



# **TAUNTON SCHOOL EDUCATIONAL CHARITY**

## **REPORT OF THE CHARITY TRUSTEES AND FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020**

**TAUNTON SCHOOL EDUCATIONAL CHARITY  
ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2020**

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**TAUNTON SCHOOL EDUCATIONAL CHARITY**  
**ANNUAL REPORT FOR THE YEAR ENDED 31 AUGUST 2020**  
**GOVERNORS, OFFICERS AND ADVISERS**

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**Charity Details**

Taunton School Educational Charity is a Company Limited by Guarantee with Company Registration Number 4005803 and Charity Registration Number 1081420.

Registered Office and  
Principal Address:

Clerk's Office  
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Staplegrove Road  
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[www.tauntonschool.co.uk](http://www.tauntonschool.co.uk)

**Governors**

The Governors and Officers of the Charity who held office for all or part of the year are shown on Pages 3 and 4 of this report.

**Professional Advisers**

Banker: HSBC Bank Plc

17 North Street, Taunton, Somerset TA1 1NA

Solicitor: Veale Wasbrough Vizards

Orchard Court, Orchard Lane, Bristol BS1 5WS

Independent Auditor: Crowe UK

Carrick House, Lypiatt Road, Cheltenham,  
Gloucestershire GL50 2QJ

Insurance Broker: Marsh

Capital House, 1 -5 Perrymount Road, Haywards  
Heath, West Sussex RH16 3SY

## **DIRECTORS' REPORT**

The Board of Governors (the 'Board'), who are the Directors and Trustees of Taunton School Educational Charity (the 'Charity'), present their annual report, for the year ended 31 August 2020, in the standard format required by the Charities Act 2011 and the Companies Act 2006.

### **CONSTITUTION AND OBJECTS**

Taunton School (the 'School') was founded in 1847. It is constituted as a company limited by guarantee registered in England, No. 4005803. It is also registered as a Charity with the Charity Commission under Charity No. 1081420.

The School is governed by its Memorandum of Association and Articles of Association. These were updated and amended on 11 March 2016. The objects of the Charity are 'to promote and provide for the advancement of education by the provision of a school or such other means as the Governors shall from time to time determine.' In carrying out its objects, the Charity upholds the founding principles of the School which are rooted in the Christian faith. It recognises the particular emphasis of its 'Free Church' foundation on the importance of personal responsibility in the quest for faith, and in respect of religious traditions.

In furthering these Objects for the public benefit, the Charity provides Taunton School for boys and girls in five parts; the Senior School (known as Taunton School), Prep School, Pre-Prep and Nursery, Taunton School International and Taunton School International Middle School.

The School administers bursaries, grants, awards and other benefactions and acts as the trustee and manager of property, endowments, bequests and gifts given or established in pursuance of its objects.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Governing Body**

The Governing Body of Taunton School is known as the Board of Governors and Henry Keeling served as Chairman of the Board during the year. The Articles of Association sets the maximum number of governors at 17, of which one is appointed by the Churches Advisory Panel. The remaining governors are appointed by an ordinary resolution of the Members, passed at an AGM of the Charity.

The Governors are the company directors and trustees of the Charity, and those who have been in office for all or part of the year are shown below:

Mr Henry Keeling, **Chairman**  
Mr Christopher Butters, **Treasurer**  
Mr Robert Aldrich  
Mr Philip Cooper  
Brigadier (Retired) Mark Hallas  
Mr Tim Hayden  
Mr David Hebditch  
Dr Ian Kelham  
Mr Richard Kennedy  
Reverend Nigel Manges  
Rear Admiral (Retired) Ian Moncrieff  
Mr Keith Moore  
Mrs Hilary Quantick

Mrs Marilyn Trask  
Mrs Elaine Waymouth **Deputy Chairman**

### **Officers**

The principal executive officers of the Charity for all or part of the year were:

Chief Executive Officer	Mr L C Glaser
Taunton Preparatory School Head	Mr A Edwards
Taunton School International Principal	Mr A Hallworth
Chief Operating Officer	Mrs N M Miller
Clerk to the Governors	Mrs N M Miller

### **Membership**

The charity has an unlimited number of members. Members are former governors and pupils of the School, over the age of 18.

### **Recruitment and training of Governors**

Vacancies on the Board are considered by the Nominations Committee, which then makes recommendations to the full Governing Body. All prospective candidates are considered in light of the skills/experience required at the time which will include eligibility, personal competence, specialist skills and local availability. New governors are appointed for a term of three years and, subject to a performance review, may be re-elected for a further four terms. Governors will be formally appointed by the Members at the AGM.

New Governors are inducted into the workings of the Schools, including the policies and procedures of the Board, through briefings by the Chairman, Head and Clerk and through comprehensive documentation. They also attend specialist external courses on such matters as the role and responsibilities of Charity Trustees. Governors attend on-going training, run by organisations such as the Association of Governing Bodies of Independent Schools, to remain abreast of current issues and regulations in the Independent Sector.

### **Organisational management**

Board members, as the Charity Trustees, are legally responsible for the overall management and control of the School. The Board meets at least three times a year. The work of implementing its policies is overseen by Committees and Panels, most of which meet at least termly, as follows:

- Educational Advisory Panel
- Finance and General Purposes Committee
- Marketing Panel
- Churches Advisory Panel
- Estates Panel
- Investment Panel
- Nominations Panel
- Human Resources and Remuneration Panel
- Debtors Panel
- Risk Management Panel
- Appeals Panel (convened as required)

Other specialist working groups are set up as and when required.

The Head of the Senior School is the person appointed by the Governors as Chief Executive Officer to lead and manage the School. He is responsible to the Board for all activities carried out by the School and is supported by the Chief Operating Officer who is also the Clerk to the Governors, and the TPS and TSI Heads, all of whom are appointed by the governors and report to them through the CEO.

Day-to-day running of the Schools is delegated to the Senior Policy Committee. Together this group forms the Key Management Personnel. The Heads and COO attend all of the meetings of the Board and most of

the meetings of the Committees and Panels above. Remuneration policy is set by the Board, with a policy objective of encouraging enhanced performance and of rewarding fairly and responsibly individual contributions to the School's success. The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. This year has seen the introduction of an innovative pay and rewards scheme for teachers in response to the increased cost of membership of the Teachers' Pension Scheme.

### **Group Structure**

The School has two wholly owned non-charitable subsidiaries, Taunton School Enterprises Limited (company number 02846335) and Taunton School Trustees Limited (company number 06706952). The principal activity of Taunton School Enterprises Limited is the trading activity of the School and annual profits are donated to the School under the Gift Aid Scheme. The principal activity of Taunton School Trustees Limited is that of a corporate Trustee of the School's defined benefit pension scheme for support staff, which closed in December 2010.

### **The School's Structure**

There are five schools within Taunton School's Educational Charity with a total capacity of 1002. Taunton School itself is a day/boarding school with current capacity for 270 boarders and 330 day pupils aged 13-18. The Prep School is also day/boarding and caters for up to 52 boarders and 244 day pupils. Both international schools cater primarily for boarders and have at least 80 students in the main school with 50 in the Middle School. This is the optimum number of pupils to support the plan to deliver high quality academic and pastoral care for all pupils

### **Employment Policy**

The School is an equal opportunities employer. We advertise all of our recruitment vacancies widely using local and national media sources to ensure access to a wide and diverse community. Full and fair consideration is given to job applications from disabled persons in line with the Positive About Disabled People initiative. Equal opportunities data from applicants is monitored and analysed to understand the demographic and characteristics of job applicants to the School. The School adheres strictly to safer recruitment guidelines and all recruitment panel members have completed appropriate safer recruitment training. All recruiting managers can access significant online resources on fair and equal recruitment practices. Appropriate pre-employment checks are undertaken for all new staff and a comprehensive Single Central Register is maintained by the HR department. All new staff go through an induction process, which includes child protection, safeguarding and equality, diversity and inclusion updates. To ensure that our staff have equal promotional opportunities, they all have access to regular reviews and participate in the appraisal process. The School encourages internal promotion as much as possible. The School has a diverse workforce and presently 62% of staff are female and 38% are male. Staff can benefit from a range of family friendly policies and a number of flexible working practices in place across the School staff community. The School holds the Investors in People Gold Accreditation; most recently reaffirmed in 2019. Consultation with employees, or their representatives, is made at all levels to take the views of employees into account when decisions are made that are likely to affect their interests. Communication with employees continues through normal management channels in a variety of forms and also through exceptional channels to appraise staff of current issues.

### **Public Benefit**

The Board confirms that they have complied with their duty in Section 17 of the Charities Act 2011 to have due regard to public benefit guidance published by the Charity Commission for England and Wales.

### **How our activities deliver public benefit**

The governors have considered the Charity Commission's current guidance on public benefit carefully. They try to ensure that the School's charitable objects are carried out for the public benefit by making sure, wherever possible, that such education is available to all who can draw most value from it. This is done irrespective of financial circumstances and the School's facilities are made available as far as possible to other

local schools and the wider community. Our charitable activities promote the wider education of children and access is not restricted by the ability to pay fees. The Board remains committed to providing public benefit which is in accordance with the School's founding principles. To this end the School cooperates with local charities and educational bodies in an ongoing endeavour to widen public access to the School. It also seeks to optimise the use of the School's cultural and sporting facilities and to awaken in the School's own pupils an awareness of the social context of the all-round education they receive at the School.

#### *Public Benefit – COVID-19*

Since the start of the national lockdown in March 2020, the School has provided continuous education for the children of key workers and registered its facilities for use by emergency services. The catering team, partly funded by a philanthropic donation from a member of the school community, provided meals for duty staff at Musgrove Park, the local NHS Hospital. Hospital equipment was also stored on site to free up space for spare beds. The School's DT department made PPE as part of a national programme and a hardship fund was created to help support families struggling to pay fees.

#### *Public Benefit - Sporting Partnerships*

The School continues to support numerous local community-based clubs and facilities which provide access to sporting and social opportunities. Support is given in various ways including the provision of expertise, help with projects, profile-raising and funding. Partnerships include local swimming, cricket, athletics, rugby and netball clubs along with Taunton Vale Sports Club and Wiveliscombe outdoor pool. During the summer holidays as COVID-19 restrictions eased, the School was able to offer free sports coaching opportunities for the local community to support children getting back to sport. Over 80 local children used the School facilities and benefitted from professional coaching staff in physical activities to support their health and wellbeing. A number of outreach sports competitions were held at the School by inviting local primary schools teams to play in a variety of sport. These initiatives were often set up and run by the School's Sixth Form BTEC Sports students.

#### *Public Benefit - Academic*

Children from local primary schools were invited to various events throughout the school year including some such as the Maths Challenge and STEM Festival that had been disrupted because of school closures. The School also hosts Careers Fairs with many visiting universities, colleges and industry professionals offering both university and apprenticeship programmes. These are advertised to local maintained schools and communities to give opportunity to these students beyond their educational pathways. In Modern Foreign Languages, students in the Sixth Form have supported Castle Secondary School, with language clubs within the volunteering programme, to provide support in the speaking element part of the course.

#### *Public Benefit - Drama*

Local children in Years 5 and 6 are invited to take part in 'Play in a Day' workshops where they have the chance to sing, dance and help write their own script and then perform a fully costumed, lit and staged musical production to family and friends, in our theatre. Our staff host and support the students and their teachers and share their specialist experience and knowledge. Many of our music specialists are active in the community through projects and volunteering in the local theatre and churches. Our Heads of Music also visit local schools to offer specialist lessons such as 'More Melody' a popular choral workshop. Local schools were invited to attend our production of 'The 39 Steps'.

#### **Grant making policy**

Fee assistance is awarded to current pupils, on the recommendation of the Headmaster, in exceptional cases of need. Other charitable purpose of this kind, forming the majority of our bursary provision – known as "Assisted Places" – is offered on an unfunded basis and the aim is to raise funds to support this existing initiative. Our Assisted Places programme provides means-tested financial support to new entrants who would otherwise be unable to attend the School and the Patrons' Programme which has sponsored 23 pupils through Sixth Form. Opportunity to benefit from the School's Grants is subject to neither geographical nor other restrictions such as the ability to pay fees. Accordingly, no one is excluded from this opportunity. Those pupils who attend the School and who receive financial support contribute to the School community in a

variety of ways, and so the benefit is not purely to these pupils but to the whole School and, in some cases, to the wider community.

