

**Bruton School for Girls
Annual report and financial statements
for the year ended 31st August 2021**

**Registered Company Number: 4094352
Registered Charity Number: 1085577**

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Patrons, Governors, Directors, Officers and Advisers

Patrons

Mrs A Maw, Lord-Lieutenant of Somerset, and Lady Gass DCVO.

Governors and Directors

Mrs L A Anderson CFPTM Chartered FCSI FPFS*
Mrs E Balfour MA
Mr D H C Batten *
Dr H Bentley (Elected 2nd September 2021)
Colonel S C Bate OBE MBA BA FCMI * (Resigned 22nd August 2021)
Mrs P A Cant (Elected 2nd September 2021)
Mrs C A Davidson BA
Mr H L Davies CMG BA
Mr S L Donald * Chairman of Governors (Elected 15th March 2021)
Mr D J C Hindley JP MA
Mrs T J Khodabandehloo BEd MEd PFPip (Elected 14th June 2021)
Mr A G Lane (Resigned 16th June 2021)
Mr N B Noble OBE FCIS * (resigned 6th February 2022)
Mr M J C Streatfeild BA ACA
Miss E R Webbe LLB TEP (Resigned 16th September 2021)
Mrs T C Wood

* Denotes membership of the Finance & General Purposes Committee.

In accordance with paragraph 29 of the School Articles of Association, at the Annual General Meeting held on 19th January 2021 the following Governors retired by rotation and were subsequently re-elected:

Mrs L A Anderson CPPtm MCSI FPFS, Mr A G Lane, Colonel S C Bate OBE MBA BA FCMI

Headmistress

Mrs J Evans BA Hons PGCE

Director of Support Services & Company Secretary

Mr S Butcher MA, MBA
Appointed 8th November 2021

Business Manager & Company Secretary

Mr J C W Cartwright
Resigned 31st August 2021

Registered Office

Bruton School for Girls
Bruton
Somerset BA10 0NT

Independent Auditors

RSM UK Audit LLP
Highfield Court, Tollgate,
Chandlers Ford,
Eastleigh, Hampshire
SO53 3TY

Bankers

HSBC Bank Plc
1 Middle Street
Yeovil
Somerset
BA20 1LR

Solicitors

Harris & Harris
14 Market Place
Wells
Somerset
BA5 2RE

THE ANNUAL STRATEGIC REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31ST AUGUST 2021

The Governors, who are also Directors of the Company for the purpose of the Companies Act 2006, present their annual and strategic report and the audited financial statements for the year ended 31st August 2021.

The information, with respect to Patrons, Governors, Directors, Officers and Advisors, set out on page 3, forms part of this report. The financial statements comply with current statutory requirements, the Memorandum and Articles of Association, applicable Accounting Standards in the United Kingdom, and the Statement of Recommended Practice (SORP (FRS102) "Accounting and Reporting by Charities", the Charities Act 2011 and the Companies Act 2006.

REFERENCE AND ADMINISTRATIVE DETAILS

Status

The school is a charitable Company limited by guarantee, incorporated on 23rd October 2000 (Company Registered No: 4094352) and a Charity registered with the Charity Commission (Charity Registered No: 1085577) for the advancement of education. Following an internal review of governance, the Memorandum and Articles of Association of the Company were last amended on 14th March 2017 to specify the permitted number of trustees, their term of office, meeting absence policy, and to update the document for the provision of 'electronic means' and current legislation.

Organisation

The Company commenced operations on 1st September 2001, when it assumed responsibility for the objects, assets and liabilities of the Charity, Bruton School for Girls Trust (Charity Registration No 310271). The property (excluding the permanent endowment of the Charity) of Bruton School for Girls Trust together with the property belonging to the Sunny Hill Trust, (which was created by a declaration of trust dated 7th May 1970), was transferred to the Company by a Scheme approved by the Charity Commission dated 21st March 2002.

The endowed property of the former Charity remains the property of the Charity (Registered No 310271) under the name of Bruton School for Girls Trust of which Bruton School for Girls (the Company) is the sole trustee.

