

OSWESTRY SCHOOL

GOVERNORS' REPORT AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020



OSWESTRY SCHOOL
(A company limited by guarantee)

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS GOVERNORS AND ADVISERS
FOR THE YEAR ENDED 31 AUGUST 2020**

Governors	Mr P T Wilcox-Jones, Chairman ¹ Mr T Moore-Bridger, Vice Chairman ¹ Mr E Bowen Mr C Dillon (appointed 8 December 2020) ¹ Mr J R Edwards ¹ Mr D P Evison ¹ Reverend H L Gibbons Miss B Y Gull Mr J Hancock (resigned 4 December 2020) Mr H Jones (resigned 1 December 2020) Mrs A J Lee ¹ Mr A J Moss (resigned 23 June 2020) Mr C Schofield Mrs R Warner Mr J Wastling Mr B Welti ¹ ¹ Member of the Finance and General Purpose Committee
Company registered number	03931222
Charity registered number	1079822
Registered office	Upper Brook Street Oswestry Shropshire SY11 2TL
Company secretary	Mr P A Bowd
Independent auditors	WR Partners Statutory Auditors Belmont House Shrewsbury Business Park Shrewsbury Shropshire SY2 6LG
Bankers	NatWest Bank Plc 17 Church Street Oswestry Shropshire SY11 2SX

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**REFERENCE AND ADMINISTRATIVE DETAILS OF THE SCHOOL, ITS GOVERNORS AND ADVISERS
(CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020**

Senior Leadership Team Mr J Noad (Headteacher)
Miss A Sefton (Academic) (Resigned 31 August 2020)
Ms S Nancini (Pastoral) (Resigned 31 August 2020)
Mr P Bowd (Bursar)
Mrs C Belk (Head of Bellan House)
Mrs L Lang (Deputy Head) (Appointed 1 September 2020)

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GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the audited financial statements of the School for the 1 September 2019 to 31 August 2020. The Governors confirm that the Annual report and financial statements of the charitable company comply with the current statutory requirements, the requirements of the charitable company's governing document and the provisions of the Statement of Recommended Practice (SORP) applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective January 2015).

The Governors (who are also directors of the charity for the purposes of the Companies Act) present their annual report together with the audited financial statements of Oswestry School (the Company, also referred to as "the School") for the year 1 September 2018 to 31 August 2019. The Governors confirm that the Annual report and financial statements of the School comply with the current statutory requirements, the requirements of the School's governing document and the provisions of the Statement of Recommended Practice (SORP) "Accounting and Reporting by Charities" issued in March 2015.

Objectives and activities

a. Policies and objectives

The objects of the School, are:

1. 'the provision and conduct of a day or day and boarding school for boys and girls in or near the town of Oswestry; and/or
2. to further the objects of the charity in so far as they relate to the above provision.'

We aim to provide a first class education to boys and girls from the ages of 4 to 18. We seek to provide a structured educational environment that develops our pupils' capabilities, competences and skills. We promote the academic, moral and physical development of our pupils through our academic curriculum, pastoral care, sporting and other activities.

We provide an educational environment where each student can develop and fulfil his or her potential, building their self confidence and inculcating a desire to contribute to the wider community. In so doing, we prepare our pupils to learn not just for school, but for life.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

b. Strategies for achieving objectives

Our objectives are set to reflect our educational aims and the ethos of the School. It is important to us that we maintain and enhance the academic success of the School. This objective is, however, set in the context of the broader goals we set for the School and its pupils.

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and to further wider access to the education our School provides. Our motto is "we learn not for school but for life".

The School's five year strategic plan is updated annually and formally approved by the Board. The overall summary of this plan is for Oswestry School to be the 'the family school of choice in Shropshire', caring for pupils from early years to the end of their Sixth Form. Its pastoral care will be second to none. It will be non-selective in the best sense: it will support, challenge and develop pupils of a wide range of abilities, to reach their fullest potential. It will have academic renown. Its co-curriculum will be broad and demonstrate excellence in many areas: music; drama; sport; and adventure education. The School will adhere to its motto, 'not for school, but for life' (non scholae sed vitae). Oswestry School is a British independent school with a long and rich heritage. It will have a strong international dimension, celebrating the diversity of its community. Its pupils will be free from pretension. The School will be a trusted provider of education, with a genuine family atmosphere and a sense of community.

Oswestry School is a charitable company which seeks to benefit the public through the pursuit of its stated aims and objectives. Our fees are set at a level to ensure the financial viability of the School and at a level that is consistent with our aim of providing a first class education to boys and girls.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our School will be able to educate and develop that pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance interviews and assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, ethnicity, race, religion or disability do not form part of our assessment processes. We are an equal opportunity organisation and we are committed to a working environment that is free from any form of discrimination on the grounds of colour, race, ethnicity, religion, sex, sexual orientation or disability. We will make reasonable adjustments to meet the needs of staff or pupils who are or become disabled.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment. In the last Independent Schools' Inspectorate report, the pastoral care provided by our Form Tutors, Heads of House and Year, was described as "excellent". Parents are given regular information about their children's social and academic progress through parent's evenings, in addition to the traditional end of term and year reports. We maintain regular contact with parents throughout the year through informal contacts, the Headmaster's weekly, end of term and other letters and through our newsletter. Older pupils have a Form Tutor and Head of Section responsible for pastoral care and academic development.

c. Activities undertaken to achieve objectives

The School principally provides education in Oswestry to boys and girls aged between 4 and 18.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

d. Access Policy

It is important to us that access to the education we offer is not restricted to those who can afford our fees. We believe our pupils benefit from learning within a diverse community. A great deal of learning occurs through social interaction, conversation and shared experiences which helps our pupils develop an understanding of the perspectives of other people that will be vital in their adult lives. Our bursary policy contributes to a widening of access to the education we offer and the facilities we enjoy, and our Accessibility Plan ensures our facilities are accessible to all.

e. Bursary and scholarship policy

The Governors view our bursary awards as important in helping to ensure children from families who would otherwise not be able to afford the fees can access the education we offer. Our bursary awards are available to all who meet our general entry requirements and are made solely on the basis of parental means or to relieve hardship where a pupil's education and future prospects would otherwise be at risk for example in the case of redundancy.

