236	43,043	475,982
Charitable expenditure	Staff costs (note 9) £	Other £	Depreciation £	Total 2021 £
Teaching	3,937,136	139,442	-	4,076,578
Welfare	646,236	199,052	-	845,288
Premises and Estates	215,856	492,851	523,348	1,232,055
Administration	642,164	655,615	-	1,297,779
Pupil resales and extras	-	469,133	-	469,133
Finance	-	15,259	-	15,259
Governance	-	53,689	-	53,689
Total Charitable Expenditure	5,441,392	2,025,041	523,348	7,989,781
Total Expended	5,742,095	2,157,277	566,391	8,465,763

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

(b) Other Governance Costs include:	2022	2021
	£	£
Auditors' remuneration		
- Audit Fees	20,790	17,636
- underprovision from previous year	21,459	2,680
- Accountancy Fees	2,850	2,148
- Other Auditors remuneration	8,207	1,282
Professional fees	71,168	25,526
Governor's expenses	8,651	4,417

9 STAFF COSTS	2022	2021
	£	£
Wages and salaries	5,424,582	4,609,378
Social security costs	478,296	428,717
Other pension costs	767,749	704,000
	6,670,627	5,742,095

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

	2022	2021
	No.	No.
Teaching	67	65
Other	64	57
Trading		38
	131	160

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

	2022	2021
	No.	No.
£60,000 - £70,000	2	4
£70,001 - £80,000	2	1
£90,001 - £100,000	-	1
£100,001 - £110,000	2	1
	6	7

Total pensions for the above employees amounted to £114,894.

10 GOVERNORS REMUNERATION AND BENEFITS

There were no Governors' remuneration or other benefits for the year ended 31 August 2022 nor for the year ended 31 August 2021.

Travel and training expenses of £573 (2021: £3,430) for 5 governors (31 August 2021: 7) 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 and the Director of Finance and Operations. The total pay and benefits received by key management personnel were £262,109 (2021: £263,396).

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

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 £637,312 (2021: £904,744) and at the year end £254,293 (2021: £78,015) was accrued in respect of contributions to this scheme.

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

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

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

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

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

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

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

The 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

	2022	2021
Net income is stated after charging:	£	£
Depreciation of tangible fixed assets	785,994	523,348
Operating lease rentals – other	18,878	62,610

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

13 TANGIBLE FIXED ASSETS

GROUP

	Freehold Property £	Plant & Equipment £	Total £
Cost:			
At 1 September 2021	25,125,049	2,297,648	27,422,697
Additions	1,867,115	495,548	2,362,663
Disposals	-	-	-
At 31 August 2022	<u>26,992,164</u>	<u>2,793,196</u>	<u>29,785,360</u>
Depreciation:			
At 1 September 2021	4,090,085	2,145,845	6,235,930
Charge for year	439,032	344,949	783,981
Disposals	-	-	-
At 31 August 2022	<u>4,529,117</u>	<u>2,490,794</u>	<u>7,019,911</u>
Net book value:			
At 31 August 2022	<u><u>22,463,047</u></u>	<u><u>302,402</u></u>	<u><u>22,765,449</u></u>
At 1 September 2021	<u><u>21,034,964</u></u>	<u><u>151,803</u></u>	<u><u>21,186,767</u></u>

SCHOOL

	Freehold Property £	Equipment & Vehicles £	Total £
Cost:			
At 1 September 2021	24,926,997	2,039,955	26,966,952
Additions	1,867,115	489,010	2,356,125
At 31 August 2022	<u>26,794,112</u>	<u>2,528,965</u>	<u>29,323,077</u>
Depreciation:			
At 1 September 2021	3,965,157	1,902,183	5,867,340
Charge for year	418,457	330,101	748,558
At 31 August 2022	<u>4,383,614</u>	<u>2,232,284</u>	<u>6,615,898</u>
Net book value:			
At 31 August 2022	<u><u>22,410,498</u></u>	<u><u>296,681</u></u>	<u><u>22,707,179</u></u>
At 1 September 2021	<u><u>20,961,840</u></u>	<u><u>137,772</u></u>	<u><u>21,099,612</u></u>

Included within freehold property are assets under construction of £nil (2021: £1,050,873) where no depreciation has been charged.