A uniting direction was issued by the Charity Commission on 10th June 2003 allowing the Bruton School for Girls Trust to be treated as forming a part of the Charity, Bruton School for Girls. No separate report is made for Bruton School for Girls Trust, it being incorporated in this report.

STRUCTURE GOVERNANCE AND MANAGEMENT

Governors

The Governors all of whom served throughout the year to 31st August 2021, and since the year-end, except where otherwise disclosed, are listed on page 3.

Group Structure and related Charities

The Company is the sole Trustee of the Bruton School for Girls Trust (Charity No 310271) that under the Scheme authorised by the Charities Commission on 21st March 2002 holds the endowed lands and properties thereon. These were passed on from the previous Charity of the same registered number. These lands and properties were acquired in two parts in 1912 and 1918 and as the financial statements of the former Charity dated 31st August 1992 indicate, all properties acquired before 1st April 1966 were written off in the year of acquisition. Accordingly, no value is attributed to the present holdings of the Bruton School for Girls Trust, which has neither traded nor acquired or realised any assets during the year.

Governance of the School

During the year under review, the Governing Body met, either in person or on-line, at least termly and the Finance & General Purposes Committee at least twice a term. The Committee operates under

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specific terms of reference, which delegate certain functions from the Governing Body. The level of financial delegation is reviewed annually.

Recruitment and Training of Governors

Governors are elected to the Governing Body and are nominated based on eligibility, personal competence, specialist experience, skills, and availability. Before any nominations are made, the Nominations Committee considers the skill sets desirable of new Governors to maintain and enhance the overall skills and experience of the Body.

Potential new Governors are invited to visit the school and following appointment are encouraged to make further visits early in their tenure of office and to attend AGBIS training courses. During the year, some Governors attended virtual seminars/conferences/webinars on aspects of the governance of independent schools and 'safeguarding'.

Organisational Management of the School

The day to day running of the school is delegated to the Headmistress in her role as Chief Executive Officer. She is supported by the Senior Leadership Team consisting of the Deputy Head, Assistant Head, Head of the Prep School and Director of Support Services. The Headmistress and Director of Support Services attend all meetings of the Committees of the Governing Body, sometimes accompanied by a member of the Senior Leadership Team by invitation. The Director of Support Services assumed the duties of Company Secretary on 8th November 2021.

The remuneration of the Headmistress and Director of Support Services is set by the Governing Body, with the policy objective of providing appropriate incentives to encourage enhanced performance and of rewarding them fairly and responsibly for their individual contributions to the Company's success.

Employment Policy and Volunteers

The school is an equal opportunities employer. Full and fair consideration is given to job applications from disabled persons and due consideration is given to their training and employment needs. Consultation and communication with employees, or their representatives, has continued at all levels with the aim of taking the views of employees into account when decisions are made that are likely to affect their interests.

The school remains grateful to a small number of volunteers who help at the school.

Investments powers, policy, and performance

The Governing Body delegates investment powers to the Finance & General Purposes Committee. In exercising their delegated powers, the Committee's prime objective is to maintain the real value of the school investments over the long term. A review was undertaken recently, and it was agreed by the Finance & General Purposes Committee in February 2012 that it would be unwise to invest surplus funds which might be required over the medium term. The net book value of the fixed asset investments on 31 August 2021 was £43k (2020: £36k).

Trading Company

The school owns 100% of the Bruton Girls' School Company Limited (Company No: 3107892), which receives income from the letting of School properties and other trading activities. In 2019 the articles of association were changed so that it covenants all its taxable profit to the school. The results and balance sheet have not been consolidated into these accounts, as their exclusion is not considered material.

At the AGM held on 7th December 2021, the Governors issued a letter to the trading subsidiary directors stating that for the foreseeable future, the school will undertake to provide sufficient funds to the Bruton Girls' School Co Ltd to ensure that it is able to meet its trading liabilities as they fall due.