In the 12-month period to 31 August 2020, a total of £1,701,122 (2019: £1,638,089) was spent on bursaries, the equivalent of 79 full Senior School day fees and 6.2% of gross fee income. 258 pupils (2019: 252) received assistance with school fees, including 1 for full fees. In addition, scholarships and other awards totalling £1,992,866 were given to 297 pupils (2019: 342 pupils; £1,942,455). Overall, 437 pupils received fee awards totalling £3,694,008 representing 15% of gross fee income. Staff, family, military, Foundation and COVID-19 related discounts account for a further £3,112,712 (2019: £1,713,453) giving a total for bursaries, grants and allowances of £6,806,700. In the current academic year (2020/2021), it is estimated that 258 pupils will be receiving bursaries totalling £1,775,241.

The growth in the School's bursary expenditure can be illustrated by the following summary:

	2020/21	2019/20	2018/19	2017/18
Number of pupils receiving a bursary	258	258	252	233
Total value of bursaries awarded	£1,775,241	£1,701,122	£1,638,089	£1,348,710
Average value of each bursary				
- £	£6,593	£6,606	£6,500	£5,788
- As a % of Senior School day fee	32.8%	32.9%	33.5%	30%

## STRATEGIC REPORT

### OBJECTIVES AND ACTIVITIES

#### Charitable Objects

The Objects of the School are contained within the Articles of Association dated 11 March 2016. The main objects of the Charity are as follows:

To promote and provide for the advancement of education by the provision of a school or such other means as the Governors shall from time to time determine provided always that:

- a. In admitting pupils to the School, the Governors must exercise (all other things being equal) a preference in favour of sons and daughters of members of the Free Churches; and
- b. In carrying out its objects, the Charity shall uphold the founding principles of the School which are rooted in the Christian faith and recognise the particular emphasis on its Free Church foundation and the importance of personal responsibility in the quest for faith, and respect for all religious traditions.

To these ends the School:

- i. Provides an education for boys and girls aged 0 to 18 years which is internationally recognised as adding academic value at every stage;
- ii. Provides substantial financial support towards fee remission;
- iii. Has a continuous programme of maintenance, building and technology refurbishment and development;
- iv. Allows controlled access by the public to its grounds, buildings and facilities generally;
- v. Holds a variety of religious services on weekdays and on Sundays in the Chapel;
- vi. Provides a wide range of sporting and cultural facilities, many of which are available to children from other local schools and which are also made available to members of the public where appropriate;
- vii. Supports the wider community by 'community service' and other activities; and
- viii. Demonstrates significant public benefit through its academic and other activities as described in paragraphs (i) to (vii) above.



## **Aims and Targets**

Within these objects, the School aims to challenge, nurture and inspire young people to succeed in a global community. Taunton School operates as one school and ensures that value is added at every stage of a pupil's education by providing outstanding and innovative teaching and developing a culture which uses technology to drive forward teaching and learning. Pupil and staff well-being is central to all that we do and the School aims to encourage, train and develop confident, enthusiastic and well-rounded young people who are able to form meaningful relationships with other people in an international arena, irrespective of circumstance.

Having started the year with record numbers of pupils on the roll, the COVID-19 pandemic forced a closure of the site for the whole of the summer term. Lessons were delivered remotely during this time by teachers working from home to pupils in their homes. An accompanying and imaginative co-curricular programme was also delivered online making full use of the Microsoft Teams functionality to teach music lessons, hold choir practices and deliver sports coaching in the virtual environment. Public examinations were cancelled nationally. 240 support staff were put on furlough leave with the remaining 35 preserving the vacated site to deliver key functions of finance, ICT, statutory maintenance, housekeeping and security. As restrictions eased over the summer holidays small groups of pupils came back to site to receive sports coaching. Meanwhile teachers and support staff prepared the school for a full return of all pupils and staff for the start of the 2020 academic year. Feedback from parents has been incredibly positive and the School is well-placed to deal with a second-wave of COVID-19.

Despite the pandemic the School was able to continue with the construction of its new dining room and kitchen. Inevitably there was some delay due to the COVID-19 restrictions that limited the number of contractors on site, but the project was completed successfully over the summer and in time for the start of next term.

As part of its normal business in response to the pandemic, the School has identified its strategic objectives for the present and coming years in formal consideration with the Board of Governors and its Committees both at meetings and an annual Management Day. This is supplemented by input from the management's Senior Policy Committee who review objectives in a systematic way. Current objectives include:

- Further refinement of the School's digital strategy with a specific target of ensuring lessons can be delivered to pupils in the classroom and at home simultaneously and by teachers who are either at school or teaching from home;
- Bringing in the newly completed Kitchen and Dining Room facilities fully on line, including developing their use by third parties and the wider community;
- Supplementing the Assisted Places fundraising programme with the Patrons' Programme and the Taunton School Community initiative through the Foundation described further below;
- Maintaining a secure financial position and controlling costs;
- Reviewing the master plan for the estate and developing a green heart at the centre of the School;
- Delivering a continuing programme of investment to modernise the estate; and
- Continuing to develop income generating activities which align with the School's educational ethos.

## ***Broadening Access***

The Chairman and Governors have a clear intent to widen access to the School for those who would benefit from its educational offering by granting means tested financial support (bursaries) described in our Grant Making Policy above. The Governors' approach to achieving this is to increase the number of philanthropic donations to the School's Foundation and to continue to develop the already successful 'Patrons Programme'. Since 2016 the latter has provided 20 fully funded places for students at Sixth Form. They remain committed to ensuring that a first-class education is available to a range of pupils regardless of financial circumstance and to ensure that the School continues to benefit from a broad mix of children with different social and economic backgrounds. To this end, a new fundraising campaign to support more Assisted Places

and Sixth Form Bursaries for children throughout the School was launched in March 2020, targeting the wider Taunton School Community.

#### *Academic Excellence*

The School is non-selective with a commitment to its stated public aim of challenging, inspiring and nurturing all young people to succeed in a global community. Pupils are encouraged to develop their full potential, through a robust pastoral system and with a clear commitment to the investment and use of digital technology. Academic value added is key and pupils continue to be offered a wide variety of extra-curricular and sporting opportunities.

#### *Pupil Recruitment*

The School continues to focus on attracting boarding and day pupils across all age groups at local, national and international levels. This focus is supported by a whole-school marketing team and a new website is under construction. Numbers are strong and enquiries are higher than normal for next year.

#### *Estate Development*

Work on the new kitchen and dining spaces was carried out during the year and despite delays due to COVID-19, with the project being completed within budget and in time for the start of the new academic year. This is the largest and most significant capital investment for the school in the last 20 years. The result is a fit for purpose, state of the art facility which creates space in the heart of the School for the benefit of the whole School community. Further projects to address the key areas highlighted in the Estate Masterplan are also under discussion as the School seeks to plan for the next 10-15 years. This includes a plan to pedestrianise the centre of the campus and develop Sixth Form facilities that will establish a “Green Heart” to the School.

#### *Capital and Other Projects*

Alongside the kitchen and dining room redevelopment achieved this year, estate work has continued despite the COVID-19 restrictions. Projects include but are not limited to boiler replacements, office refurbishments, fire safety improvements, sports facility upgrades and classroom redecorations. A new fence has been installed around Greenham playing field as a result of a security review.

#### *IT Infrastructure*

An upgrade of classrooms with touch screens was started in early 2020, but subsequently paused as focus was switched to preparations for the School closure required due to COVID-19 and to position teaching and learning across a dispersed and virtual environment. Microsoft Teams was provided to all staff and pupils and virtual lessons took place remotely across all schools throughout the entire Summer Term. The Virtual Learning environment (“VLE”) Environment (‘VLE’) platform has continued to be improved and enhanced, including extra tools provided in the nursery and pre-prep to support the younger children. Webinars were setup for virtual open mornings and live event streaming put in place to allow end of term celebrations to take place online.

#### *Wider use of facilities for community use and mutual benefit*

The Governors seek to ensure that the facilities are available for use by the wider community when not in use by the School. This use is offered on a commercial basis and any surplus made is reinvested back into the School to support the Assisted Places programme. This plan includes the operation of a swim school for local children, a sports club which enables members to make use of the fitness suite and other sports facilities, events and hospitality using the new dining room and other conferencing facilities and residential lettings during the school holidays.

### **RISK MANAGEMENT**

#### **Principal risks and uncertainties**

The Headmaster and Chief Operating Officer, under the oversight of the Chairman of Governors, are responsible for the management of the risks faced by the School. A formal review of the School’s risk

management process is undertaken on an annual basis. The Governors consider the economic impact of COVID-19 and the uncertainty it has created for the independent sector to be the principal risk faced by the School. Other risks include BREXIT, the possibility of VAT on school fees and the likely removal of Business rates relief for independent schools. Pupil safeguarding as well as health, safety and security are always a significant area for risk management. The School has responded actively to the issue of Mental Health.

Through its internal management structures, the School has carried out a wide-ranging review of the risks facing the organisation and continues to monitor those risks. The Governors have examined the principal areas of the School's operations and other activities and considered the major risks in each of those areas. This year there have been a series of extraordinary meetings held to consider the impacts of the pandemic. The Governors are satisfied that the major risks identified have been mitigated to a level as low as reasonably practical whilst recognising that systems provide reasonable, but not absolute, assurance that major risks have been adequately managed.

Key controls used by the Charity include:

- well publicised policies and procedures, as required by law for the safeguarding and protection of children, including procedures for the vetting of staff, volunteers and contractors;
- a clear health and safety policy overseen by an active committee;
- formal agendas for all Committees, Panels and Board of Governors activities;
- detailed terms of reference for all Committees and Panels;
- comprehensive strategic planning, budgeting and management accounting;
- additional bank financing to cover any financial turbulence caused by COVID-19;
- fully documented roles and responsibilities of the Governors, Head and TPS Head and other members of senior management;
- formal written policies and procedures; and
- clear delegation in authorisation and approval levels.

## **STATEMENT OF ACCOUNTING AND REPORTING RESPONSIBILITIES**

The Board is responsible for preparing the Annual Report and the financial statements in accordance with the applicable law and UK Generally Accepted Accounting Practice (UK Accounting Standards). Company Law requires financial statements to be prepared for each financial year.

Under Company Law, the Board must only approve the financial statements if they are satisfied that they give a true and fair view of the state of affairs of the Charity and the group and of the incoming resources and the application of resources, including the income and expenditure of the charitable group, for that period.

In preparing the financial statements the Board is required to:

- select the most suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgments and accounting 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 a going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Board is responsible for keeping adequate accounting records that are sufficient to show and explain the Charity's transactions, disclose with reasonable accuracy at any time the financial position of the Charity and enable the Board to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the Charity's constitution.

The Board is also responsible for safeguarding the assets of the Charity and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Insofar as each of the Governors, as members of the Board is aware, at the date of approval of this report, there is no relevant audit information (information needed by the Charity's auditor in connection with preparing the audit report) of which the Charity's auditor is unaware. Each member of the Board has taken all the steps that he or she should have taken in order to make himself or herself aware of the relevant audit information and to establish that the Company's auditor is aware of that information.

## **ACHIEVEMENTS AND PERFORMANCE**

### **EDUCATION**

#### **Independent Schools Inspectorate Inspection**

All 5 elements of the School were inspected by the ISI in February 2020. It was found that the schools were fully compliant in all areas and the early years foundation stage ('EYFS') was graded outstanding.

#### **Admissions**

During 2019/2020, there were 542 (2019: 554) pupils in the Senior School, 304 (2019: 289) in the Prep, 76 (2019: 88) in the Pre-Prep, 78 (2019: 76) in the International School and 41 (2019: 38) in the International Middle School. Enquiries, visits, registrations and overall pupil numbers for 2020/21 are strong, despite the COVID-19 challenges, including quarantine restrictions.