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

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 2022 are as follows:

Profit and loss accounts for the year ended 31 August 2022

£

Turnover	586,143
Expenditure	(605,793)
Other operating income	212,941
Interest payable	(729)
Loss for the period	<u>192,562</u>

Net assets at 31 August 2022

Fixed assets	58,270
Debtors	132,854
Cash	34,377
Due to parent undertakings	(130,516)
Other creditors	<u>(104,937)</u>
	<u>(9,952)</u>
Capital and reserves	<u>(9,952)</u>

Following the year end the directors of St Margaret's Enterprises Limited have made the decision to transfer all the operations and assets within St Margaret's Enterprises Limited to St Margaret's School, Bushey. Accordingly, the Governors of the school have agreed to waive the loan between the school and the Enterprise company.

15 DEBTORS

	Group	Group	School	School
	2022	2021	2022	2021
	£	£	£	£
Trade debtors	126,539	9,019	-	-
Fees and extras	291,428	177,593	291,428	177,593
Less provision for doubtful debts	(124,884)	(106,216)	(124,884)	(106,216)
Other debtors	3,504	16,240	-	-
Prepayments and accrued income	187,416	73,525	187,416	73,525
Amount due from group undertaking	-	-	130,549	292,578
	<u>484,003</u>	<u>170,161</u>	<u>484,509</u>	<u>437,480</u>

Amount due from group undertaking includes a loan to St Margaret's Enterprises Limited of £109,422 from 1st December 2019 and 21st April 2021 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 £nil (2021: £99,396) that is due after one year.

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

16 CREDITORS

	Group	Group	School	School
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due within one year:				
Loans	300,000	300,000	300,000	300,000
Trade creditors	833,868	168,983	775,658	166,511
Taxation and social security costs	167,150	127,744	131,437	113,060
Fee Deposits	95,500	84,225	95,500	84,225
Fees in advance	385,427	919,456	385,427	919,456
Other creditors	590,632	118,356	579,652	95,586
Accruals	744,737	162,853	744,737	162,853
	3,117,314	1,881,617	3,012,411	1,841,691
	Group	Group	School	School
	2022	2021	2022	2021
	£	£	£	£
Deferred income:				
Brought forwards	919,456	496,534	919,456	496,534
Released in year	(919,456)	(496,534)	(919,456)	(496,534)
Received in year	385,427	919,456	385,427	919,456
	385,427	919,456	385,427	919,456

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

17 CREDITORS DUE AFTER ONE YEAR

	Group	Group	School	School
	2022	2021	2022	2021
	£	£	£	£
Amounts falling due after more than one year:				
Bank loan	850,000	1,150,000	850,000	1,150,000
Fee deposits	501,479	331,000	501,479	331,000
Fees in advance	-	16,542	-	16,542
	1,351,479	1,497,542	1,351,479	1,497,542
			2022	2021
			£	£
Movement on loans				
In one year or less			300,000	300,000
Between one and two years			300,000	300,000
Between two and five years			550,000	850,000
After five years			-	-
			1,150,000	1,450,000

The School's loan balances as at 31 August 2022 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 £1,150,000 (2021: £1,450,000). 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 July 2021.

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

18 STATEMENT OF FUNDS

GROUP	At 1 September 2021 £	Income £	Expenditure £	Transfer Between Funds £	Gains/ (losses) £	At 31 August 2022 £
Unrestricted funds:						
General reserve	14,370,101	9,540,887	(10,050,711)	(189,271)	-	13,671,006
Capital fund	4,886,869	-	-	-	-	4,886,869
Revaluation reserve	1,053,338	-	-	-	-	1,053,338
Designated	711,000	-	-	-	-	711,000
Trading	(202,515)	393,332	(605,759)	189,271	-	(225,671)
Total funds	20,818,793	9,934,219	(10,656,470)	-	-	20,096,542

	At 1 September 2020 £	Income £	Expenditure £	Transfer Between Funds £	Gains/ (losses) £	At 31 August 2021 £
Unrestricted funds:						
General reserve	14,874,170	7,674,897	(7,989,781)	(189,185)	-	14,370,101
Capital fund	4,886,869	-	-	-	-	4,886,869
Revaluation reserve	1,053,338	-	-	-	-	1,053,338
Designated	711,000	-	-	-	-	711,000
Trading	(98,015)	182,297	(475,982)	189,185	-	(202,515)
Total funds	21,427,362	7,857,194	(8,465,763)	-	-	20,818,793