Directors' indemnities

As permitted by the Articles of Association, the Governors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and remains so in the current year. The

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Company also purchased and maintained throughout the financial year, Governors' and Officers' liability insurance in respect of itself and its Governors.

OBJECTIVES, AIMS AND ACTIVITIES

Charitable Objects

The primary objects of the school, as stated in its Memorandum of Association, are to:

- carry on, manage, and maintain a school for the education of girls and/or boys (being boys who have not attained the age of 8 years):
- to provide pupils with scholarships, bursaries, prizes, and general or specialised instruction of the highest class.
- to provide for the board, residence, and accommodation of all or any of the pupils, teachers and other staff attached to the school for the time being maintained and managed by the Charity: and
- in addition, by other associated activities for the benefit of the community.

Aims, objectives and impact

Within these objects, the school aims to provide public benefit through high quality independent education. It does so through strong academic tuition, and in developing wider sporting, artistic and social skills in all its pupils. This is intended to provide an environment where each pupil can develop and fulfil her potential, build self-confidence, and inculcate a desire to contribute to the wider community.

STRATEGIC REPORT

Activities

All the School activities are focussed on meeting its charitable objects and aims, and in doing so provide public benefit.

This year the school roll averaged 152 (2020: 153) pupils, excluding the nursery and short stayers, of whom 35 (2020: 42) were boarders. The achievements of the school both curricula and financial are dealt with below.

Public Benefit

In the furtherance of the aims above, the school Governors, as the charity trustees, have complied with the duty in s.4 of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance concerning the operation of the Public Benefit requirement under that Act. The school contributes to public benefit in the following ways:

- The school charitable purpose, as defined by its objects are open and inclusionary and are *"to advance education by the provision and conduct of a school or schools for the education of girls and boys (provided that such boys shall not have attained the age of 8 years) and to provide scholarships, bursaries and prizes to pupils of any such school or schools and to give to such pupils general or specialised instruction of the highest class and to provide for the board, residence and accommodation of all or any of the pupils, teachers and other staff attached to any such school or schools for the time being maintained and managed by the charity and in addition by other associated activities for the benefit of the community"*.
- This is a purpose falling within section 2(2)(b) of the Charities Act 2011, i.e.: the advancement of education. It is a purpose for the public benefit and is therefore a charitable purpose as defined in section 2(1) of the Act.
- The school educated 184 (2019: 170) children, including Nursery and short stayers, at no cost to the taxpayer (other than the value of fiscal benefits), and saves the state approximately £3m each year.
- By providing an environment which is single sex we are providing a facility neither generally nor locally provided in the maintained sector.
- The school fees are competitive with many similar schools in the region.

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- The school operates a means tested scheme for bursaries and other financial support, to the value this year of £426k (2020: £397k)
- The school offers a range of other benefits in the form of non-discretionary fee remission arrangements for e.g. sibling, staff discount and forces discounts.
- The school delivers outstanding academic results which are demonstrably much better than the national average.
- Within overall academic excellence, the school can demonstrate specific academic achievement in Mathematics, English, Sciences, and the Arts.
- The school provides for considerable non-academic achievements and intangible benefits for all its pupils. It also caters for both children with special needs and gifted and talented children.
- The school employs over 60 members of staff from the surrounding area.
- The school provides broader benefits to society by inducting and training academic staff and by maintaining the gardens, grounds, and buildings of the school.
- The school makes its facilities available to several worthy and notable organisations.
- The school is involved in an array of partnership activities with maintained sector schools.
- The school is involved in local conservation projects.
- The school is actively engaged in charitable work in the local community, in the arts, and in the provision of day care.

The school maintains a Public Benefit register which is reviewed annually. The Governors of the school consider all the benefits listed above are related to the charity's aim of advancing education.

Awards

The Governors have agreed a policy of setting aside a proportion of the school unrestricted funds. Funds allocated in this manner are used to provide awards to pupils in the form of scholarships, bursaries, armed forces discounts and other approved schemes..

For the year to 31st August 2021, the value of these awards amounted to 11.8% of gross tuition and boarding fees receivable, compared with 10.5% in the previous year. Both figures are within the parameters set by the Governing Body.