In assessing means we take a number of factors into consideration including family income, investments and savings and family circumstances, for example dependant relatives and the number of siblings. However, our School does not have a large endowment and in funding our awards we have to be mindful that we must ensure a balance between fee paying parents, many of whom make considerable personal sacrifices to fund their child's education and those benefiting from the awards. We are also conscious that we only have a finite sum of money available for these awards.

The bursary awards range from 5% to 100% fee remissions. Information about fee assistance through bursaries is provided to all applying to the School. Further details of our bursary policy and how to apply are available on our website.

To underline the value we place on continuity for families, we offer discounts where parents have more than one child at the School. Further discounts are also available for serving members of the Armed Forces and ex pupils of the School.

The purpose of our scholarship awards is to recognise high academic potential or the ability to excel in our co curricular activities. Our scholarships are awarded on the basis of the individual's academic potential or evidence of exceptional abilities which will contribute to our co curricular activities. Scholarships are awarded with a fixed remission of fees of between 10% and 50 %. Where further assistance is required, scholarship awards may be supplemented by a means tested bursary. We advertise the availability of scholarship awards each winter in the local press. Further details of our scholarship policy are available on our website.

f. Staff Discounts

As part of our emphasis on attracting and retaining high caliber staff, we offer a discount scheme where staff members choose to educate their children at our School.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

g. Main activities undertaken to further the School's purposes for the public benefit

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

Our key objectives for the year, as set out in the School Strategic Plan, included:

- continuing to implement the capital building plan;
- maintaining charitable status;
- implementing increased benchmarking techniques;
- reviewing the breadth of curriculum offered;
- implementing activities to ease transitional processes within School;
- maintaining and improving links with the local community;
- reviewing current marketing strategies;
- planning and implementing facilities development programme; and
- continuing review of financial procedures.

Oswestry School's Community Action programme demonstrates the School's strong sense of its individual and collective social responsibility. There is a commitment by all members of the School community to maintain relationships with other local schools, and to community initiatives, as well as sharing the School's facilities with the wider community, at the same time regularly supporting local, national and international charities throughout the year. Oswestry School is committed to connecting the school, its staff and all its pupils with the local community, through participation in a broad range of activities that are clearly for the benefit of the wider public.

Some of the activities Oswestry School offers at low cost or free of charge to the local community on a regular basis are:

- literacy workshops, maths challenge days, science sessions, sports training to local schools, including transport if required;
- community reading, for example hosting 1,000 local primary school children for a well known author;
- outreach programme, teaching staff visit local nurseries and schools to offer specialist language, maths and science teaching as well as sports training;
- Community Action programme; each week pupils are involved in activities such as visiting local retirement homes, pond, rubbish and weed clearing in the town and also in the countryside with both the Shropshire and Montgomeryshire Wildlife Trusts;
- use of our swimming pool to local schools;
- use of gymnasium and trampolines to local schools;
- playing fields to local schools and sports clubs;
- rugby pitches to the local rugby club;
- hosting regional fixtures, for example cross-country, football and swimming galas;
- local rugby and cricket club use of school buses to travel to away fixtures;
- use of minibuses for local primary schools for trips;
- sharing leadership expertise with the local school's by members of the SLT being governors of two local primary schools;
- support the local church and independent choirs by providing them with a venue to rehearse and choral scholarships;
- help local homeless charities by providing a Christmas lunch for the local homeless;
- a cross country venue for the county cross country school championships;
- the local amateur athletics, netball and hockey clubs use our facilities for their base; and
- provide grounds upkeep services for two local primary schools.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Objectives and activities (continued)

We regularly update the Schools Together website with case studies of our public benefit activities to help the wider population understand the positives that independent schools bring to the national economy. According to the most recent figures available as calculated using the ISC Economic Impact Assessment tool, the economic impact of Oswestry School can be demonstrated by:

- supporting the addition of £5 million a year to the economy
- supporting 160 jobs
- supporting £1.7 million a year in tax receipts to the Exchequer, including approximately £150k in VAT on goods and services that cannot be recovered.
- saving the Exchequer £2.6 million a year by educating around 300 British pupils who would otherwise be educated within the state system.

Strategic report

Achievements and performance

a. Main achievements of the School

Academic results are pleasingly strong from a truly comprehensive intake of pupils. We take great pride in the academic achievements of our pupils: from those achieving A*s and As to those for whom passing an A-level is a significant achievement. Those leaving the school have been supported to suitable universities (including Oxbridge) or, increasingly, excellent apprenticeship schemes.

In the sports arena, there have been many results to celebrate. Music performances, especially so in Bellan House, have been delightful. The newly restructured Performing Arts faculty with a single Director is purposeful and is well supported, notably with facility development of a theatre.

Outdoor education and CCF continue as significant areas of strength. The Duke of Edinburgh Award programme is widely followed and our cadet corp is heralded as an example of best practice.

b. Key performance indicators

Data for summer 2020 were affected by Covid-related centre-assessed grades and the infamous 'algorithm', so caution is urged. However, in line with an improving academic focus, the following results were attained: GCSE - 94% grades 9-4 (or A*-C) and 50% of grades awarded 9-7 (A*-A); A-level - 40% of grades were A*-B, with a 96% pass rate.

An important financial KPI relates to the bank covenant for some of the bank loans that the School has. The covenant has been met for 2020, and forecasts indicate that the covenant will also be met in 2021 and 2022.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Strategic report (continued)

Achievements and performance (continued)

c. Review of activities

Oswestry School grows in popularity with pupil numbers reaching a new high of 472 this year. This represents a strong performance when set against national trends in independent schools. Academic results are pleasingly strong from a truly comprehensive intake of pupils. We take great pride in the academic achievements of our pupils: from those achieving A*s and As to those for whom passing an A-level is a significant achievement. Those leaving the school have been supported to suitable universities or, increasingly, excellent apprenticeship schemes. One pupil secured an offer of a place at Oxford university; the first Oxbridge success in a decade looks set to stimulate other high ambition students.

In the sports arena, there have been many results to celebrate. Music performances, especially so in Bellan House, have been delightful. The newly restructured Performing Arts faculty with a single Director is purposeful and is well supported, notably with facility development of a theatre.