CHARITY	At 1 September 2021 £	Income £	Expenditure £	Transfer Between Funds £	Gains/ (losses) £	At 31 August 2022 £
Unrestricted funds:						
General reserve	14,370,135	9,541,616	(10,453,652)	-	-	13,458,099
Capital fund	4,886,869	-	-	-	-	4,886,869
Revaluation reserve	1,053,338	-	-	-	-	1,053,338
Designated	711,000	-	-	-	-	711,000
Total funds	21,021,342	9,541,616	(10,453,652)	-	-	20,109,306

	At 1 September 2020 £	Income £	Expenditure £	Transfer Between Funds £	Gains/ (losses) £	At 31 August 2021 £
Unrestricted funds:						
General reserve	14,874,170	7,630,489	(8,134,524)	-	-	14,370,135
Capital fund	4,886,869	-	-	-	-	4,886,869
Revaluation reserve	1,053,338	-	-	-	-	1,053,338
Designated	711,000	-	-	-	-	711,000
Total funds	21,525,377	7,630,489	(8,134,524)	-	-	21,021,342

The designated fund is to support bursarial assistance.

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

19 ANALYSIS OF NET ASSETS BETWEEN FUNDS

GROUP	Unrestricted funds £	Trading company £	Designated funds £	2022 Total £
Tangible fixed assets	22,707,179	58,270	-	22,765,449
Current assets	924,466	164,420	711,000	1,799,886
Current liabilities	(2,668,920)	(448,394)	-	(3,117,314)
Long term liabilities	(1,351,479)	-	-	(1,351,479)
Total net assets	<u>19,611,246</u>	<u>(225,704)</u>	<u>711,000</u>	<u>20,096,542</u>
	Unrestricted funds £	Trading company £	Designated funds £	2021 Total £
Tangible fixed assets	21,099,611	87,155	-	21,186,766
Current assets	2,257,385	42,801	711,000	3,011,186
Current liabilities	(1,592,964)	(288,653)	-	(1,881,617)
Long term liabilities	(1,453,691)	(43,851)	-	(1,497,542)
Total net assets	<u>20,310,341</u>	<u>(202,548)</u>	<u>711,000</u>	<u>20,818,793</u>
CHARITY	Unrestricted funds £	Designated funds £	2022 Total £	
Tangible fixed assets	22,707,179	-	22,707,179	
Investments	1	-	1	
Current assets	1,055,016	711,000	1,766,016	
Current liabilities	(3,012,411)	-	(3,012,411)	
Long term liabilities	(1,351,479)	-	(1,351,479)	
Total net assets	<u>19,398,306</u>	<u>711,000</u>	<u>20,109,306</u>	
	Unrestricted funds £	Designated funds £	2021 Total £	
Tangible fixed assets	21,099,611	-	21,099,611	
Investments	1	-	1	
Current assets	2,549,963	711,000	3,260,963	
Current liabilities	(1,841,691)	-	(1,841,691)	
Long term liabilities	(1,497,542)	-	(1,497,542)	
Total net assets	<u>20,310,342</u>	<u>711,000</u>	<u>21,021,342</u>	

St. Margaret's School Bushey

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2022

20 COMMITMENTS UNDER OPERATING LEASES

At 31 August 2022, the School had outstanding commitments for future minimum lease payments under non-cancellable operating leases, which fall due as follows:

	2022 Plant & Equipment	2021 Plant & Equipment
Due within one year	34,977	28,452
Due between two and five years	30,487	45,806
Due after more than five years	-	-
	<u>65,464</u>	<u>74,258</u>

21 RELATED PARTIES

During the year the school paid MSP Energy Consultant £600 (2021: nil) where one governor is the partner. A child of a member of senior management was paid £350 (2021: nil) for design services.

22 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.

23 NOTES TO THE CASHFLOW STATEMENT

	2022 £	2021 £
Reconciliation of operating result to net cash inflow from operating activities		
Net movement in funds	(722,251)	(608,569)
Depreciation	783,981	566,391
Bank interest received	(4,268)	(342)
Interest payable	30,153	4,698
Increase/(Decrease) in creditors	1,389,634	693,262
(Increase)/Decrease in debtors	(313,842)	127,253
	<u>1,163,407</u>	<u>782,693</u>

24 CAPITAL COMMITMENTS

At the year end there were capital commitments totalling £nil (2021: £730,045) relating to ongoing building projects.