#### **Stakeholder Engagement and Section 172 Statement**

The Governors consider that they have fulfilled their duties in accordance with section 172 of the U.K. Companies Act 2006 and have acted in a way in which is most likely to promote the long-term success of Taunton School for the benefit of its stakeholders as a whole in the following ways:

##### *Pupils*

Boarding and day pupils benefit from the School's pastoral provision with staff placing as much importance on pupils' holistic personal development, lifelong friendships and camaraderie as they do on exam results. Pupils are actively encouraged to offer comments and suggestions on the operation of the School through committees, houses or tutor meetings, and this pupil voice is actively considered in decisions made by the Senior Management Team and Governors. This pupil centric focus continued during the enforced closure of the school site and the subsequent move to remote learning and recognised the significant challenges faced by pupils during this lockdown. Staff worked with individuals and groups of pupils to address any concerns and organised online events designed to maintain social interaction and pupil motivation.

##### *Staff*

The School recognises that the qualities, skills and commitment of its staff plays a major role in the pupils' success. Weekly briefings keep staff informed of school wide developments, and there are opportunities for staff consultation with Governors, both formally and informally. Staff wellbeing has been a key focus this year, with a number of teaching and support staff undertaking training to become mental health first aiders. This will be a continued area of attention, especially as staff return from an extended period of absence from the site.

##### *Parents & Communication*

The School recognises the many benefits from open and transparent engagement with parents and has a bi-weekly roundup of news and events in its "Courier" magazine as well as regular social media posts and letters from the Headmasters highlighting aspects of School life. Regular parent surveys are conducted and parents

have access to both the parent section of the website and the Parent Portal which gives detailed academic and pastoral information which is specific to their own child.

### *Community*

The School is proud of its place and contribution in the local community and endeavours to offer support and assistance wherever possible by sponsoring local sports clubs and offering opportunities for local schools and clubs to benefit from its academic and co-curricular facilities. The Outreach programme works with local charities and social organisations to identify ways in which the pupil body can best provide support and assistance. During lockdown, staff and pupils created new ways in which they could support the local community via fundraising, by offering accommodation to local NHS workers and by providing PPE and food parcels for NHS staff at Musgrove hospital.

### **Senior School**

#### **Academic**

Taunton School continues to offer three pathways of Sixth Form study: A levels, International Baccalaureate Diploma Programme and two BTEC courses (Extended Diploma in Sport and Exercise Sciences and Diploma in Business). Our timetable allows students to study a 'mixed economy' programme, borrowing elements from different pathways and student tracking against baseline data and predicted grades goes from strength to strength as part of our goal to add value to each and every student. Despite the challenges of centre-assessed grades this year, external examination results saw 68% of all grades in the Sixth Form at the equivalent of A\*-B (A level), 5-7 (IB Higher Level) or Distinction\*-Distinction (BTEC Diploma). For GCSE, 49% of grades were 9-7, and the pass rate (grades 9-4) was 97%. As a non-selective school, we are extremely proud of all our students' results, not just those achieving top grades. Our Careers advice offered to the students is a particular strength. We have a very diverse student body and offer bespoke guidance on course and country requirements. The majority of students achieve the grades that they need to take up their place at their first choice of University. Our academic programme is not restricted to the classroom and students have enjoyed presentations, lectures, trips and various other stimulating activities which have enhanced their learning. Friday morning scholars' talks, open to everybody, are a particular highlight and often discuss challenging existential topics, as do Friday night debates for senior students.

#### **Pastoral Care and Well-Being**

Boarding at Taunton School is thriving thanks to the overall focus on boarding and boarding recruitment over the last 5 years. Boarders are fully integrated and committed to the ethos of the School and many hold important leadership roles. The on-going boarding house refurbishments combined with the development of a 'Heart of the School' makes the boarding environment a 'home from home'. Our day pupils also benefit from the full range of activities and support on offer and pupil numbers this year are at an all-time high.

Pastoral and safeguarding support has improved across the board due to the whole school approach to this important area of school life. There is a common ethos and approach to continued good practice and whilst safeguarding and child protection remains effective we continue to review, internally, how this can be further enhanced and reinforced across the School. There have been some structural changes and new appointments to the pastoral team which have added strength to our team.

We have focused on the hearing the Student voice which is an increasingly important element of good practice and an area which our remote learning strongly helped to support. There are more formalised forums which are complemented by regular on-line surveys which help track pupil and staff wellbeing with greater consistency and regularity. COVID-19 inevitably took up the bulk of the summer term and infiltrated all areas of our practice. In making the School as safe as possible there is a constant trade-off between safety and pupil experience and staff are always alert to this issue. The Health Centre is a key asset and has invested in SAMBA-II testing technology to help manage the pupil population as they return to School.

Plans for next year are focused around ongoing training needs with a focus on helping pupils manage anxiety, its prevalence and its role in being a gateway to many of the more concerning mental health issues such as suicidal ideation, eating disorders and self-harm. ADHD support is another area of focus; both diagnosis and management and training in mental health first aid is ongoing for teaching staff.

### **Co-Curricular**

Sport plays a significant role in the day to day life across the School and is both an important part of the School's culture for both health and wellbeing as well as performance and participation. This year, the U14 and U19 Netball Teams qualified to Regionals placing 1<sup>st</sup> and 3<sup>rd</sup> respectively, with the U14 continuing to the National Finals. Within the School individually, a large number of students were involved in both Bristol and Exeter Chiefs rugby academies, Performance Centres in Hockey, with an U16 England Hockey player and numerous representatives in both Team Bath Netball NPL and Somerset, Devon and Cornwall Cricket Squads. Individually we have a number of students competing on the NSEA circuit in Equestrian events and tennis players, both representing both Somerset and pushing for Regional and National competition. Due to COVID-19, Rosslyn Park for Rugby, and the summer seasons of sport for Swimming, Cricket, Tennis and Athletics were all cancelled.

Music continues to thrive. There is an informal weekly "teatime" concert and during each term there are more formal concerts that encompass the work of all of the 17 ensembles offered. These have seen the introduction of more elite smaller quartets in the last year which push students beyond Grade 8 and a music diploma. The concerto competition ran again with two winners selected to play in front of a professional orchestra. *'The 39 Steps'* Production was a highlight of the Autumn Term and was performed in the School's newly refurbished Theatre with assessed pieces of devised drama for Years 10, 11 and 12 complementing the offer. Throughout the Summer Term lockdown, Shakespeare solos and a Murder Mystery devised piece enabled continued performance remotely, along with a series of online concerts and musical productions.

Debating has seen increased membership and formality. The Friday evening 'Burke' debates are well attended and the motions debated are both current and evocative as we educate the students on appropriate ways to show their student voice. This year has seen a more global outlook approach to the debate topics although the World Debating Championships was cancelled due to COVID-19. The Seniors again entered the English-Speaking Union competition, with the Senior Team qualifying to the second round.

The Combined Cadet Force, Duke of Edinburgh scheme and various other outdoor activities are key features of the co-curricular offering. All are well resourced and take up continues to be very strong. The introduction of a new Head of Army and Navy section has seen a review and development of new curriculum and ideas to achieve the syllabus. COVID-19 restricted the Year 10 and Year 12 Activity Week and Summer Field Day, and saw the 'Ten Tors' cancelled however remote tasks for CCF continued throughout the course of the Summer Term.

### **Community**

Volunteering projects during 2019-20 include craft activities on Friday afternoons with Year 4 at North Town Primary School and support to Castle School with their Year 11 students in the MFL department with our native speakers providing 1:1 speaking and writing support in Mandarin, German and Spanish. During the Autumn term students went to Cothelstone Hill to help clear away small shrubs and trees to enable the established trees to grow. The Firs nursing home in Staplegrove has students visiting in small groups three times a week to chat and entertain the residents: we were glad to help support them with a collection of Easter eggs just as we went in to lockdown. Monday evening basketball remains a popular volunteering option when a group of our students help out with a group of disabled people at wheelchair basketball. Students have also supported other areas of the School – tennis coaching with Pre-Prep School students, prep support with years 7 & 8 and socialising and socialising playing games with the TSIMS students on Tuesday evenings. In total there are in excess of 60 students who volunteered approximately 1,500 hours of their free time last year of which we are aware.

## **Global Outlook**

With over 40 different Nationalities in the School we are proud of our global outlook. Our students, and also staff, are able to work together in an environment of tolerance and respect in line with the School's ethos and vision.

## **Taunton Prep School**

### **Academic**

TPS continues to offer an excellent range of subjects and activities delivered by staff who are passionate about teaching and learning. During 2019-20 we wrote a 'Key Skills and Literacy policy' which was refined in the Autumn term when we began the process of embedding this into everyday teaching and learning. We also worked to develop staff Continuous Professional Development (CPD), focusing on embedding vocabulary through lesson starters and plenaries. Much of this work was interrupted due to COVID-19 lockdown. However, the process of embedding literacy in daily routines within the classroom will continue in 2020-21, with the aim of establishing effective classroom routines in all subjects, not just English. Learning Walks were implemented in the Spring Term with a collaborative and supportive approach to staff development in the classroom and a key element in identifying themes to feed into staff meetings and CPD.

The assessment systems which we have gradually introduced over the last two years are now fully embedded and are giving staff, pupils and parents excellent nationally standardised information which is being used to monitor progress. They are also allowing us to track more effectively the attainment levels and progress of cohorts and of individuals. This year we have developed the assessment system for Years 7 & 8 during the Autumn term, to bring systems in line with TS and to raise the expectations and standards within Year 8, moving towards developing a 'gold standard' for them. We also refined the report system in the Summer Term, working towards a more concise and succinct format that will benefit both staff and parents.

During the Spring term, we worked with middle managers to ensure these standards were implemented across departments consistently and have engaged with students to ensure they fully understand the expectations and are able to set themselves targets within the amended framework. In the same term, we started to work with middle managers to identify how the assessment data could be used by teachers and Heads of Departments ("HODs"), to inform teaching and learning and department planning. This is an area that we will continue to review and develop in the forthcoming year. Improvements made to the HODs department planning documentation have a more structured focus and are more aligned with the TPS key priorities and aims designed to improve standards.

During the Summer Term, we were highly successful in establishing remote platforms for all year groups to continue learning during lockdown. We were able to implement a number of staff and student training courses before lockdown and to continue with ICT support online. This secured exceptionally high levels of parental satisfaction and praise in parental surveys. The platform used for Years 3-5, 'Seesaw', was particularly successful with the younger pupils, developing independence in their remote learning through a platform working most effectively with tablets and phones. Following this, we have invested further in this platform, to enable Years 3-5 to continue to use the platform for prep and in the event of more remote learning in 2020-21. Microsoft Teams and Firefly were also successfully utilised for the older year groups to deliver remote learning, with Teams in particular being utilised for synchronous lesson delivery.

## **The Wider Curriculum**

### *Sport*

A good number of our pupils and teams again performed at a level which was right at the top of Prep School national standards. For example, in swimming our U13 Girls won the English Schools Relay championship at the Aquatic Centre, we would have had 30 qualifiers at IAPS and we were expecting to surpass previous medal hauls this year. In Hockey, our U13 boys lost in the Final of the National Prep school finals and our U11 boys and girls qualified for National finals but, unfortunately, these fixtures were postponed. In Netball the U13's were unbeaten and won the IAPS Regional tournament. Additionally, we had Cross Country

Somerset Champions in U11 competitions, Team County Champions at U11 and U13 in table tennis and our U9 Girls were ranked 1st in the South West for Biathlon. During remote learning, we continued to strive to provide sport and physical activity for all, including holding a virtual Sports Day.

### *Performing Arts*

In our Autumn Term Michaelmas Concert 19 of our musical ensembles performed to a very high level of competency. The dance showcase was an amazing success using the theme of the Greatest Showman. The Year 4 production of 'Pirates versus Mermaids' was enjoyed immensely by both the performers and the enthusiastic audience. The highlight, as always, was the Choir Tour abroad, this year visiting Malta. The children made wonderful performances including singing in the Cathedrals in Valletta and Gozo. During the Spring Term, Year 6 displayed their talents on stage with the musical production of 'Mystery at Magpie Manor'. Pupils were entered for external examinations for Music, Speech and Drama and Ballet with astounding success.