Outdoor education and CCF continue as significant areas of strength. The Duke of Edinburgh Award programme is widely followed and our cadet corp is heralded as an example of best practice.

d. Investment policy and performance

It is part of the Financial and General Purpose Committee's remit to determine the level and nature of investments held by the School, which is in accordance with the School's Memorandum and Articles of Association.

The aim will always be to ensure that the School has sufficient cash reserves to cover current expenditure which is monitored monthly in the management accounts. The School does not have sufficient funds to invest due to the School's policy being to continually invest in the infrastructure and facilities of the School.

Financial review

a. Business performance and outlook

As outlined in the above achievements, 2019/20 started out well; pupil numbers continued with their upward curve, co-curricular and academic achievements were strong and staff morale was high.

When the coronavirus started hitting the headlines, this was identified early on by Governors and senior management as a serious threat and that we needed to plan for the worst. On Friday 20 March 2020, the concerns became reality when the national lockdown was announced. The planning that was done in the run up to that moment came to fruition, and on Monday 23 March 2020 at 8.20am our online teaching and pastoral provision started seamlessly using our already established Google Suite of applications, utilising the pupil's own devices (we already utilised a Bring Your Own Device policy at the school) and effecting our detailed training programme in preparation for this moment.

Easter 2020 was then a busy period planning financially for the forthcoming term and beyond. Budget savings made due to moving to teach remotely (and hence closing the main school site down) and also utilising the new Government furlough scheme where we could, meant that we could pass these savings on to our parent body, and the effect of this can be seen in notes 5 and 6 to these accounts. The Governors are grateful for the sacrifice all of our members of staff made when agreeing to move to 80% pay for the four months to August 2020.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Longer-term, boarding numbers were going to be reduced, and so to mitigate this loss of income, some difficult decisions had to be made, and these accounts include £62,000 of redundancy payments to a number of members of staff which affected a rebalancing of staff costs but retaining the quality of academic, pastoral and co-curricular provision that the School offers. These accounts also include a review of the useful economic lives of the fixtures and fittings held by the School as part of a full review that we undertake from time to time, which has resulted in additional depreciation being charged in the year (refer to note 3).

The full benefit of the above decisions will be felt in 2020/21 and beyond.

Forecasts have been prepared for the following three financial years, and the Finance and General Purpose Committee of the Governing body, with senior management, constantly review the financial position of the school ensuring that future bank covenants will be met and that the available reserves for the school increase annually to secure the long-term future of the School without damaging the product and fulfils the ambition of being the family school of choice in Shropshire.

b. Going concern

The Governors consider the School to be a going concern and continually review this through having at least two years of advance budgets to confirm financial safety. Other areas considered are the implications of compliance with other legislation which can critically damage the School if not managed correctly. Regular reviews of Safeguarding policies and procedures are critical, as are confirmation of no accidents and full fire compliance.

Both internal and external risks are monitored and documented in the School's risk matrix which is annually reviewed by the Governors and management are acutely aware of the need to continually monitor compliance in all areas.

The Integrated ISI inspection that the School had in January 2016 confirmed excellent compliance in all areas.

The COVID-19 pandemic has resulted in reduced boarding pupil numbers, but the day market continues to stay strong. Two years of prudent sensitised forecasts indicate that the bank facilities currently enjoyed by the School do not need to be extended further and with bank covenants met. The School also has some development land for sale and is in the process of completing. The forecasts prepared do not include these sale proceeds, and so this can be considered a contingency to fall back on, if required.

c. Principal risks and uncertainties

The Governors are responsible for managing the risks faced by the School. Detailed consideration of risk is delegated to the Senior Leadership Team of the School. Risks are identified, assessed and controls established throughout the year.

A formal review of the School's risk management processes is undertaken on an annual basis. Risk is managed under the headings of financial sustainability, school safety, student welfare, employment, school trips and events and community access.

Through the established risk management processes, the Governors are satisfied that the major risks identified and that systems and procedures are in place to manage the exposure to major risks. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed. This has been tested during the current COVID-19 pandemic, where when the School was ordered by the Government to teach remotely on Friday 20 March 2020, by Monday 23 March we were successfully teaching remotely online for all pupils using our already utilised Google Suite of applications.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

The principal risks and uncertainties identified by the above process concentrate on financial stability and pupil role, of which the external factors like a global pandemic, Brexit and the exchange rate are currently high on the agenda. Our ability to issue visas under the CAS regime is business critical and so procedures have been put in place to mitigate the risk of ever-changing government legislation in this regard.

Conservative budgets are in place to take into account the risk of a significant drop in the pupil role which highlights what the critical number is before it is deemed that cost reviews are needed. This is being constantly monitored by both management and Governors.

d. Material investments policy

It is part of the Financial and General Purpose Committee's remit to determine the level and nature of investments held by the School, which is in accordance with the School's Memorandum and Articles of Association.

The aim will always be to ensure that the School has sufficient cash reserves to cover current expenditure which is monitored monthly in the management accounts. The School does not have sufficient funds to invest due to the School's policy being to continually invest in the infrastructure and facilities of the School.

e. Reserves policy

The total reserves shown on the balance sheet are £4,665,878 (2019 - £4,775,119), and after deducting £7,347,816 (2019 - £7,626,675) relating to unrestricted fixed assets, £925 (2019 - £1,709) relating to unrestricted fixed asset investments, £239,202 (2019 - £296,043) restricted funds and £762,331 (2019 - £761,738) endowed funds, free reserves available for current activities are a deficit balance of £3,684,396 (2019: deficit of £3,911,046).

The Governors consider that given the strength of the School's balance sheet, the stable cash flow from near full student rolls, the ongoing popularity of the School, the available banking facility that can be called upon if need arises, and that the School's resources are managed on a termly cash flow basis the negative free reserves position is acceptable when considering the ongoing investment of the fabric and improvement of the School.

The Governors recognise that the level of reserves fluctuates during periods of investment in the School and the arrangements with our bank are in place to provide an adequate 'safety net' should it be required.

The School revalued land and buildings during the year ended 31 July 2002, which produced a revaluation surplus of £2,648,112.

Structure, governance and management

a. Constitution

The School is registered as a charitable company limited by guarantee and was set up by a Trust deed. The school is a registered charity number 1079822.