The pattern of awards has now become well established with discretionary awards falling into three categories:

- Scholarships awarded purely on academic (or music/sport) merit and having relatively low financial value.
- Bursaries awarded are awarded to parents whose child would benefit from the education provided by the school, but whose financial position is such that they cannot afford to pay some, or all, of the fees. Bursaries are also awarded to those parents whose financial situation undergoes a substantial and unplanned change, to the extent that they will have to withdraw their child/children from the school. Bursaries are subject to a means testing procedure designed to provide equity in the size and scope of the award.
- Discounts for members of the Armed Forces and those parents with two or more children at the school,

A substantial review of all awards was conducted in the 2020/21 FY with the aim of maximising the volume of funds made available to girls whose parents would otherwise be unable to afford the fees.

ACHIEVEMENTS AND PERFORMANCE IN EXTRAORDINARY ACADEMIC YEAR

Extra-Curricular Activities

The weekly debating programme replaced the lecture programme to minimise COVID 19 risk to the pupils from outside visitors. This ran during the Autumn Term and the first part of the Spring Term. This was exclusive to the Sixth Form and the pupils selected and prepared debates around titles such as, *Modern Piracy*.

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Despite the restrictions imposed upon the Girls from COVID they continued to excel outside of school often in online events; Emily R in Senior 1 and Wendy Y in Upper Sixth, both won their category in the Brue Valley Rotary Club Young Photographer's Competition. This year's theme was 'Wild Nature'. Sophie G came second in the advanced category and Summer J came second in the Intermediate section. Emily's and Wendy's entry will now go through to the district round. Sophie Goggs also contributed photos to a charity cookery book that is currently on sale. Jasmine J-B (Senior 4) won the Senior competition in the Brue Valley Rotary Club Young Writers competition. Girls from the school took all the prizes in the Intermediate competition; Lottie A (Senior 2) was placed first; Tessa G (Senior 3) was in second place; and Hannah M (Senior 3) took the third prize. As first place winners, both Lottie's and Jasmine's stories will be sent to the next round of the competition. We are delighted to share, Emily R, Senior 1 is through to the National Final of the Matrix Cyber Security Challenge to be held online on the 16th/17th January 2022.

Extra-curricular activities continued while school was in session, providing a range of activities for girls to enjoy outside the classroom. We performed *A Midsummer Night's Dream* as a promenade performance around the school grounds. External visitors on site and events were unfortunately cancelled but we rallied on and kept ourselves busy within the community. Remembrance Day was commemorated in the pop up Garden and the Head Girls laid a wreath in the town as representatives from the school. A nativity event in the Preparatory School was followed by a lantern walk through the Senior grounds to join the whole school to sing *Little Donkey* and other Christmas songs. We employed a local business to provide the girls with safe activities such as zorbing and archery for socials.

Additional social events involved girls playing lazar quest around the grounds and toasting marshmallows in carefully constructed individual fire pits. Leith's' girls hosted a wine tasting and canapé event where they surmounted the problems with COVID restrictions by putting the canapés in individual boxes.

We were delighted to hold two carol services, to enable social distancing, with only the choir singing at the back of the hall. Recorded online were 12 days of musical numbers, some written specially for the event, all performed by the community of Bruton School for Girls. As the lockdown measures eased in the Summer Term we were entertained by an outdoor performance on the Magnolia Lawn of *Legally Blonde*. The term concluded with a joyous Summer celebration and Summer Concert on the pop up garden.

Duke of Edinburgh expeditions were restricted to day walks culminating in camping in the school grounds. Geography field trips were possible when the second lock down restrictions were lowered.

Schools faced tighter restrictions in November and another lockdown at the start of the Spring Term. Many of our boarders did not go home at all and the houses remained open throughout the holidays. The girls showed great tenacity and strength of spirit as they enjoyed regular trips to the Supermarkets and treats at fast food outlets. The restrictions meant that most visitor attractions were closed but the girls did enjoy walks in the countryside and visiting The Newt gardens.