During the summer term, we continued to provide a positively driven curriculum that challenged, nurtured and inspired our pupils. There was a weekly Performing Arts Café where pupils performed in the 3 disciplines of Music, Drama and Dance. Choir rehearsals were held remotely each week and we were one of the few schools who continued to offer 1:1 instrumental lessons plus Speech and Drama lessons. The Year 8 Memories film was also led by the Performing Arts department, much to the appreciation of the parents.

### **Personal Development**

The 'TPS Way' is now firmly established and has been integrated further into the criteria that has been developed for Years 7 & 8. Remote learning not only presented many challenges for teaching and learning outcomes, but also to the way we continue to motivate and inspire the pupils and promote an independent approach to ownership of their learning. A wide range of enrichment activities were offered remotely to cater for the interests of all, including dance, reading, baking, fitness, music and art. The support and nurture of staff, particularly tutors, sustained the engagement and motivation of the pupils and the outcomes of some of the younger pupils were particularly impressive.

### **Taunton Pre-Prep and Nursery (TPPS)**

#### **Academic**

As we went into lockdown during the Summer Term, the children from Nursery 3 upwards started remote learning using the 'Class Dojo' App. This software platform was already in use by the Reception team, and we therefore extended its use throughout the Pre-Prep. Feedback from parents and staff was overwhelmingly positive and both parents and children engaged with its content. In addition to running online content, each day from the beginning of April we had over sixty children of key workers physically attending the Pre-Prep and Nursery. Children from Reception upwards accessed the remote learning whilst in school, supported by the team physically present with them. The number of children physically in school increased again in May as 90% of the Reception class and 50% of the Year 1 children returned to school. Children who were unable to attend and remained at home with their parents, were supported with continued online learning, with staff in each year group supporting blended learning for the rest of the summer term. 90% of the Year 2 children attended for the last week of term of the summer term.

Reception pupils continue to complete the baseline assessment which is a reliable, national test that tracks key skills in Reading, Spelling, Mathematics, Mental Arithmetic and Developed Ability. Year 1 pupils are also tested in GL Verbal and Non-Verbal assessments. Year 2 pupils also continue to be assessed in this way, completing both the Verbal and Non-Verbal GL assessments. Children also have their reading age assessed using the Suffolk Reading Scale 2 to produce a measured reading age and a Single Word Spelling Test age. These tests run alongside the standardised GL Maths Assessments. In addition to the recording and assessment already described, we continue to complete half-termly phonic assessments for all the children from Reception to Year 2. Children then access the appropriate phonic group indicated from their assessment and any children needing support receive individual intervention. For both Years 1 & 2, the



children also take part in formal assessments for Abacus Maths. Results from this testing are used to inform planning and teaching. We introduced a TPPS Literacy corner in the playground in order to promote reading and writing in the outdoors.

### **Performing Arts**

The children continue to have the opportunity to participate in individual Music lessons, Speech & Drama, Dance and Ballet. A significant number of our parents also access these additional lessons.

### **Sport**

Our Year 2 children took part in a local Tag Rugby festival in the Spring Term. These children also enjoyed participating in a multi sports event in March. This gives our children a taste of a more competitive sporting event, whilst having fun with their friends.

### **Clubs Programme**

Throughout the last academic year, we increased the breadth of our clubs on offer, in order to better meet all our children's needs. However, this Autumn Term we will be obliged to offer a more restricted club offering in order to meet the most current Government guidance.

### **Personal Development**

TPPS staff aim to promote strong values, including respect and kindness to others. This has been supported by our adoption of the new jigsaw PSHE programme for our children from Nursery 4 to Year 2. We provide a nurturing environment with familiar staff, supportive routines and clear boundaries and expectations. We also seek to challenge, and to foster new as well as existing skills and thereby promote resilience, confidence and independence.

### **Taunton School International (TSI)**

TSI offers British and International students an intensive and comprehensive one-year and two-year GCSE/pre-IB programme. We are a market leader in our academic provision and achieved a pleasing 92% GCSE pass rate (9-4) in August 2020, with 37% of the total grades at 9-7. Students are able to select from more than twenty different subjects at GCSE level and are taught in classes averaging 8 students per group. This allows students to focus on areas that are relevant to them and affords them the extensive teacher support that is required on such an intensive academic programme. In September 2019, TSI introduced a Pre-Foundation Year programme for Sixth-Form aged students and all the students on this programme achieved the necessary grades to progress to the International Foundation Year, which starts for the first time this year. On this programme, students study four modules — Business Studies, Economics, Mathematics and EAL — and upon successful completion of the course have a guaranteed place in one of 16 British universities, including several Russell Group Universities. TSI has a spread of nationalities with 25 countries represented, approximately 5% of whom were first language English speakers.

We aim to develop the 'whole' student and pride ourselves on our co-curricular, sporting and pastoral provision for every student. In sport, the international students fully integrate with the Senior School students and in the 2019-20 academic year many of our students represented School teams in football, rugby, cricket, hockey, swimming, tennis, badminton and basketball, with many students achieving full or half junior colours. In music, several TSI students played in the Senior School orchestra as well as performing in tea time concerts and chapel services. Throughout the week, students are able to access a wide choice of after-school activities, many of which are run jointly with the Senior School. Weekend trips and inter-house competitions provide yet further opportunities for our international students to integrate with their British counterparts. Retention of students was again excellent this year with an above average number of students transferring to the Sixth Form in the Senior School, to take A Levels and the International Baccalaureate or BTECs.

## **Taunton School International Middle School (TSIMS)**

TSIMS provides international students between the age of 7 and 14 years with the appropriate and relevant education, co-curricular and pastoral support they need to enter Taunton Prep School, Senior School or TSI, depending on their age and level of English. Those not entering another section of Taunton School are ideally equipped to go to another British independent school. Specialist teachers offer an extensive curriculum which is closely linked to the curricula at the Senior School, Prep School and TSI in order to facilitate the transfer of students from one section of the School to another. Students are taught in maximum class sizes of 10 to enable each student to reach their full academic potential in the minimum amount of time. There is a full programme of extra-curricular activities, sports and excursions, designed to stretch and develop young minds and assist in achieving our aim of developing the 'whole child'. Integration with the Prep School, Senior School and TSI is frequent with several students being selected to play in Taunton School football, swimming, tennis, hockey, cricket, rugby and basketball teams. TSIMS has forged strong relationships with the local community in Kingston St Mary.

## **Taunton School Foundation**

The Foundation has generated voluntary donations totalling £114,700 for 2019/20 (£269,100 for 2018/19); in addition, donations of £86,254 were received in September 2020. The focus remains to engage high net worth individuals to provide individual and collective support for students at Sixth Form through 100% means tested bursaries. A new plan to raise £5million through 'The 100 Campaign', will encourage greater support from the whole Taunton School community, with the intention that funds raised will benefit over 100 children throughout the School who have promise and talent and require financial support through our existing means-tested assisted places programme. Since the conception of the "Patrons' Programme" a total of 23 children have benefitted, including two from Hong Kong and two who are here in partnership with the Royal Springboard Foundation. Fundraising during the year was carried out solely by the Foundation team and no external fundraising individuals or companies were employed. The School adheres to the new GDPR regulations and only contacts those for whom our communications will be relevant and of interest. There were no incidences of failure to comply with the fundraising standards and no complaints recorded.

## **Group Finances**

The principal funding sources for the Charity are school fees and income generated by many other educational and non-educational activities. The latter are carried out by the Charity's trading company, Taunton School Enterprises Ltd ("TSE"), which passes all its profits to the School. The year's expenditure has continued to support the Charity's key objectives by operating the School and investing in its development.

The Group's finances remain relatively strong with total incoming resources of £20.9m (2019: £22.5m); net outgoing resources of -£0.8m (2019 net incoming resources: £0.5m); and total reserves of £17.0m (2019: £18.1m) after making capital additions of £4.2m (2019: £1.8m) and repaying £302k (2019: £295k) of bank loans in the period. The Charity continued to invest significantly in the site, with the majority of expenditure on a new dining hall which opened in September 2020.

COVID-19 and the closure of the School site during the Summer Term led to a loss in income of £2m in the form of reduced school fees and lost commercial income from summer holiday activities. This was mitigated in part by reduced costs and income from furlough with a net operating loss for the year of £0.75m (2019 profit £0.48m).

We have prepared a number of scenarios that consider our cash position, sources of income and planned expenditure. This includes the impact of coronavirus on operations together with assumptions around recovery thereafter. These scenarios consider reduced pupil numbers, delayed fee payment, reduced fees and potential bad debts as well as impact on costs from the measures taken so far. Sensitivity around these assumptions has also been considered in our forecasting. Results of this cash flow and sensitivity analysis

indicate that the cash reserves of the Charity are adequate to meet the Charity's obligations as they fall due. Correspondingly, the trustees consider it appropriate to adopt the going concern basis of accounting in preparing the financial statements.

#### **Investment policies, objectives and performance**

The Investment Panel advises on the investments and monitors the performance of funds on behalf of the School, the Foundation and the Evans-Lombe Fund. At the year end the total funds invested were £4.5m (2019: £4.7m). The Investment Panel reports to the Board of Governors and the Trustees of the Evans-Lombe Fund, having taken appropriate and professional advice. The Board and Trustees have set a target of 4% income and fund growth to sustain the value of the capital. The School also holds some restricted funds in recognised charitable investment funds with CCLA and some on deposit awaiting investment. The Board is satisfied with the return on these funds.

#### **Reserves level and policy**

The Governors have examined the risks and challenges faced by the Charity over the short and medium term. The Charity has invested its reserves in the provision of the educational facilities to meet its objectives and consequently, like many well-established independent schools, has negative free reserves. The Governors are satisfied that the financial plans and forecasts give them comfort that the Charity is able to meet all its foreseeable commitments.

The School's total reserves of £17.0m at the period end include £1.8m endowment capital, £4.2m of unspent restricted income and £11.0m unrestricted income.

#### **Energy and carbon emissions**

The School's makes the following statement of carbon emissions in compliance with Streamlined Energy and Carbon Reporting (SECR) covering energy use and associated greenhouse gas emissions relating to gas, electricity and transport, intensity ratios and information relating to energy efficiency actions.

Total energy usage from electricity consumption in 19/20:	1,715,421KWh
Total energy usage from gas consumption in 19/20:	5,541,255KWh
Total emissions through use of purchased electricity:	603,073 KgCO <sub>2</sub> e
Total emissions through combustion of gas:	1,020,478 KgCO <sub>2</sub> e
Total emissions from diesel consumption on transport fleet	116,560 KgCO <sub>2</sub> e
Total Gross emissions	1,740,111 KgCO <sub>2</sub> e
Intensity ratio (KgCO <sub>2</sub> e per pupil)	1,671.57

These energy usage figures have been calculated from invoices indicating energy and fuel usage and then the National Energy Foundation Carbon Calculator has been used to calculate emissions.

#### **Energy efficiency actions**

As an integral part of our environmental policy we are committed to responsible energy management and will practise energy efficiency throughout our organisation, wherever it's cost effective. We recognise that climate change is one of the most serious environmental challenges currently threatening the global community and we understand we have a role to play in reducing greenhouse gas emissions. The School has engaged the services of an ESOS Compliance Consultancy to prepare and submit our statutory compliance documents and also to actively work with the school to identify short, medium and longer-term ways in which we can permanently reduce our energy usage. The School has submitted the Stage II compliance report and is currently implementing a group of practical measures it identified. Additionally, we are seeking to improve our business energy efficiency by implementing the following:

- Regularly updating the transport fleet to ensure improving levels of fuel efficiency
- An ongoing program of updating to LED lighting
- Adjust heating with energy consumption in mind

- Switching off lights and electrical equipment when not in use.
- Take energy consumption and efficiency of new products into account when purchasing them

## **FUTURE PLANS**

The School's strategy is to maintain a strong financial position by delivering a first-class education with outstanding pastoral support. To do this we are building a healthy recruitment pipeline, controlling costs and using the facilities for the public benefit for 12 months of the year. This generates sufficient resources to invest in the School's infrastructure, supporting the strategy of building on existing resources and foundations. The priorities for resource allocation are based on improving and enhancing the existing infrastructure estate and the objectives are to:

- be an outstanding School of choice by evidence of its educational and pastoral experience for all pupils;
- continue a strong financial performance to fully resource the operation of the School and its development;
- increase investment in maintenance and new facilities over the next three years;
- be compliant with legislation and best practice to provide a safe and purposeful education;
- invest in staff training and development to attract and retain the best teachers.