The School's Memorandum and Articles of Association are dated 29 October 2001, as amended on 4 November 2003.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

b. Methods of appointment or election of Governors

New Governors are appointed by the existing Board of Governors. In addition, one Governor is nominated by the Bishop of Lichfield and one Governor is nominated by Oswestry Town Council. A maximum number of Governors permitted by the Articles of Association is 18, and the minimum number is 7.

c. Policies adopted for the induction and training of Governors

The Governing body requires breadth and depth of experience to carry out its duties effectively and efficiently. When recruiting new Governors, the important attribute is a passion for the work of our School and an understanding of education as a holistic and rounded experience of personal growth. The Governors consider that the skills and experience of the Board should include the following:

- a Governor with a legal background;
- a Governor with a financial/accounting background;
- a Governor with educational experience;
- a Governor with senior managerial or business experience;
- a Governor with expertise in the field of human resources;
- a Governor with experience of equal opportunities or disability needs; and
- at least one female Governor and at least one male Governor.

One Governor may have one or more of these skills and each receives a Governor pack and training sessions upon appointment, and updates as appropriate.

All new Governors, when appointed, receive an induction booklet, safeguarding training and a tour of the School. They also receive the AGBIS Guidelines for Governors, CC3 The Essential Trustee and a copy of the School Memorandum and Articles.

AGBIS training courses are made available to the Governors as appropriate.

d. Pay policy for key management personnel

The Finance and General Purpose Governors' committee sets the remuneration for the Headmaster and Bursar and ratified at Full Board level. The rest of the senior management's remuneration is at the discretion of the Headmaster, subject to the budget allowing.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Structure, governance and management (continued)

e. Organisational structure and decision making

The Governors are responsible for the overall management and control of the School and meet at least three times a year. The work of implementing most of the Governing Body's policies is carried out by various Governor led sub committees, namely Finance and General Purpose, Estates, and Education and Pupil Welfare, which then feed into the full Board meetings held at least once a term. Each committee includes at least two Governors, the Bursar and the Headmaster. The Bursar, who is also the Clerk to the Governors, is responsible for coordinating the work of the Governors and their Committees, preparation of papers and management accounts and the review of matters arising.

All Governors give their time freely and did not receive any remuneration in the year, although travelling expenses have been reimbursed. No Governor, or person connected with a Governor, received any benefit from either means tested bursaries or scholarships awarded to our pupils.

The Governors determine the general policy of the School. The day to day running of the School is delegated to the Headmaster, supported by senior staff. The Headmaster undertakes the key leadership role overseeing educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of the School is undertaken within the policies and procedures approved by the Governors which provide for only significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Headmaster oversees the recruitment of all educational staff, whilst under delegated authority the Bursar oversees the recruitment of administrative and non teaching support staff. The Headmaster, Deputy Head, Head of Bellan and Bursar are invited to attend Governors' meetings.

f. Related party relationships

The School is a member of The Headmasters Conference (HMC), The Society of Heads (SoH), the Independent Association of Preparatory School (IAPS), Boarding Schools association (BSA), and the Independent Schools' Bursars Association (ISBA) which provide opportunities to share expertise, knowledge and experience across the independent school sector.

g. Risk Management

The Governors have assessed the major risks to which the School is exposed, in particular those related to the operations and finances of the School, and are satisfied that systems and procedures are in place to manage our exposure to the major risks.

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Future developments

The COVID-19 pandemic has caused some uncertainty within the independent school sector, and until that is under control, the School is consolidating its resources to ensure future financial certainty. However, the School will continue to reinforce its position as the family school of choice in Shropshire, continue to improve its already high reputation of pastoral care, whilst improving facilities to offer one of the best academic experiences in the area.

A fuller development plan gives direction to the School's activities, which include the development of a theatre, along with initiatives to reinforce the finances of the School.

The Headmaster, Julian Noad, will leave Oswestry School in 2021/22 to take up the post at Queens College, Taunton. The Governors are extremely grateful for all of the hard work that Julian has achieved in his seven years with the School, particularly in the potentially difficult times during the pandemic, from which the School is coming out having performed academically well with the pupils hardly missing a beat and their wellbeing being of paramount importance and continually monitored. The Governors hope to recruit Julian's successor in the coming weeks having received a very encouraging number of applications.

Funds held as custodian

No such funds held.

Members' liability

The Members of the School guarantee to contribute an amount not exceeding £1 to the assets of the School in the event of winding up.

Statement of Governors' responsibilities

The Governors (who are also the directors of the School for the purposes of company law) are responsible for preparing the Governors' report including the Strategic report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Statement of Governors' responsibilities (CONTINUED)

Company law requires the Governors to prepare financial statements for each financial year. Under company law, the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the School and of its incoming resources and application of resources, including its income and expenditure, for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles of the Charities SORP (FRS 102);
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards (FRS 102) have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the School will continue in business.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the School's transactions and disclose with reasonable accuracy at any time the financial position of the School 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 School and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to auditors

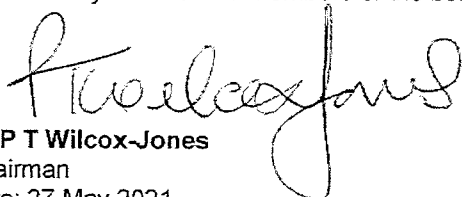
Each of the persons who are Governors at the time when this Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charity's auditors are unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charity's auditors are aware of that information.

Auditors

The auditors, WR Partners, have indicated their willingness to continue in office. The designated Governors will propose a motion reappointing the auditors at a meeting of the Governors.

Approved by order of the members of the board of Governors and signed on their behalf by:


Mr P T Wilcox-Jones
Chairman
Date: 27 May 2021

OSWESTRY SCHOOL
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INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OSWESTRY SCHOOL

Opinion

We have audited the financial statements of Oswestry School (the 'school') for the year ended 31 August 2020 which comprise the Statement of Financial Activities, the Balance sheet, the Statement of cash flows and the related notes, 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 charitable company's affairs as at 31 August 2020 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the 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 Auditors' 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 United Kingdom, including the Financial Reporting Council'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 Governors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Governors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the charitable company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

OSWESTRY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OSWESTRY SCHOOL (CONTINUED)

Other information

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

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.