Assemblies and tutor time continued online during lockdowns and for pupils unable to attend school. Blended learning became the norm. The second lockdown found some girls fatigued by the online expectations and much work was needed to keep them engaged and feeling part of the community. This was especially hard for new joiners and for the exam years.

The school came second in the Independent Schools Awards 2020 for the quality and innovative approach to the Senior 5 and Upper Sixth Bridging and Enrichment programme that was put together for girls whose exams were impacted by the pandemic. This was a fantastic achievement and demonstrates our ability to react quickly to changed conditions, whilst still delivering high quality education to all the girls.

Examination Results – Summer 2021

Exams did not take place due to the coronavirus pandemic. Students were assessed in a different way

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to the previous year, and this added further stresses to the community. Exam series 2020 were from Centre Assessed Grades. Exam series 2021 were Teacher Assessed Grades. We implemented collection of data over a series of dates and were able to provide a robust and clearly evidenced set of results. Our English department had all papers and evidence called for moderation and we had no other department requests. We had no appeals from pupils. Our exams' office and procedures were also inspected, and recommendations made to enhance our already significant security measures by adding locks, bolting the safe against a wall, and fitting an alarm.

A Level: 79% A – A*, 94% B-A*, 100% C – A*. One girl gained 5 A* which was an extraordinary achievement, and she will study in 2022 at the Poznan University of Technology. 4 other girls achieved 3 A* and their university destinations are; University of Southampton to study Aeronautics and Astronautics; University of Warwick to study Economics; University Bath to study Psychology; Gonville & Caius College, Cambridge to read Modern and Medieval Languages.

GCSE: 100% achieved 5 or more at Grade 4 or above and 67% of the Grades were awarded Grade 7 or above.

Extended Project: results were excellent with 100% achieving an A or A8. One project hosted a pre-loved clothing sale and the title *To what extent are the environmental and social impacts of the garment?*

LAMDA: all pupils achieve Distinction for the different individual and group categories.

Alongside their A Levels, girls have achieved excellent results for their Extended Project Qualifications with 100% achieving an A or A*. Many Sixth Form pupils also took the prestigious Leith's Food and Wine course and achieved the highest number of distinction and merit grades awarded over the past eleven years at BSG. 7 out of 8 girls also achieved a distinction in The Confederation of Tourism and Hospitality Level 3 Extended Certificate in Professional Cookery which is an exceptional achievement and carries valuable UCAS points, much like the Extended Project Qualification.

The results reinforce once again the school reputation for academic excellence, despite being non-academically selective, and demonstrate our ability to get the best out of each of our students.

General Comments

The year has been marked by the need to adapt quickly to new restrictions. The physical requirements of creating spaces that allow for social distance have created huge disruptions to what is normal. Timings of the school day must include moments to wash hands. The whole routine has been turned up-side –down. Despite this we have continued to offer an excellent educational experience. We have celebrated our open spaces and have enjoyed the abundant access to the county side.

We celebrated our 120th Anniversary on Friday 2nd October. The catering department produced a delicious cake, which was enjoyed by girls and staff. We also created 120 photos for 120 years of BSG.

The school continues to seek to inspire its pupils, providing a wide range of opportunities in and out of the classroom, encouraging them to be ambitious and to gain as wide and varied an experience as possible. From this they gain increased self-awareness, an appreciation of their strengths and what they enjoy, with an understanding and respect for others, and are better able to make good decisions for themselves as their lives unfold. They are enabled to succeed, self-confident and resilient but never arrogant.

The year has been marked as a season of changes; new Headmistress; staff on maternity leave; the loss of a dear colleague and new staff and pupils joining. Planning for a return to 'normal' and some innovative changes, such as, the timing of lessons and shape of the day when we return in Autumn has taken much time. Recruitment for new staff continued throughout the summer. We recognise that there is more change on the horizon and with this brings some trepidation and excitement.