The School is reviewing its needs and opportunities to continue to develop its estate to maximise advantage. As the strategy is reviewed, more projects will be considered by the Governors in due course.

This Annual Report, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Board on 5 December 2020 including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:

**Mr C Butters**  
Treasurer  
Date:



5<sup>TH</sup> DECEMBER 2020

## **Independent Auditor's Report to the Members of Taunton School Educational Charity**

### **Opinion**

We have audited the financial statements of Taunton School Educational Charity for the year ended 31 August 2020 which comprise the Group Statement of Financial Activities, the Group and Charity Balance Sheets, the Group Cash Flow Statements and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the group's and the charitable company's affairs as at 31 August 2020 and of the group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and,

except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

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

We have nothing to report in this regard.

### **Opinions on other matters prescribed by the Companies Act 2006**

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

### **Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and the charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the [strategic report or the] directors' report included within the trustees' report.

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

- the parent company has not kept adequate accounting records; or
- the parent company 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's or the charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

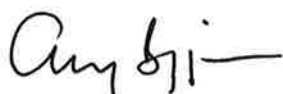
#### **Auditor's responsibilities for the audit of the financial statements**

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 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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



Guy Biggin  
Senior Statutory Auditor  
For and on behalf of  
**Crowe U.K. LLP**  
Statutory Auditor  
Carrick House  
Lypiatt House  
Cheltenham  
GL50 2QJ

7 December 2020

TAUNTON SCHOOL EDUCATIONAL CHARITY  
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE YEAR ENDED 31 AUGUST 2020  
(Incorporating an Income and Expenditure Account)

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	Endowed Funds £000's	2020 Total £000's	2019 Total £000's
<b>Income and endowments from:</b>						
<b>Charitable activities</b>						
School fees	3	18,135.5	-	-	18,135.5	18,964.6
Other educational income	5	916.0	-	-	916.0	2,400.6
Other ancillary trading income	5	897.0	-	-	897.0	13.7
<b>Other trading activities</b>						
Non-ancillary trading income	5	587.5	-	-	587.5	717.9
<b>Investments</b>						
Investment Income	5	166.0	65.5	-	231.5	69.0
<b>Voluntary sources</b>						
Donations and bequest	14b	-	164.5	-	164.5	324.6
<b>Total income</b>		<b>20,702.0</b>	<b>230.0</b>	<b>-</b>	<b>20,932.0</b>	<b>22,490.4</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Non-ancillary trading expenses	6	228.2	-	-	228.2	264.2
Fundraising and development	6	-	-	31.7	31.7	13.7
Financing Costs	6	89.1	-	-	89.1	81.4
		<b>317.3</b>	<b>-</b>	<b>31.7</b>	<b>349.0</b>	<b>359.3</b>
<b>Charitable activities:</b>						
Education and grant making	6	20,971.2	365.5	-	21,336.7	21,644.1
<b>Total expenditure</b>		<b>21,288.5</b>	<b>365.5</b>	<b>31.7</b>	<b>21,685.7</b>	<b>22,003.4</b>
<b>Net (outgoing)/incoming funds from operations before investment (losses)/gains</b>		<b>( 586.5)</b>	<b>( 135.5)</b>	<b>( 31.7)</b>	<b>( 753.7)</b>	<b>487.0</b>
(Losses)/gains on investments		<b>( 29.2)</b>	<b>44.4</b>	<b>( 101.9)</b>	<b>( 86.7)</b>	<b>248.8</b>
<b>Net (outgoing)/incoming resources</b>		<b>( 615.7)</b>	<b>( 91.1)</b>	<b>( 133.6)</b>	<b>( 840.4)</b>	<b>735.8</b>
Transfers between funds		-	-	-	-	-
<b>Other recognised losses:</b>						
Pension scheme actuarial losses	19	( 290.0)	-	-	( 290.0)	-
<b>Net movement in funds in year</b>		<b>( 905.7)</b>	<b>( 91.1)</b>	<b>( 133.6)</b>	<b>( 1,130.4)</b>	<b>735.8</b>
Funds balances at 1 September 2019		11,927.3	4,273.0	1,933.2	18,133.5	17,397.7
<b>Fund balances at 31 August 2020</b>		<b>11,021.6</b>	<b>4,181.9</b>	<b>1,799.6</b>	<b>17,003.1</b>	<b>18,133.5</b>

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

All income and expenditure derive from continuing activities.


The notes on pages 26 to 40 form part of these financial statements



	Notes	CONSOLIDATED		SCHOOL	
		2020 £000's	2019 £000's	2020 £000's	2019 £000's
<b>FIXED ASSETS</b>					
Tangible Fixed Assets	7,8	25,066.0	22,037.6	25,062.4	22,030.6
Investments	9	4,523.9	4,654.4	4,524.0	4,654.5
		<b>29,589.9</b>	<b>26,692.0</b>	<b>29,586.4</b>	<b>26,685.1</b>
<b>CURRENT ASSETS</b>					
Stocks	10	133.6	186.4	133.6	182.5
Debtors	11	607.2	973.4	561.0	950.0
Cash		282.7	1,989.1	258.1	1,959.3
		<b>1,023.5</b>	<b>3,148.9</b>	<b>952.7</b>	<b>3,091.8</b>
<b>CURRENT LIABILITIES</b>					
Creditors: due within one year	12	( 10,645.1)	( 8,470.8)	( 10,570.8)	( 8,406.8)
<b>NET CURRENT LIABILITIES</b>		<b>( 9,621.6)</b>	<b>( 5,321.9)</b>	<b>( 9,618.1)</b>	<b>( 5,315.0)</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>19,968.3</b>	<b>21,370.1</b>	<b>19,968.3</b>	<b>21,370.1</b>
<b>LONG-TERM LIABILITIES</b>					
Creditors: due after more than one year	12	( 2,675.2)	( 3,236.6)	( 2,675.2)	( 3,236.6)
Pension scheme	19	( 290.0)	-	( 290.0)	-
<b>NET ASSETS</b>		<b>17,003.1</b>	<b>18,133.5</b>	<b>17,003.1</b>	<b>18,133.5</b>
<b>CAPITAL FUNDS:</b>					
Permanent endowed funds	14a	1,799.6	1,933.2	1,799.6	1,933.2
Restricted funds	14b	4,181.9	4,273.0	4,181.9	4,273.0
Unrestricted funds		11,021.6	11,927.3	11,021.6	11,927.3
<b>TOTAL FUNDS</b>	15	<b>17,003.1</b>	<b>18,133.5</b>	<b>17,003.1</b>	<b>18,133.5</b>

The deficit for the financial year dealt with in the financial statements of the School was £1,130.4k (2019: surplus of £735.8k).

The financial statements were approved and authorised for issue by the Board of Governors on 5/12/20 and signed on its behalf by;

  
Mr C Butters  
Treasurer

The notes on pages 26 to 40 form part of these financial statements.

**TAUNTON SCHOOL EDUCATIONAL CHARITY**  
**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 AUGUST 2020**

	2020	2019	
	£000's	£000's	
<b>Reconciliation of net incoming resources to net cash inflow from operating activities</b>			
Net (outgoing)/incoming resources from operations	( 753.7)	487.0	
<b>Elimination of non-operating cash flows:</b>			
Investment income	( 231.5)	(69.0)	
Finance costs	89.1	81.4	
Depreciation charge	877.2	899.4	
Loss on disposal of fixed assets	230.1	88.2	
Decrease/(increase) in stock	52.8	(4.0)	
Decrease in debtors	366.2	180.4	
(Decrease)/increase in creditors (excluding fees in advance and deposits)	( 106.4)	193.7	
Decrease in fees in advance and parent's deposit	( 1,246.6)	(159.5)	
	<u>( 722.8)</u>	<u>1,697.6</u>	
<b>Cash flows used in investing activities:</b>			
Payments for tangible fixed assets	(3,277.2)	(1,836.5)	
Proceeds from the sale of tangible fixed assets	16.1	-	
Additions to securities investments portfolios	(415.3)	(319.4)	
Withdrawals from securities investments portfolios	459.1	291.0	
Investment income and bank interest received	231.5	69.0	
Net cash used in investing activities	<u>(2,985.8)</u>	<u>(1,795.9)</u>	
<b>Cash flows used in financing activities:</b>			
Finance costs paid	(89.1)	(81.4)	
Repayment of secured loans	(301.8)	(295.1)	
New bank loans	1,000.0	-	
Net cash used in finance activities	<u>609.1</u>	<u>(376.5)</u>	
<b>Change in cash and cash equivalents in the year</b>	<b>(3,099.5)</b>	<b>(474.8)</b>	
Cash and cash equivalents at the beginning of the year	1,989.1	2,463.9	
<b>Cash and cash equivalents at the end of the year</b>	<b><u>(1,110.4)</u></b>	<b><u>1,989.1</u></b>	
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>	<b>2020</b>	<b>2019</b>	
	<b>£000s</b>	<b>£000s</b>	
Cash in hand	282.7	1,989.1	
Bank overdraft	(1,393.1)	-	
	<u>(1,110.4)</u>	<u>1,989.1</u>	
<b>ANALYSIS OF CHANGES IN NET FUNDS DURING THE YEAR</b>			
Group	As at 01.09.19	Cashflow	As at 31.08.20
	£'000	£'000	£'000
Cash at bank and in hand	1,989.10	(1,706.4)	282.7
Bank overdraft	-	(1,393.1)	(1,393.1)
	<u>1,989.10</u>	<u>(3,099.5)</u>	<u>(1,110.4)</u>

The notes on pages 26 to 40 form part of these financial statements.

## 1. BASIS OF ACCOUNTING

### Basis of Accounting

The financial statements have been prepared in accordance with 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 on 16 July 2014 and the Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland (FRS 102) and the Charities Act 2011 and UK Generally Accepted Accounting Practice as it applies from 1 January 2015.

The financial statements have been prepared under historical cost convention, modified to include the revaluation of investments. Taunton School Educational Charity meets the definition of a public benefit entity under FRS 102.

These financial statements present the consolidated Statement of Financial Activities (SOFA), the consolidated Cash Flow Statement and the consolidated and Charity Balance Sheets comprising the consolidation of the Charity and its wholly-owned subsidiary, Taunton School Enterprises Limited. The Charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

No separate SOFA has been presented for the School alone, as permitted by Section 408 of the Companies Act 2006.

## 2. STATEMENT OF ACCOUNTING POLICY

The principal accounting policies adopted in the preparation of the financial statements are as follows:

### Legal Status of the Charity

Taunton School Educational Charity (the 'School') was incorporated in England and Wales as a private company limited by guarantee (registered no. 04005803) on 1 June 2000 and has no share capital.

The School is also registered with the Charity Commission (registered no. 1081420).

### Registered and principal office

The registered and principal office of the School is Taunton School, Taunton, Somerset, TA2 6AD.

### Going Concern

The School depends on its existing bank facilities to meet its day to day working capital requirements. Current forecasts indicate that the School expects to be able to operate within these facilities for the whole of the foreseeable future. These facilities are renewed annually and are not guaranteed for the period covered by the going concern review. The Trustees are not aware, however, of any circumstances that may adversely affect the renewal of these facilities.