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

OSWESTRY SCHOOL
(A company limited by guarantee)

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF OSWESTRY SCHOOL (CONTINUED)

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, the Governors (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 Governors 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 Governors are responsible for assessing the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our Auditors' report.

Use of our report

This report is made solely to the charitable company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the charitable company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charitable company and its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Andrew Malpass BA FCA (Senior statutory auditor)
for and on behalf of

WR Partners

Statutory Auditors

Belmont House

Shrewsbury Business Park

Shrewsbury

Shropshire

SY2 6LG

Date:

28th May 2021

OSWESTRY SCHOOL
(A company limited by guarantee)

**STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT)
FOR THE YEAR ENDED 31 AUGUST 2020**

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	Total funds 2019 £
Income from:						
Donations and legacies	4	-	112,911	-	112,911	70,289
Charitable activities	5	5,863,861	-	-	5,863,861	5,992,358
Other trading activities	7	78,306	-	-	78,306	221,750
Investments	8	2,591	-	-	2,591	1,420
Total income and endowments		5,944,758	112,911	-	6,057,669	6,285,817
Expenditure on:						
Raising funds		180,667	-	-	180,667	393,939
Charitable activities	9	5,900,251	85,801	-	5,986,052	5,875,721
Total expenditure		6,080,918	85,801	-	6,166,719	6,269,660
Net (losses)/gains on investments		(784)	-	593	(191)	3,591
Net (expenditure)/income		(136,944)	27,110	593	(109,241)	19,748
Transfers between funds	19	83,951	(83,951)	-	-	-
Net movement in funds		(52,993)	(56,841)	593	(109,241)	19,748
Reconciliation of funds:						
Total funds brought forward		3,717,338	296,043	761,738	4,775,119	4,755,371
Net movement in funds		(52,993)	(56,841)	593	(109,241)	19,748
Total funds carried forward		3,664,345	239,202	762,331	4,665,878	4,775,119

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 43 form part of these financial statements.

OSWESTRY SCHOOL
(A company limited by guarantee)

BALANCE SHEET
AS AT 31 AUGUST 2020

	Note	2020 £	2019 £
Fixed assets			
Tangible assets	13	8,008,353	8,744,869
Investments	14	81,463	81,654
		<u>8,089,816</u>	<u>8,826,523</u>
Current assets			
Stocks	15	63,813	66,149
Debtors	16	172,108	237,460
Cash at bank and in hand		364,904	265,388
		<u>600,825</u>	<u>568,997</u>
Creditors: amounts falling due within one year	17	(2,300,910)	(2,927,373)
Net current liabilities		<u>(1,700,085)</u>	<u>(2,358,376)</u>
Total assets less current liabilities		<u>6,389,731</u>	<u>6,468,147</u>
Creditors: amounts falling due after more than one year	18	(1,723,853)	(1,693,028)
Total net assets		<u><u>4,665,878</u></u>	<u><u>4,775,119</u></u>
Charity funds			
Endowment funds	19	762,331	761,738
Restricted funds	19	239,202	296,043
Unrestricted funds	19	3,664,345	3,717,338
Total funds		<u><u>4,665,878</u></u>	<u><u>4,775,119</u></u>

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

The financial statements were approved and authorised for issue by the Governors and signed on their behalf by:

Mr P T Wilcox-Jones
Chairman

Date: 27 May 2021

The notes on pages 21 to 43 form part of these financial statements.



OSWESTRY SCHOOL
(A company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	2019 £
Cash flows from operating activities			
Net cash used in operating activities	21	35,026	390,166
Cash flows from investing activities			
Purchase of tangible fixed assets		(104,263)	(101,319)
Net cash used in investing activities		(104,263)	(101,319)
Cash flows from financing activities			
Repayments of borrowing		(109,187)	(109,187)
New finance leases		155,971	94,904
Repayments of finance leases		(70,115)	(102,056)
Net cash used in financing activities		(23,331)	(116,339)
Change in cash and cash equivalents in the year		(92,568)	172,508
Cash and cash equivalents at the beginning of the year		(7,151)	(179,659)
Cash and cash equivalents at the end of the year	22	(99,719)	(7,151)

The notes on pages 21 to 43 form part of these financial statements

OSWESTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

1. General information

Oswestry School is a charity and company limited by guarantee and registered in England.

The address of the registered office is given in the charity information on page 1 of these financial statements.

The nature of the School's operations and principal activities are that of an educational establishment.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the second edition Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued in October 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Oswestry School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

Having reviewed the funding facilities available to the Company together with the expected ongoing demand for places and the Company's future projected cash flows, the Governors have a reasonable expectation that the Company has adequate resources to continue its activities for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements as outlined in the Governors Responsibilities Statement.

The Governors has also assessed the potential impact on the future operations of the School in regard to the COVID-19 outbreak. The school is considered to be well positioned given the current environment with no impact on the going concern basis of the financial statements.

2.3 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.

Income tax recoverable in relation to investment income is recognised at the time the investment income is receivable.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

OSWESTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.4 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.

Costs of generating funds are costs incurred in attracting voluntary income, and those incurred in trading activities that raise funds.

Charitable activities and Governance costs are costs incurred on the School's educational operations, including support costs and costs relating to the governance of the School apportioned to charitable activities.

2.5 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 institution with whom the funds are deposited.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets of a capital nature are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, on a reducing balance basis.

Depreciation is provided on the following bases:

Freehold property	- 50 years
Long-term fixtures and fittings	- 20 years
Fixtures and fittings	- 10 years
Motor vehicles	- 10 years
Kitchen equipment	- 5 years
Computer equipment	- 5 years

OSWESTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.7 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the 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 presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

2.8 Stocks

Stocks are valued at the lower of cost and net realisable value after making due allowance for obsolete and slow-moving stocks. Cost includes all direct costs and an appropriate proportion of fixed and variable overheads.

2.9 Debtors

Trade and other debtors are recognised at the settlement amount. Prepayments are valued at the amount prepaid.