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FINANCIAL REVIEW

Overall Financial Performance and Results for the Year

With the continuing impact of the COVID 19 pandemic, the costs of continuing education during lockdown, and an uncertain economic outlook, the Governors budgeted for a revenue deficit of £411k in 2020/21. The outturn of (£360k), 2020: (£499k), is better than anticipated but still a significant cost to bear for a small school.

The impact of the pandemic on the financial operations of the school have been considerable. All staff have risen to challenges placed before them and ensured the school operated in a safe, efficient, and responsible manner. Credit is given to the academic staff who faced the challenges of a revised examination system and the need to make judgements that could have life changing implications for the girls concerned. The Governors wish to congratulate all staff, and those in leadership positions, on their commitment and loyalty at this time, and for their continuing support during the subsequent period when regulations and guidance changed, often at very short notice.

Having taken appropriate professional advice, it was agreed to sell the Old Vicarage boarding, which was surplus to our requirements. Contracts have been exchanged with a completion date of 13th October 2021. At that point our existing loan will be repaid, and the school will become free of all debt.

This sale ushers in the start of a major review of our strategic aims, position in the marketplace, the size of our estate, and other resource requirements. This process will get underway in the academic year 2021/22 with an overarching School Development Plan (SDP) covering the period to its 125th Anniversary in 2025.

Key performance Indicators

The Governors consider the school key performance indicators to be pupil numbers, academic outcomes, staff numbers and operating result before depreciation. The performance in the year in respect of these indicators has been discussed elsewhere or is reported in the notes to the accounts.

Reserves

Notes 20 and 21 to the financial statements shows the assets and liabilities attributable to each fund and shows the movement between each asset.

The school policy is to continue to invest in premises, equipment, and resources to support the business and educational requirements of the school. Therefore, our objective is that unrestricted reserves should not accumulate other than in anticipation of an identified capital project, or to provide working capital for future years based on conservative projections of income, expenditure and related cashflows.

The Governors continue to monitor the school working capital requirements, by way of detailed monthly financial reporting, to ensure that cash balances and any overdraft facility are adequate to cover short term financing requirements.

At the year end the school unrestricted funds stood at £3,772k (2020: £4,132k). Restricted funds at the year end were £5k (2019/20: £5k).

Risk Management and Principal Risks and Uncertainties

In the light of Corporate Guidance contained within the then Charities Statement of Recommended Practice (SORP 2019), the Governors conduct a rolling review of the major strategic, business, and operational risks to which the school is exposed. A Risk Register is maintained, and the identified risks are regularly reviewed to establish that appropriate action to mitigate these is being put in hand. Each risk has been assigned a lead risk manager whose role is to co-ordinate the mitigation programme. A programme of structured risk reviews has been drawn up and is reviewed by rotation at each meeting of the Finance & General Purposes Committee.

The following statements summarise the school policy in managing identified forms of financial risk:

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Price risk: The School carries out research into fees charged in the independent school sector and incorporates this information into its business plans. The most significant price risk for expenditure is the cost of teachers' and other staff salaries, which are reviewed annually.

Credit risk: credit risk on amounts owed to the school by parents is low, as most school fees are paid in advance of the provision of education.

Liquidity risk: The School has considerable assets, significant cash in hand as well as an overdraft facility to be used for short term finance, if required.

Interest rate cash flow risk: The School can place surplus funds on short term deposit accounts.

Regulatory Risk: The school is subject to a range of regulations, directions and guidance, with the Independent School Regulations and Health & Safety Legislation being at the forefront of the risk. The school has over sixty policy documents in place, and all are designed to ensure compliance in the appropriate areas. A rolling programme of review takes place at meetings of the Finance & General Purposes Committee. This programme has a dual purpose: first to ensure Governors are abreast of current developments, and second the opportunity to question senior leaders and management staff and make judgements on the adequacy of their compliance actions. The recently formed Education Committee will also have role to play in this important area.

FUTURE PLANS

At the time of drafting in Autumn 2021 the following paragraphs namely, Business Plan, Going concern and Capital Investment, were based on reflections and outlook for the school at that time.