At the time of approving the financial statements, the Trustees have carefully considered the continued impact of Covid-19 on the School operations and can confirm that the Trustees believe that the School's financial resources and contingency planning is sufficient to ensure the ability of the School to continue as a going concern for the foreseeable future, being at least twelve months from the date of approval of these financial statements and therefore have prepared the financial statements on a going concern basis.

### Tangible Fixed Assets

The Charity's Land and Buildings are vested in Taunton School Trust, a restricted fund.

Tangible fixed assets are stated at historical cost and subsequently depreciated to their estimated net realisable value over their useful lives. Even so, the School operates a formal programme of maintenance that includes routine building work written off in the Statement of Financial Activities in the period concerned. Land is not depreciated.

Major items of expenditure on buildings and assets over £1,000 are capitalised. To the extent that refurbishment work is considered to improve and thus add a commensurate value to the building, such refurbishment costs are also capitalised and depreciated as appropriate.

The rates of depreciation applied are as follows:

Buildings, improvements and extensions	5 – 50 years
Furniture and equipment	3 – 25 years

### Fixed Asset Investments

Fixed Asset Investments are stated at market value. Income from Fixed Asset Investments and the related tax credit are recognised in the Statement of Financial Activities in the period to which they relate. Where the market value of investments differs from the historic cost, the difference is recognised as an unrealised gain/loss in the Statement of Financial Activities. Where the investment has been sold, this is recognised as a realised gain/loss. The investment in the subsidiary is held at cost.

#### **Stock**

Stock has been valued at the lower of cost or net realisable market value.

#### **Fees and similar earned income**

Fees receivable and charges for services and use of the premises, less any allowances, scholarships, bursaries granted by the Charity against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

#### **Government Grants: Job Retention Scheme**

Income from government grants, whether 'capital' grants or 'revenue' grants, is recognised when the School has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlements occurs before income is received, the income is accrued. Where income is received in advance of the School having entitlement to the funds the income is deferred.

#### **Investment income**

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accruals basis.

#### **Donations, legacies, grants and other voluntary incoming resources**

Voluntary incoming resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the Charity is considered probable. Voluntary income for the Charity's general purposes is accounted for as unrestricted. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not.

Income from government grants, whether 'capital' grants or 'revenue' grants, is recognised when the School has entitlement to the funds, any performance conditions attached to the grants have been met, it is probable that the income will be received and the amount can be measured reliably.

Where entitlements occurs before income is received, the income is accrued. Where income is received in advance of the School having entitlement to the funds the income is deferred.

#### **Expenditure**

Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the SoFA is apportioned to them on the basis of the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expenditure to which it relates. Grants awarded are expensed as soon as they become legal or operational commitments. Intra-group sales and charges between the Charity and its subsidiary are excluded from trading income and expenditure.

#### **Governance costs**

Governance costs comprise the expenses of running the charity, including the support for the Governors, induction, training and meetings. The costs include associated legal advice and the audit costs.

#### **Operating Leases**

Costs in respect of operating leases are charged in the Statement of Financial Activities on a straight line basis over the term of the lease.

#### **Finance Leases**

Assets held under finance leases and the related lease obligation are included at the fair value of the leased assets at the inception of the lease. Depreciation on leased assets is calculated to write off this amount on a straight line basis over the shorter lease term and the useful life of the asset. Rentals payable are apportioned between the finance charge and a reduction of the outstanding obligation for future amounts payable so that the charge for each accounting period is a constant percentage of the remaining balance of the capital sum outstanding.

#### **Taxation**

The School is exempt from tax on income and gains falling within section 505 of the Taxes Act 1988 or section 252 of the Taxation of Chargeable Gains Act 1992 to the extent that these are applied to its charitable objects.

#### **Pensions**

The Teachers' Pension Scheme is a multi-employer pension scheme. It is not possible to identify the School's share of the underlying assets and liabilities of the Teachers' Pension Scheme on a consistent and reasonable basis and therefore, as required by FRS102, accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.

The charity contributes to the Pensions Trust Growth Plan for certain of its employees. This is in most respects a money purchase arrangement, but does not include certain guaranteed benefit elements. The Plan is a multi-employer scheme as it is not possible in the normal course of events to identify the share of underlying assets belonging to the individual participating employers and accordingly, in accordance with FRS 102, is accounted for as a defined contribution scheme with contributions being recorded as they become payable.

The Taunton School Final Salary Pension Scheme is a defined benefit scheme. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The expected return on the scheme assets less the scheme interest costs are credited within other interest. The scheme actuarial gains and losses are recognised immediately as other recognised gains and losses. The defined benefit scheme assets are measured at fair value at the Balance Sheet date. The scheme liabilities are measured on an actuarial basis at

**TAUNTON SCHOOL EDUCATIONAL CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

the Balance Sheet date using the projected unit method and discounted at a rate equivalent to the current rate of return on a high quality corporate bond of equivalent term to the scheme liabilities. The resulting defined benefit asset or liability is presented separately after other net assets on the face of the Balance Sheet.

**Recognition of Liabilities**

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

**Commitments**

Capital expenditure contracted for by the year end, for which no services or goods have been received, is disclosed by way of a note but no provision is made in the financial statements for such amounts.

**Funds**

Unrestricted Funds are those that are available for the Charity to spend as required. Restricted and Endowed Funds have been given to the Charity for specific purposes.

**Redundancy**

Redundancy and termination costs only occur where absolutely necessary and are accounted for on an accruals basis when the commitment to terminate a post on the grounds of redundancy has been made.

**Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised with the exception of investments which are held at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes and provisions. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

**Significant estimates and judgements**

Preparation of the financial statements requires management to make significant judgements and estimates. The items in the financial statements where these judgements and estimates have been made include:

*Useful economic lives of tangible fixed assets*

The annual amortisation and depreciation charges for the tangible assets are sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See notes 7 and 8 for the carrying amount of the tangible assets and note 2 for the useful lives for each class of asset.

*Impairment of 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. See Note 11 for the net carrying amount of the debtors and associated impairment provision.

**3. SCHOOL FEES**

**The School's fee income comprised:**

Gross Fees  
Less: Total Bursaries, Grants and Allowances  
Add back: Scholarships, grants and bursaries from restricted and endowed funds

2020	2019
£000's	£000's
24,605.7	23,897.7
(6,806.7)	(5,294.0)
336.5	360.9
18,135.5	18,964.6

**4. SUBSIDIARY**

Taunton School Enterprises Limited was incorporated in England and Wales as a company limited by shares (registered no. 02846335) and is 100% owned by the Charity. The subsidiary was formed to support the School's charitable aims through letting of its facilities when not required for educational purposes. It donates its annual profits to the School by Gift Aid. The address of its registered office is Taunton School, Staplegrave Road, Taunton, Somerset, TA2 6AD.

Turnover  
Cost of Sales  
Gross Profit  
Administration Expenses  
Taunton School Educational Charity Management Fee  
Gift to Taunton School Educational Charity  
Profit/(loss) on Ordinary Activities after Taxation  
Shareholder funds

Taunton School Enterprises Limited	
2020	2019
£000's	£000's
568.0	785.6
( 545.7)	( 669.0)
22.3	116.6
( 5.2)	( 7.8)
( 3.0)	( 3.0)
( 14.1)	( 105.8)
-	-
-	-

#### 4. SUBSIDIARY (CONTINUED)

Included in turnover is £470k (2019: £590k) of intercompany sales to Taunton School. Similarly included in costs of sales and administration expenses are £165k and £3k (2019: £256k and £3k) paid to Taunton School. These transactions were all eliminated on consolidation. At the period end, £14k (2019: owed to £38k) was owed from the subsidiary.

#### 5. OTHER INCOME

	2020 £000's	2019 £000's
<b>Other educational charitable activities</b>		
Entrance and registration fees	55.1	50.2
Other charges to pupils	288.2	396.4
Courses and sub-lettings	572.7	1,954.0
	<b>916.0</b>	<b>2,400.6</b>
<b>Other ancillary activities</b>		
Other income	3.1	13.7
Government grant income: Job Retention Scheme	893.9	-
	<b>897.0</b>	<b>13.7</b>
<b>Non ancillary trading activities</b>		
Taunton School Enterprises Limited(Note 4)	98.0	195.6
Swim school	133.4	208.5
School shop	272.2	287.3
Fees in lieu	83.9	26.5
	<b>587.5</b>	<b>717.9</b>
<b>Investment income</b>		
Other interest received	231.5	69.0

#### 6. ANALYSIS OF EXPENDITURE

	Staff Costs £000's	Other Costs £000's	Depreciation £000's	2020 Total £000's	2019 Total £000's
<b>Raising funds:</b>					
Interest payable	-	89.1	-	89.1	81.4
Fund-raising for voluntary resources	-	31.7	-	31.7	13.7
<b>Total for Charity</b>	-	<b>120.8</b>	-	<b>120.8</b>	<b>95.1</b>
<b>Trading expenses</b>	<b>32.0</b>	<b>192.8</b>	<b>3.4</b>	<b>228.2</b>	<b>264.2</b>
<b>Total for Group</b>	<b>32.0</b>	<b>313.6</b>	<b>3.4</b>	<b>349.0</b>	<b>359.3</b>
<b>Charitable activities</b>					
Teaching	9,917.4	560.3	-	10,477.7	10,694.8
Welfare	1,786.3	608.7	-	2,395.0	2,547.9
Premises	1,133.2	1,997.3	873.8	4,004.3	3,640.7
Support costs of schooling and governance costs	1,813.7	2,309.5	-	4,123.2	4,399.8
	<b>14,650.6</b>	<b>5,475.8</b>	<b>873.8</b>	<b>21,000.2</b>	<b>21,283.2</b>
Grants and Awards	-	336.5	-	336.5	360.9
<b>Total</b>	<b>14,650.6</b>	<b>5,812.3</b>	<b>873.8</b>	<b>21,336.7</b>	<b>21,644.1</b>
<b>Total expenditure - Charity</b>	<b>14,650.6</b>	<b>5,933.1</b>	<b>873.8</b>	<b>21,457.5</b>	<b>21,739.2</b>
<b>Total expenditure - Group</b>	<b>14,682.6</b>	<b>6,125.9</b>	<b>877.2</b>	<b>21,685.7</b>	<b>22,003.4</b>

**6. ANALYSIS OF EXPENDITURE (CONTINUED)**

	2020 £000's	2019 £000's
<b>STAFF COSTS:</b>		
Wages and salaries	12,098.1	12,138.3
Employer's national insurance contributions	1,033.7	1,044.9
Employer's pension contributions	1,550.8	1,283.9
	<b>14,682.6</b>	<b>14,467.1</b>

**Average number of staff employed**

	2020 Nos.	Head count 2019 Nos.
Teaching staff	303	300
Support staff	264	284
	<b>567</b>	<b>584</b>

**Number of Staff whose Emoluments Exceed £60,000 pa**

£60,001 - £70,000	4	4
£70,001 - £80,000	2	2
£80,001 - £90,000	-	2
£90,001 - £100,000	2	2
£100,001 - £110,000	1	-
£151,000 - £160,000	-	1
£171,000 - £180,000	1	-

Contributions to the Teachers' Pension Scheme were made for six (2019: six) higher paid employees. Pension contributions in respect of these employees were £86,122 (2019: £80,711). In addition, the School made contributions to a defined contribution scheme for four (2019: five) higher paid employees of £20,896 (2019: £22,880).

The charity trustees were not paid or received any other benefits from employment with the Trust or its subsidiary in the year (2019: £nil). During the year Expenses totalling £2.1k were reimbursed or paid to third parties for expenditure such as travel and subsistence for all of the trustees (2019: £5.4k).

The total employee benefits of the key management personnel were £743.2k (2019: £801.7k).

During the year there were redundancy or termination payments made which amounted to £1.5k (2019: £96.6k).