2.10 Cash at bank and in hand

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

2.11 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the School anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.12 Financial instruments

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

OSWESTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

2. Accounting policies (continued)

2.13 Finance leases and hire purchase

Assets obtained under hire purchase contracts and finance leases are capitalised as tangible fixed assets. Assets acquired by finance lease are depreciated over the shorter of the lease term and their useful lives. Assets acquired by hire purchase are depreciated over their useful lives. Finance leases are those where substantially all of the benefits and risks of ownership are assumed by the School. Obligations under such agreements are included in creditors, net of the finance charge allocated to future periods. The finance element of the rental payment is charged to the Statement of financial activities so as to produce a constant periodic rate of charge on the net obligation outstanding in each period.

2.14 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight line basis over the lease term.

2.15 Pensions

The School also contributes to Group Personal Pension Schemes for the benefit of all employees. The schemes are defined contribution schemes administered by Scottish Widows and Pensions Trust.

2.16 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the School and which have not been designated for other purposes.

Endowment funds comprise funds that represent the land endowed in the School's constitution, and is held on Trust for Oswestry School.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the School for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Investment income, gains and losses are allocated to the appropriate fund.

2.17 Composite fees scheme

Parents may, subject to contractual terms and conditions, pay to the School tuition fees in advance. The money may be returned subject to specific conditions.

OSWESTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

3. Critical accounting estimates and areas of judgment

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions:

The School makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below:

i) Useful economic life of tangible fixed assets

Useful economic life of tangible fixed assets is allocated on the initial purchase and capitalisation. As set out in note 2.6 of these financial statements depreciation is charged over the estimated useful life of each asset. Management review the estimated useful lives of assets on an annual basis to ensure that the depreciation charged is a fair reflection of the expected use of the asset.

During the year management performed a review of assets held and the useful economic lives applied to the fixtures and fittings class of assets. This resulted in additional depreciation being charged within the year. The total depreciation charge for the year amounted to £840,779 (2019: £353,742).

4. Income from donations and legacies

	Restricted funds 2020 £	Total funds 2020 £	<i>Total funds 2019 £</i>
Donations	112,911	112,911	70,289
	<hr/>	<hr/>	<hr/>
<i>Total 2019</i>	70,289	70,289	
	<hr/>	<hr/>	

OSWESTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

5. Income from charitable activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
School Fees	5,308,026	5,308,026	5,504,574
Registration Income	34,097	34,097	31,350
Shop Income	75,843	75,843	143,531
Other School Income	124,431	124,431	312,903
Covid Support Income	321,464	321,464	-
Total 2020	<u>5,863,861</u>	<u>5,863,861</u>	<u>5,992,358</u>
<i>Total 2019</i>	<u>5,992,358</u>	<u>5,992,358</u>	

6. Charitable activities - school fees

	2020 £	2019 £
Gross school fees	8,078,878	7,845,679
Scholarship, bursaries and remissions	(2,374,378)	(2,341,105)
COVID-19 discount	(396,474)	-
Total	<u>5,308,026</u>	<u>5,504,574</u>

OSWESTRY SCHOOL
(A company limited by guarantee)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

7. Income from other trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Lettings/Hire of School	70,917	70,917	204,613
Recital Series Income	7,389	7,389	17,137
	<u>78,306</u>	<u>78,306</u>	<u>221,750</u>
<i>Total 2019</i>	<u>221,750</u>	<u>221,750</u>	

8. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Listed Investments	1,220	1,220	1,269
Cash Investments	1,371	1,371	151
	<u>2,591</u>	<u>2,591</u>	<u>1,420</u>
<i>Total 2019</i>	<u>1,420</u>	<u>1,420</u>	

OSWESTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	Total funds 2019 £
Teaching	2,600,278	64,545	2,664,823	2,695,920
Welfare	512,762	-	512,762	742,910
Premises	1,722,819	21,256	1,744,075	1,345,163
Support costs and governance	1,064,392	-	1,064,392	1,091,728
	<u>5,900,251</u>	<u>85,801</u>	<u>5,986,052</u>	<u>5,875,721</u>
<i>Total 2019</i>	<u>5,854,947</u>	<u>20,774</u>	<u>5,875,721</u>	

Summary by expenditure type

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £	Total funds 2019 £
Teaching	2,547,871	-	116,952	2,664,823	2,695,920
Welfare	134,679	-	378,083	512,762	742,910
Premises	436,580	840,779	466,716	1,744,075	1,345,162
Support costs and governance	405,991	-	658,401	1,064,392	1,091,728
	<u>3,525,121</u>	<u>840,779</u>	<u>1,620,152</u>	<u>5,986,052</u>	<u>5,875,721</u>
<i>Total 2019</i>	<u>3,588,258</u>	<u>353,742</u>	<u>1,933,721</u>	<u>5,875,721</u>	

OSWESTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

10. Net income/Expenditure

This is stated after charging:

	2020 £	2019 £
Depreciation of tangible fixed assets - held under finance lease	85,179	80,658
Depreciation of tangible fixed assets - owned by the charity	755,600	273,084
Auditors' remuneration - audit and accounts preparation	11,500	11,500
	<u>852,279</u>	<u>365,242</u>

11. Staff costs

	2020 £	2019 £
Wages and salaries	2,987,330	2,968,441
Social security costs	237,641	264,835
Other pension costs	310,540	365,554
	<u>3,535,511</u>	<u>3,598,830</u>

The average number of persons employed by the School during the year was as follows:

	2020 No.	2019 No.
Academic	77	81
Administrative	18	16
Estates	36	34
Welfare	8	7
	<u>139</u>	<u>138</u>

OSWESTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

11. Staff costs (continued)

The average headcount expressed as full-time equivalents was:

	2020 No.	2019 No.
Academic	68	69
Support	16	15
Estates	26	25
Welfare	6	7
	<u>116</u>	<u>116</u>

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2020 No.	2019 No.
In the band £80,001 - £90,000	-	1
In the band £90,001 - £100,000	1	-

Aggregate employee-benefits (including employer pension contributions) of key management personnel were £350,990 (2019: £325,732).

12. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits (2019 - £NIL).

During the year ended 31 August 2020, expenses totalling £1,198 were reimbursed or paid directly to 1 Governor (2019 - £855). This relates to the accommodation costs required to attend the board meetings.

OSWESTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

13. Tangible fixed assets

	Freehold property £	Motor vehicles £	Fixtures and fittings £	Total £
Cost or valuation				
At 1 September 2019	8,558,274	245,814	3,325,536	12,129,624
Additions	-	-	104,263	104,263
At 31 August 2020	8,558,274	245,814	3,429,799	12,233,887
Depreciation				
At 1 September 2019	1,499,943	119,128	1,765,684	3,384,755
Charge for the year	119,628	21,845	699,306	840,779
At 31 August 2020	1,619,571	140,973	2,464,990	4,225,534
Net book value				
At 31 August 2020	6,938,703	104,841	964,809	8,008,353
At 31 August 2019	7,058,331	126,686	1,559,852	8,744,869

The net book value of assets held under finance leases or hire purchase contracts, included above, are as follows:

	2020 £	2019 £
Motor Vehicles	56,711	65,378
Furniture, fittings and equipment	220,474	437,185
	277,185	502,563

OSWESTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

Included in land and buildings is freehold land at a deemed cost of £1,199,726 (2019: £1,199,726), which is not depreciated. Of this amount £681,793 (2019: £681,793) is permanently endowed.

Of the above, the following land and buildings have been used as security via a fixed charge, and have been agreed as a negative pledge with Lombard North Central Public Limited Company:

Oswestry Junior School, Upper Brook Street, Oswestry t/no SL106680, bellan house school. 40 Church Street, oswestry t/no SL106681 and the land and buildings on the south west side of Oswald's Well Lane, Oswestry t/no SL106682.

There is also a third party legal charge over the following:

Bellan House School 40 Church Street Oswestry Shropshire and land and buildings on the south west side of Oswalds Well Lane Oswestry Shropshire t/n's SL106680, SL106681 and SL106682 by way of fixed charge any other interest in the property, all rents receivable & all plant machinery fixtures fittings furniture equipment implements & utensils. The goodwill of any business carried on at the property & the proceeds of any insurance affecting the property or assets.

The third party legal charge is held with National Westminster Bank Plc by way of legal mortgage.

14. Fixed asset investments

	Listed investments £
Cost or valuation	
At 1 September 2019	81,654
Revaluations	(191)
At 31 August 2020	<u>81,463</u>
Net book value	
At 31 August 2020	81,463
<i>At 31 August 2019</i>	<u>81,654</u>

15. Stocks

	2020 £	2019 £
School shop items	<u>63,813</u>	<u>66,149</u>

OSWESTRY SCHOOL
(A company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

16. Debtors

	2020	<i>As restated</i>
	£	<i>2019</i>
		<i>£</i>
Due within one year		
Fee debtors	36,862	<i>40,295</i>
Trade debtors	15,903	<i>105,465</i>
Prepayments and accrued income	119,343	<i>91,700</i>
	<hr/> 172,108 <hr/>	<hr/> <i>237,460</i> <hr/>

Prior year fee debtors have been restated due to the reclassification of school fees due and cash received in advance for the following school year included in creditors below. The net position has not changed.

OSWESTRY SCHOOL
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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

17. Creditors: Amounts falling due within one year

	2020 £	<i>As restated</i> 2019 £
Bank overdrafts	464,623	272,539
Bank loans	109,187	163,343
Deposits held	274,677	262,249
Trade creditors	83,809	153,647
Fees in advance	705,472	1,116,434
Composite fees	234,088	344,086
Other taxation and social security	52,191	104,164
Obligations under finance lease and hire purchase contracts	66,490	73,297
Other creditors	213,423	277,853
Accruals and deferred income	96,950	159,761
	<u>2,300,910</u>	<u>2,927,373</u>

Prior year fees in advance have been restated due to the reclassification of school fees due and cash received in advance for the following school year included in debtors above. The net position has not changed.

	2020 £	2019 £
Resources deferred during the year	<u>65,546</u>	<u>-</u>

The deferred income balance above includes monies received for activities/services taking place during the year ended 2021.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

18. Creditors: Amounts falling due after more than one year

	2020 £	2019 £
Bank loans	1,549,166	1,604,197
Net obligations under finance lease and hire purchase contracts	174,687	88,831
	<u>1,723,853</u>	<u>1,693,028</u>

Bank Loans

Included within the above are amounts falling due as follows:

	2020 £	2019 £
Between one and two years		
Bank loans	<u>91,059</u>	<u>148,181</u>
Between two and five years		
Bank loans	<u>376,310</u>	<u>376,310</u>
Over five years		
Bank loans	<u>1,081,797</u>	<u>1,079,706</u>

The aggregate amount of liabilities payable or repayable wholly or in part more than five years after the reporting date is:

	2020 £	2019 £
Payable or repayable by instalments	<u>1,081,797</u>	<u>1,079,706</u>
	<u>1,081,797</u>	<u>1,079,706</u>

The bank loans and overdrafts are secured by a mortgage over the School's freehold land and property.

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NOTES TO THE FINANCIAL STATEMENTS
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18. Creditors: Amounts falling due after more than one year (continued)

Finance Leases

Obligations under finance leases and hire purchase contracts are secured on the applicable terms.

Obligations under finance leases and hire purchase contracts, included above, are payable as follows:

	2020 £	2019 £
Between one and two years	66,490	73,297
Between two and five years	59,138	31,719
Over five years	115,549	57,111
	<u>241,177</u>	<u>162,127</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
General Funds	1,069,226	5,944,758	(6,080,918)	83,951	(784)	1,016,233
Revaluation reserve	2,648,112	-	-	-	-	2,648,112
	<u>3,717,338</u>	<u>5,944,758</u>	<u>(6,080,918)</u>	<u>83,951</u>	<u>(784)</u>	<u>3,664,345</u>
Endowment funds						
School Charity Fund	34,551	-	-	-	(1,074)	33,477
Mrs Wynne Corrie Memorial Fund	8,033	-	-	-	36	8,069
Exhibition & Scholarship Fund	37,361	-	-	-	1,631	38,992
Endowed Land	681,793	-	-	-	-	681,793
	<u>761,738</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>593</u>	<u>762,331</u>

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted funds						
David Holbach Appeal Fund	162,616	16,693	(11,086)	-	-	168,223
Refurbishment Fund	133,427	40,000	(21,256)	(83,951)	-	68,220
COVID- Hardship Fund	-	51,454	(48,695)	-	-	2,759
Old Oswestrian Society	-	4,764	(4,764)	-	-	-
	<u>296,043</u>	<u>112,911</u>	<u>(85,801)</u>	<u>(83,951)</u>	<u>-</u>	<u>239,202</u>
Total of funds	<u>4,775,119</u>	<u>6,057,669</u>	<u>(6,166,719)</u>	<u>-</u>	<u>(191)</u>	<u>4,665,878</u>

Endowment Funds

Endowed Land represents the land endowed in the School's constitution, and is held on Trust for Oswestry School.