Business Plan

Despite the time demands made on our new Headmistress in the continuing pandemic, Mrs Evans has conducted a thorough review of the whole school. Her first action was to implement a significant change in the structure of our support services and make staff savings. As part of this exercise, it was clear that our marketing and admissions activity had to be upgraded and led by an experienced professional. Such a person has now been appointed. The Governors have also agreed a significant budget increase in this area.

A new three-year business plan will be an integral part of the SDP and be based on its four key business units: the All-Year-Round Nursery, the Preparatory Department, Senior School and Sixth Form. The plan will determine our future objectives and determine the desired future size off the pupil roll of each unit. In overall terms, the aim will be for each to operate in a manner that contributes to the level of surplus we require to invest for the future.

The SDP will be reviewed on a continuous basis by the Finance & General Purposes Committee. The key objectives will be to stop the outflow of pupils, to appeal to a wider market base, to operate the school in a cost effective manner, to grow our commercial operations, to reduce our estate and invest in those areas that will encourage growth. The overall objective will be to increase the quality of our education and to a far wider market base.

Going Concern

Geo-political uncertainty, the decision to leave the EU and the COVID 19 pandemic, has caused an understandable drop in consumer confidence. This in turn has affected parents' willingness to make significant financial commitments. Consequently, we consider that future pupil number forecasts should be conservative, notwithstanding the school's excellent academic, pastoral record, and competitive fees. Additionally, the rising cost of employment, including further increases to the cost of the Teachers' Pension Scheme, will affect the school profitability.

Via the Finance & General Purposes Committee, the Governors maintain a close watch on the finances of the school, and its ability to offer a stimulating curriculum with sufficient breadth to recruit an adequate

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number of pupils from a wide ability range.

Their predecessors established a significant level of investment, cash, and property reserves in past years, and this has allowed their successors to deal with the removal of the government assisted places scheme, economic downturns, and subsequent reductions in the pupil roll. By careful husbanding of these reserves, the school remains in a sound financial position and has sufficient cash to fund its operations in the medium term.

With COVID 19 still a factor in the community it is difficult to forecast the outturn of our SDP.

On a wider plane, the F&GP Committee reviews the financial position of the school at regular intervals, and the extent to which its reserves can be utilised. At its meeting in September 2021 the members noted that:

- Despite all the issues placed in her path during 2020/21, the Headmistress had introduced enrichment activities as a feature within the 2021/22 curriculum and a fundamental change to the school timetable.
- Staff were recognising that it was not possible to continue the same path as prior years.
- The decline in the pupil roll had to be addressed and strategies developed whereby the school returned an annual surplus of sufficient size to invest for the future.
- The school had significant reserves of property and land that were no longer required, both now and in the future. The assets had to be realised and reinvested in the School via the SDP.
- By starting the SDP free of all the debt, the Governors will be able to dictate its progress and liquidity over the period.

Accordingly, the members were satisfied that the school was a going concern.

Capital Investment

The capital investment element of the SDP has yet to be finalised, however, the Senior Leadership Team and the Governors are agreed on a broad strategy that encompasses:

- A reduction and/or reordering of the existing school estate commensurate with a school size of between 250 – 300 pupils.
- Significant upgrading of its digital and communication networks to make it leader in this field.
- Providing the missing facilities and activities.
- Appealing to a wider market base, both within and outside the UK.
- We are no longer a day school with some boarders, but one capable of dealing with both communities and integrating our operating procedures to ensure that all pupils enjoy and benefit from their time at the school.
- Increasing commercial use of the school property in holidays and other times.

Further Events since originally drafting the report

Subsequent to the Autumn 2021 term, events have taken place which have impacted the above conclusions in the following way.

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In the 2021 autumn term there was increasing concern about the poor recruiting figures for pupils in the 2022/23 academic year. As the term progressed notice was given by some parents to remove their children and place them in other schools.

By November the 2022/23 recruitment figures were such that the budget projections indicated a significant and unsustainable deficit on the revenue account, and with it the need to reassess the going concern statement drawn up as at 31st August 2021.