Net income is stated after charging:

	2020 £000's	2019 £000's
<b>Interest Payable</b>		
Bank loans	89.1	81.4

	2020 £000's	2019 £000's
<b>Amounts paid under operating leases</b>		
Hire of vehicles	231.0	258.0
Hire of other assets	65.3	113.7
	<b>296.3</b>	<b>371.7</b>

	2020 £000's	2019 £000's
<b>Governance included in support costs</b>		
Staff costs	141.1	140.9
Governors liability insurance	0.6	0.6
Auditor's remuneration	26.0	24.0
Auditor's remuneration - non audit services	6.3	13.9
Office costs	10.0	5.5
	<b>184.0</b>	<b>184.9</b>

TAUNTON SCHOOL EDUCATIONAL CHARITY  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020

7. TANGIBLE FIXED ASSETS - SCHOOL

	Land and buildings £000's	Equipment £000's	Assets under construction £000's	TOTAL £000's
<b>COST:</b>				
Balance at 1 September 2019	24,868.1	3,643.1	745.2	29,256.4
Additions at cost	-	-	4,151.8	4,151.8
Transfers	-	46.7	(46.7)	-
Disposals	(170.6)	(513.4)	(49.5)	(733.5)
Balance at 31 August 2020	24,697.5	3,176.4	4,800.8	32,674.7
<b>ACCUMULATED DEPRECIATION:</b>				
Balance at 1 September 2019	4,830.1	2,395.7	-	7,225.8
Charge for year	566.0	307.8	-	873.8
Eliminated on disposal	(82.2)	(405.1)	-	(487.3)
Balance at 31 August 2020	5,313.9	2,298.4	-	7,612.3
<b>Net Book Value at 31 August 2020</b>	<b>19,383.6</b>	<b>878.0</b>	<b>4,800.8</b>	<b>25,062.4</b>
Net Book Value at 31 August 2019	20,038.0	1,247.4	745.2	22,030.6

8. TANGIBLE FIXED ASSETS - CONSOLIDATED

	Land and buildings £000's	Equipment £000's	Assets under construction £000's	TOTAL £000's
<b>COST:</b>				
Balance at 1 September 2019	24,879.8	3,903.4	745.2	29,528.4
Additions at cost	-	-	4,151.8	4,151.8
Transfers	-	46.7	(46.7)	-
Disposals	(170.6)	(513.4)	(49.5)	(733.5)
Balance at 31 August 2020	24,709.2	3,436.7	4,800.8	32,946.7
<b>ACCUMULATED DEPRECIATION:</b>				
Balance at 1 September 2019	4,842.8	2,648.0	-	7,490.8
Charge for year	566.0	311.2	-	877.2
Eliminated on disposal	(82.2)	(405.1)	-	(487.3)
Balance at 31 August 2020	5,326.6	2,554.1	-	7,880.7
<b>Net Book Value at 31 August 2020</b>	<b>19,382.6</b>	<b>882.6</b>	<b>4,800.8</b>	<b>25,066.0</b>
Net Book Value at 31 August 2019	20,037.0	1,255.4	745.2	22,037.6

HSBS bank hold legal charges secured over Greenway Road and The Grange properties included within Land and Buildings fixed assets.  
The Taunton School Final Salary Pension Scheme holds a legal charge secured over Babblingly property included within Land and Buildings fixed assets.



## 9. FIXED ASSET INVESTMENTS

	CONSOLIDATED		SCHOOL	
	2020	2019	2020	2019
	£000's	£000's	£000's	£000's
Balance on 1 September 2019	4,654.4	4,377.2	4,654.4	4,377.2
Less: Disposal of Investments	( 459.1)	( 291.0)	( 459.1)	(291.0)
Add: Gain on revaluation	( 86.7)	248.8	( 86.7)	248.8
Add: additions	415.3	319.4	415.3	319.4
Balance at 31 August 2020	4,523.9	4,654.4	4,523.9	4,654.4
Investment in subsidiary company	-	-	0.1	0.1
	4,523.9	4,654.4	4,524.0	4,654.5

The Investment in subsidiary company consists 100% share holding in Taunton School Enterprises Limited, a company incorporated in England and Wales. The aggregate share capital and reserves of Taunton School Enterprises Limited at 31 August 2020 were £nil (2019: £nil).

## ANALYSIS OF FIXED ASSET INVESTMENTS

	CONSOLIDATED		SCHOOL	
	2020	2019	2020	2019
	£000's	£000's	£000's	£000's
Quoted Investments at market value	4,425.7	4,516.5	4,425.7	4,516.5
Cash at brokers	98.2	137.9	98.2	137.9
Investment in subsidiary company	-	-	0.1	0.1
Total fixed asset investments at 31 August	4,523.9	4,654.4	4,524.0	4,654.5
Historical cost of quoted investments	3,547.5	3,547.5	3,547.5	3,547.5

Included in investments are the following which exceed 5% of the total value at the 31 August 2020:

	£000's	% of portfolio
CCLA - Charities Official Investment Fund	2,678.0	59.2

## 10. STOCKS

	CONSOLIDATED		SCHOOL	
	2020	2019	2020	2019
	£000's	£000's	£000's	£000's
School shop and materials for sale	88.5	93.7	88.5	89.8
Consumable materials	45.1	92.7	45.1	92.7
	133.6	186.4	133.6	182.5

## 11. DEBTORS

	CONSOLIDATED		SCHOOL	
	2020	2019	2020	2019
	£000's	£000's	£000's	£000's
Pupil's Fees	160.4	486.0	160.4	486.0
Prepayments	166.9	231.2	134.5	200.5
Accrued income	110.9	-	110.9	-
Trade and other debtors	169.0	256.2	155.2	225.0
Subsidiary company	-	-	-	38.5
	607.2	973.4	561.0	950.0

Pupil's fees are stated after impairment provisions totalling £413.7k (2019: £261.5k).

**TAUNTON SCHOOL EDUCATIONAL CHARITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2020**

**12. CREDITORS**

	CONSOLIDATED		SCHOOL	
	2020 £000's	2019 £000's	2020 £000's	2019 £000's
<b>DUE WITHIN ONE YEAR</b>				
Bank overdraft	1,393.1	-	1,393.1	-
Bank loans	1,306.7	301.1	1,306.7	301.1
Trade creditors	417.7	523.0	335.3	463.0
Payroll taxes and social security	256.1	269.1	256.1	269.1
Employee pension funds	226.3	184.1	226.3	184.1
Fees received in advance of term	3,383.4	4,390.2	3,383.4	4,390.2
Subsidiary company	-	-	14.4	-
Fee deposits	1,353.8	1,262.2	1,353.8	1,262.2
Other creditors and accruals	1,736.6	892.3	1,730.3	888.3
	<u>10,073.7</u>	<u>7,822.0</u>	<u>9,999.4</u>	<u>7,758.0</u>
Advance fees scheme (see below)	571.4	648.8	571.4	648.8
	<u>10,645.1</u>	<u>8,470.8</u>	<u>10,570.8</u>	<u>8,406.8</u>
<b>DUE AFTER MORE THAN ONE YEAR</b>				
Bank loans	347.6	655.0	347.6	655.0
Fee deposits	1,461.7	1,305.8	1,461.7	1,305.8
Advance fees scheme	865.9	1,275.8	865.9	1,275.8
	<u>2,675.2</u>	<u>3,236.6</u>	<u>2,675.2</u>	<u>3,236.6</u>

The School has four (2019 - three) bank loans with HSBC plc. The bank loans are secured by a legal charge on the School's properties Greenway Road and The Grange.

**ANALYSIS OF DEBT MATURITY**

	CONSOLIDATED		SCHOOL	
	2020 £000's	2019 £000's	2020 £000's	2019 £000's
In one year or less on demand:				
Bank loans	1,306.7	301.1	1,306.7	301.1
Between two and five years:				
Bank loans	224.6	514.0	224.6	514.0
Over five years:				
Bank loans	123.0	141.0	123.0	141.0
	<u>1,654.3</u>	<u>956.1</u>	<u>1,654.3</u>	<u>956.1</u>

Parents may pay to the School tuition fees in advance. Assuming pupils remain in the advance fee scheme, payments will be applied to offset the fees as follows:

	CONSOLIDATED		SCHOOL	
	2020 £000's	2019 £000's	2020 £000's	2019 £000's
<b>ADVANCE FEE PAYMENTS</b>				
Within one year	571.4	648.8	571.4	648.8
Within one to two years	293.6	540.9	293.6	540.9
Within two to five years	390.5	554.1	390.5	554.1
Over five years	181.8	180.8	181.8	180.8
	<u>1,437.3</u>	<u>1,924.6</u>	<u>1,437.3</u>	<u>1,924.6</u>

	CONSOLIDATED		SCHOOL	
	2020 £000's	2019 £000's	2020 £000's	2019 £000's
Balance at 1 September 2019	1,924.6	2,019.5	1,924.6	2,019.5
New contracts	197.8	501.3	197.8	501.3
Amounts utilised in payment of fees	( 653.7)	( 583.2)	( 653.7)	(583.2)
Capital repaid	( 70.1)	( 66.7)	( 70.1)	(66.7)
Discounts applied	38.7	53.7	38.7	53.7
Balance at 31 August 2020	<u>1,437.3</u>	<u>1,924.6</u>	<u>1,437.3</u>	<u>1,924.6</u>

### 13. FINANCIAL INSTRUMENTS

	CONSOLIDATED		SCHOOL	
	2020	2019	2020	2019
	£000s	£000s	£000s	£000s
Financial assets measured at amortised cost (a)	710.4	2,869.2	671.9	2,846.7
Financial assets measured at fair value (b)	4,425.7	4,516.6	4,425.8	4,516.6
Financial liabilities measured at amortised cost (c)	(12,838.0)	(11,254.2)	(12,763.6)	(11,190.2)
Financial liabilities measured at fair value (d)	(290.0)	-	(290.0)	-

a) Financial assets include cash, trade debtors, fee debtors and other debtors

b) Financial assets at fair value includes assets held as investments

c) Financial liabilities include bank loans, bank overdraft, deposits, fees in advance, trade creditors, other creditors and amounts due to subsidiaries.

d) Financial liabilities held at fair value includes the defined benefit pension

Impairment losses credited to financial assets measured at amortised cost in the year amounted to £196.8k (2019: charges of £19.9k).

### 14a. PERMANENT ENDOWED FUNDS

#### Current year movement

	Balance at 01.09.19	Donations	Incoming Funds	Expenditure	Investment losses	Balance at 31.08.20
	£000's	£000's	£000's	£000's	£000's	£000's
Ian Evans-Lombe Scholarship Fund	1,933.2	-	-	(31.7)	(101.9)	1,799.6

#### Prior year movement

	Balance at 01.09.18	Donations	Incoming Funds	Expenditure	Investment losses	Balance 31.08.19
	£000's	£000's	£000's	£000's	£000's	£000's
Ian Evans-Lombe Scholarship Fund	1,947.0	-	-	(13.7)	(0.1)	1,933.2

The Ian Evans-Lombe Scholarship Fund forms part of the Foundation Funds. The gift was made by the Trustees of Mr Evans-Lombe with the objective to advance the education of children who could not otherwise afford the School's education by providing for scholarships to be awarded to two pupils starting in the Lower Sixth each year.