Restricted funds

David Holbach Appeal Fund:

This restricted fund represents funds received under the David Holbach Appeal for various capital projects.

Refurbishment Fund:

This restricted fund represents a donation for the refurbishment of certain facilities.

COVID-19 Hardship Fund:

This restricted fund is held to assist Oswestry School families who are temporarily financially affected during the COVID-19 crisis. Any funds not fully utilised at the end of this crisis will be transferred to a separate restricted Bursary Fund.

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

19. Statement of funds (continued)

Statement of funds - prior year

	<i>Balance at 1 September 2018 £</i>	<i>Income £</i>	<i>Expenditure £</i>	<i>Gains/ (Losses) £</i>	<i>Balance at 31 August 2019 £</i>
Unrestricted funds					
General Funds	1,102,909	6,215,528	(6,248,886)	(325)	1,069,226
Revaluation reserve	2,648,112	-	-	-	2,648,112
	<u>3,751,021</u>	<u>6,215,528</u>	<u>(6,248,886)</u>	<u>(325)</u>	<u>3,717,338</u>
Endowment funds					
School Charity Fund	32,808	-	-	1,743	34,551
Mrs Wynne Corrie Memorial Fund	7,981	-	-	52	8,033
Exhibition & Scholarship Fund	35,240	-	-	2,121	37,361
Endowed Land	681,793	-	-	-	681,793
	<u>757,822</u>	<u>-</u>	<u>-</u>	<u>3,916</u>	<u>761,738</u>
Restricted funds					
David Holbach Appeal Fund	122,019	40,597	-	-	162,616
Refurbishment Fund	124,509	29,692	(20,774)	-	133,427
	<u>246,528</u>	<u>70,289</u>	<u>(20,774)</u>	<u>-</u>	<u>296,043</u>
Total of funds	<u><u>4,755,371</u></u>	<u><u>6,285,817</u></u>	<u><u>(6,269,660)</u></u>	<u><u>3,591</u></u>	<u><u>4,775,119</u></u>

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**NOTES TO THE FINANCIAL STATEMENTS
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20. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	7,085,410	241,150	681,793	8,008,353
Fixed asset investments	925	-	80,538	81,463
Current assets	429,843	170,982	-	600,825
Creditors due within one year	(2,127,980)	(172,930)	-	(2,300,910)
Creditors due in more than one year	(1,723,853)	-	-	(1,723,853)
Total	3,664,345	239,202	762,331	4,665,878

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	Restricted funds 2019 £	Endowment funds 2019 £	Total funds 2019 £
Tangible fixed assets	7,626,675	436,401	681,793	8,744,869
Fixed asset investments	1,709	-	79,945	81,654
Current assets	496,425	72,572	-	568,997
Creditors due within one year	(2,714,444)	(212,930)	-	(2,927,374)
Creditors due in more than one year	(1,693,027)	-	-	(1,693,027)
Total	3,717,338	296,043	761,738	4,775,119

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**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

21. Reconciliation of net movement in funds to net cash flow from operating activities

	2020 £	2019 £
Net income/expenditure for the period (as per Statement of Financial Activities)	(109,241)	19,748
Adjustments for:		
Depreciation charges	840,779	353,742
Gains on investments	191	(3,591)
Decrease in stocks	2,336	9,315
Decrease/(increase) in debtors	65,352	(242,720)
Increase/(decrease) in creditors	(764,391)	253,672
Net cash provided by operating activities	35,026	390,166

22. Analysis of cash and cash equivalents

	2020 £	2019 £
Cash in hand	364,904	265,388
Overdraft facility repayable on demand	(464,623)	(272,539)
Total cash and cash equivalents	(99,719)	(7,151)

23. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	265,388	99,516	364,904
Bank overdrafts repayable on demand	(272,539)	(192,084)	(464,623)
Debt due within 1 year	(1,279,777)	465,118	(814,659)
Debt due after 1 year	(1,604,197)	55,031	(1,549,166)
Finance leases	(162,127)	(79,050)	(241,177)
	(3,053,252)	348,531	(2,704,721)

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**NOTES TO THE FINANCIAL STATEMENTS
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24. Pension commitments

Teachers Pension Scheme

The school previously participated in the Teachers' Pension Scheme for its teaching staff. This scheme ended on 31 August 2019 and now all staff participate in the below pension scheme instead.

Group Personal Pension Schemes

The School contributes to Group Personal Pension Schemes for the benefit of all employees. The schemes are defined contribution schemes administered by Scottish Widows and Pensions Trust. The pension cost charged in the accounts is the amount payable by the School during the year which amounted to £51,789 (2019: £58,921). There were contributions payable to the fund at the balance sheet date of £Nil (2019: £4,914).

25. Operating lease commitments

At 31 August 2020 the School had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2020 £	2019 £
Not later than 1 year	50,598	54,685
Later than 1 year and not later than 5 years	87,587	43,363
	<u>138,185</u>	<u>98,048</u>

26. Related party transactions

The School is under the control of the Board of Governors who are directors of Oswestry School, a charitable company.

During the year the School provided tuition to 3 pupils related to the Governors and 3 pupils of key management personnel (2019: 5 related to the Governors, 3 related to key management personnel).

Fees receivable were £32,641 (2019: £55,958). The amount outstanding due to Oswestry School at the year end was £3,348 (2019: £Nil).

No special remissions were awarded to those children by virtue of their membership of the Governing Body. Details of staff discounts are noted on page 5.

During the year, the School made purchases from Momentum Wines Limited of £723 (2019: £1,862), a company which Mr H Jones is a Governor. At the year end, the amount owed to Momentum Wines Limited was £Nil (2019: £Nil).

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**NOTES TO THE FINANCIAL STATEMENTS
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27. Controlling party

The School, having no share capital, is under the control of the Board of Governors, who are also the Trustees and the Directors of the School.