### 14b. RESTRICTED FUNDS

#### Current year movement

	Balance at 01.09.19	Donations	Incoming Funds	Expenditure	Investment Gains	Balance at 31.08.20
	£000's	£000's	£000's	£000's	£000's	£000's
Taunton School Foundation	1,065.8	114.7	-	(270.1)	21.3	931.7
Dining Room Redevelopment Project	100.0	-	-	-	-	100.0
Parental Funds	55.5	49.8	-	-	-	105.3
Taunton School Trust - Land & Buildings	1,989.0	-	-	(29.2)	-	1,959.8
Taunton School Trust - Other Funds:						
Haynes Fund	83.8	-	-	-	1.8	85.6
Ian Evans-Lombe Scholarship Fund	7.3	-	65.5	(66.2)	-	6.6
Gerrard Memorial Bursary	829.4	-	-	-	18.5	847.9
Taunton School Scholarship and Bursary Fun	93.6	-	-	-	2.1	95.7
Other Restricted Funds	48.6	-	-	-	0.7	49.3
	4,273.0	164.5	65.5	(365.5)	44.4	4,181.9

#### Prior year movement

	Balance at 01.09.18	Donations	Incoming Funds	Expenditure	Investment Gains	Balance at 31.08.19
	£000's	£000's	£000's	£000's	£000's	£000's
Taunton School Foundation	1,108.1	169.1	-	(291.2)	79.8	1,065.8
Dining Room Redevelopment Project	-	100.0	-	-	-	100.0
Parental Funds	-	55.5	-	-	-	55.5
Taunton School Trust - Land & Buildings	2,018.2	-	-	(29.2)	-	1,989.0
Taunton School Trust - Other Funds:						
Haynes Fund	76.8	-	-	-	7.0	83.8
Ian Evans-Lombe Scholarship Fund	10.0	-	67.0	(69.7)	-	7.3
Gerrard Memorial Bursary	759.9	-	-	-	69.5	829.4
Taunton School Scholarship and Bursary Fun	85.8	-	-	-	7.8	93.6
Other Restricted Funds	46.1	-	-	-	2.5	48.6
	4,104.9	324.6	67.0	(390.1)	166.6	4,273.0

**14b. RESTRICTED FUNDS (CONTINUED)**

The terms of the most significant Funds are summarised below:

Taunton School Foundation (TSF) - The trust is administered by a Foundation Board, who work with the Governors to promote and provide for the development of the educational facilities and activities of the School.

Dining Room Redevelopment Project – This fund is to provide support towards the cost of a new dining room facility in the heart of the school campus.

Parental funds – This fund is to provide academic, sporting and co-curricular facilities for pupils and is directly managed by the Headmaster.

Other Funds:

Taunton School Trust - The fund represents the land and property and restricted funds held by Taunton School Trust on incorporation.

Haynes Fund - The Fund was set-up by the will of the late J K Haynes. The income is to provide a scholarship for pupils of Taunton School studying Electrical, Mechanical or Civil Engineering at London University.

Gerrard Memorial Bursary - The Fund was set-up to provide a scholarship for sporting achievements.

Taunton School Scholarship and Bursary Fund - This fund is to provide scholarships and bursaries for pupils attending Taunton School.

Other Restricted Funds - includes smaller funds supporting a range of activities in the School.

**15. ANALYSIS OF NET ASSETS BETWEEN FUNDS**

**Current year movement**

	Fixed Assets £000's	Net Current Assets/ (Liabilities) £000's	Long Term (Liabilities) £000's	Pension Liability £000's	Fund Balances £000's
Pension Scheme Reserve	-	-	-	( 290.0)	(290.0)
Taunton School Trust	1,959.8	-	-	-	1,959.8
Taunton School Foundation	-	931.7	-	-	931.7
Other Restricted Funds	1,081.0	209.4	-	-	1,290.4
Endowed Funds	1,799.6	-	-	-	1,799.6
Unrestricted Funds	24,746.0	( 10,759.2)	( 2,675.2)	-	11,311.6
<b>Charity</b>	<b>29,586.4</b>	<b>( 9,618.1)</b>	<b>( 2,675.2)</b>	<b>( 290.0)</b>	<b>17,003.1</b>
Subsidiary's Reserves	3.5	( 3.5)	-	-	-
<b>Group</b>	<b>29,589.9</b>	<b>( 9,621.6)</b>	<b>( 2,675.2)</b>	<b>( 290.0)</b>	<b>17,003.1</b>

**Prior year movement**

	Fixed Assets £000's	Net Current Assets/ (Liabilities) £000's	Long Term (Liabilities) £000's	Pension Liability £000's	Fund Balances £000's
Taunton School Trust	1,989.0	-	-	-	1,989.0
Taunton School Foundation	-	1,165.8	-	-	1,165.8
Other Restricted Funds	1,118.2	-	-	-	1,118.2
Endowed Funds	1,933.2	-	-	-	1,933.2
Unrestricted Funds	21,644.7	( 6,480.8)	( 3,236.6)	-	11,927.3
<b>Charity</b>	<b>26,685.1</b>	<b>( 5,315.0)</b>	<b>( 3,236.6)</b>	<b>-</b>	<b>18,133.5</b>
Subsidiary's Reserves	6.9	6.9	-	-	-
<b>Group</b>	<b>26,692.0</b>	<b>( 5,321.9)</b>	<b>( 3,236.6)</b>	<b>-</b>	<b>18,133.5</b>

## 16. CAPITAL COMMITMENTS

	CONSOLIDATED		SCHOOL	
	2020 £000's	2019 £000's	2020 £000's	2019 £000's
Contracted for and not provided for	305.5	4,019.0	305.5	4,019.0

## 17. FINANCIAL COMMITMENTS

At 31 August 2020 the School was committed to making the following total payments under non-cancellable operating leases:

	CONSOLIDATED		SCHOOL	
	2020 £000's	2019 £000's	2020 £000's	2019 £000's
Within 1 year	277.7	196.5	22.5	86.2
Within 2 to 5 years	455.0	313.1	10.4	16.2
More than 5 years	334.1	1.1	-	1.1
	1,066.8	510.7	32.9	103.5

## 18. RELATED PARTY TRANSACTIONS

One (2019 - two) Governor pays for children at the School. School fees incurred by the Governors are paid on a commercial arms' length basis.

See Note 4 for details of the transactions which took place between the Charity and its wholly owned subsidiary, Taunton School Enterprises Limited, in the year and any amounts outstanding at the period end.

## 19. PENSION COSTS

### Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS"), for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,291,253 (2019: £1,058,362) and at the year-end £126,414 (2019: £142,898) was accrued in respect of contributions to this scheme.

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

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

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

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

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

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

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

## 19. PENSION COSTS (CONTINUED)

### Support Staff

The School operates a defined benefit pension scheme for its support staff, The Taunton School Final Salary Scheme, which is managed on its behalf by JLT. The scheme is funded and is contracted into the state scheme. The scheme closed to new entrants on 1 October 2001. The last formal valuation of the scheme was performed as at 31 July 2018. At that time the actuarial surplus was £208,000 so a recovery plan is not required, subject to review at future funding assessments.

#### The actuarial assumptions for life expectancy in years, assuming a retirement age of 65 are:

	2020 Years	2019 Years
For a male retiring now	26.2	26.4
At 60 for a male member aged 45 now	27.3	27.6
For a female retiring now	28.2	28.4
At 60 for a female member aged 45 now	29.5	29.7

#### The financial assumptions used to calculate Scheme liabilities are as follows:

	2020 %pa	2019 %pa
Inflation	2.9	3.0
Rate of increase in salaries	N/A	N/A
Rate of increase of pensions in payment and deferred pensions	2.8	2.9
Discount rate	1.7	1.8

#### Scheme assets and expected rate of return:

	2020		2019	
	Fair Value £000'	Split %	Fair Value £000'	Split %
Equities	2,210	32	2,423	34
Bonds	4,676	67	4,647	64
Cash	81	1	160	2
<b>Total</b>	<b>6,967</b>		<b>7,230</b>	

#### Components of defined benefit cost:

	2020 £000's	2019 £000's
Analysis of amounts charged to operating profit:		
Interest on pension scheme liabilities	-	-
Net charge to the SOFA	-	-

#### The actuarial gains shown in the Statement of Financial Activities comprised:

	2020 £000's	2019 £000's
(loss)/gain on scheme assets amount (£000)	(126.0)	41.0
% of scheme assets at end of year	-1.8%	0.6%
Experience (loss)/gain on scheme liabilities amount (£000)	(468.0)	50.0
% of scheme liabilities at end of year	-6.4%	0.7%
Total actuarial loss recognised in SOFA amount (£000)	(290.0)	(123.0)
% of scheme liabilities at end of year	4.0%	1.8%

#### Reconciliation to the balance sheet

	2020 £000's	2019 £000's
Market value of assets	6,967.0	7,230.0
Value of accrued liabilities	(7,257.0)	(6,988.0)
Unrecognised surplus	-	(242.0)
Net Pension deficit in the scheme	(290.0)	-

#### Analysis of the movement in deficit in the scheme during the year

	2020 £000's	2019 £000's
Deficit in the scheme at beginning of year	-	-
Contributions paid	-	123.0
Actuarial (loss)	(537.0)	(744.0)
Unrecognised surplus	247.0	621.0
Scheme liabilities at end of year	(290.0)	-

19. PENSION COSTS (CONTINUED)

Analysis of the amount recognised in the Statement of Financial Activities

	2020 £000's	2019 £000's
Actual return less expected return on assets	(126.0)	41.0
Experience (losses)/gains on the liabilities	(468.0)	50.0
Change in assumptions	57.0	(835.0)
Actuarial gain/(loss) recognised in SOFA	(537.0)	(744.0)

Change in the present benefit obligation

	2020 £000's	2019 £000's
Opening defined benefit obligation	6,988.0	6,298.0
Interest cost	123.0	160.0
Actuarial losses	411.0	785.0
Benefits paid	(265.0)	(255.0)
Closing defined benefit obligations	7,257.0	6,988.0

Change in the fair value of scheme assets

	2020 £000's	2019 £000's
Opening fair value of plan assets	7,230.0	7,137.0
Interest income	128.0	184.0
Actuarial gains	(126.0)	41.0
Contributions	-	123.0
Benefits paid	(265.0)	(255.0)
Closing fair value of plan assets	6,967.0	7,230.0

The School also operates a defined contribution pension scheme managed by the Pension Trust, which non-teaching staff are eligible to join. The assets of the scheme are separately from the School. The employer's contributions matches that of the employee within the region of 2-12.5%. The cost for the year represents the School's contribution to the Scheme of £240,744 (2019: £192,543) .

**20. CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES - COMPARATIVE FIGURES BY FUND TYPE**  
**(Incorporating an Income and Expenditure Account)**

	Notes	Unrestricted Funds £000's	Restricted Funds £000's	Endowed Funds £000's	2019 Total £000's	2018 Total £000's
<b>Income and endowments from:</b>						
<b>Charitable activities</b>						
School fees	3	18,964.6	-	-	18,964.6	18,037.3
Other educational income	5	2,400.6	-	-	2,400.6	2,407.7
Other ancillary trading income	5	13.7	-	-	13.7	11.8
<b>Other trading activities</b>						
Non-ancillary trading income	5	717.9	-	-	717.9	626.6
<b>Investments</b>						
Investment Income	5	2.0	67.0	-	69.0	74.0
<b>Voluntary sources</b>						
Donations and bequest	14b	-	324.6	-	324.6	368.5
<b>Total income</b>		<b>22,098.8</b>	<b>391.6</b>	<b>-</b>	<b>22,490.4</b>	<b>21,525.9</b>
<b>Expenditure on:</b>						
<b>Raising funds</b>						
Non-ancillary trading expenses	6	264.2	-	-	264.2	284.8
Fundraising and development	6	-	-	13.7	13.7	16.3
Financing costs	6	81.4	-	-	81.4	98.0
		<b>345.6</b>	<b>-</b>	<b>13.7</b>	<b>359.3</b>	<b>399.1</b>
<b>Charitable activities:</b>						
Education and grant making	6	21,254.0	390.1	-	21,644.1	20,124.6
<b>Total expenditure</b>		<b>21,599.6</b>	<b>390.1</b>	<b>13.7</b>	<b>22,003.4</b>	<b>20,523.7</b>
<b>Net Incoming/(outgoing) funds from operations before investment gains</b>		<b>499.2</b>	<b>1.5</b>	<b>( 13.7)</b>	<b>487.0</b>	<b>1,002.2</b>
Gains/(losses) on investments		82.3	166.6	( 0.1)	248.8	94.7
<b>Net movement in funds in year</b>		<b>581.5</b>	<b>168.1</b>	<b>( 13.8)</b>	<b>735.8</b>	<b>1,096.9</b>
Funds balances at 1 September 2018		11,345.8	4,104.9	1,947.0	17,397.7	16,300.8
<b>Fund balances at 31 August 2019</b>		<b>11,927.3</b>	<b>4,273.0</b>	<b>1,933.2</b>	<b>18,133.5</b>	<b>17,397.7</b>