At the meeting of the Governing Body on 7th December 2021 it was agreed that the situation was very serious and that the forecast budget deficit of c.£700k for 2022/23 indicated the school may no longer be considered to be a going concern. By a unanimous vote the Governing Body agreed to consult with staff about the future of the school. At the same meeting it was agreed to instruct specialist solicitors to guide governors and senior staff through the process.

The consultation process was launched on 5th January 2022 with a staff meeting and followed by the formal notices being sent to staff and parents. The Staff Representatives were briefed on the two options being considered by the governors, which were:

- Subject to affordability, start the implementation of the Strategic Development Plan initially over a three year period 2022 – 2025 with the aim of making the school more attractive to potential pupils, and reversing the decline in the pupil roll.
- Closure of the school on 31st August 2022.

A decision date was set as 28th February with the formal announcement to staff and parents to follow on 1st March.

In late January 2022, a third option came to the fore with an invitation from the Governing Body of Kings School Bruton (KSB) to consider joining their schools' group and achieving economies of scale. This invitation was accepted and a public announcement that the schools were in discussion was made on 27th January. Detailed talks have taken place and sufficient due diligence checks have taken place to enable agreement to be reached. A change of control agreement has been signed between Bruton School for Girls and King's School Bruton.

Conclusions on going concern

The governors have further reviewed their assessment of the going concern basis upon which these accounts were originally prepared. At the date of signing these accounts, agreement has been reached for a change of control for Bruton School for Girls with King's School Bruton (KSB) Trustees replacing the current Trustees of Bruton School for Girls and the school becoming a subsidiary of KSB.

At the date of signing, the Trustees consider the new direction of the School in terms of ownership, strategic plans and financial support from KSB enables the governors to conclude that there is no material uncertainty that the charity and the school will continue as a going concern. The accounts have accordingly been prepared on a going concern basis.

ACCOUNTING AND REPORTING RESPONSIBILITIES

Statement of Governors' Responsibilities

The Governors (who are also Directors of Bruton School for Girls for the purposes of company law) are responsible for preparing the Annual and Strategic Report of the Governors and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and

**BRUTON SCHOOL FOR GIRLS
YEAR ENDED 31 AUGUST 2021**

**THE ANNUAL STRATEGIC REPORT OF THE GOVERNORS FOR THE YEAR ENDED 31ST
AUGUST 2021 (CONTINUED)**

application of resources, including the income and expenditure, of the charitable company for that period. In preparing these financial statements, the Governors are required to:

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

The members of the Governing Body are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions, disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006 and the provisions of the charity's constitution. They are 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.

Relevant Audit Information

The Directors, as members of the Governing Body are satisfied that at the date of approval of this report, there is no relevant audit information (information needed by the Company's auditor in connection with preparing the audit report) of which the Company's auditor is unaware. Each member of the Governing Body has taken all the steps that he or she should have taken as a member of the Governing Body 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.

Auditors

A resolution to reappoint RSM UK Audit LLP as external auditors for the ensuing year will be proposed at the forthcoming annual general meeting.

Approved by the Governing Body of Bruton School for Girls on 7th December 2021 including, in their capacity as Company Directors, approving the Directors' and Strategic Reports contained therein, and signed on its behalf by:

By Order of the Governors

S L Donald



Date:

28/02/2022

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRUTON SCHOOL FOR GIRLS

Opinion

We have audited the financial statements of Bruton School for Girls (the 'charitable company') for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Summary Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the charitable company's affairs as at 31 August 2021 and of its incoming resources and application of resources, including its income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

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

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

We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRUTON SCHOOL FOR GIRLS
(CONTINUED)**

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' 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 Directors' Report and the Strategic Report included within the Governors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of 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 Statement of Governors' responsibilities set out on page 12, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the 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 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.

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRUTON SCHOOL FOR GIRLS
(CONTINUED)

appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the charitable company operates in and how the charitable company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the governing document and tax legislation. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these laws and regulations and inspected correspondence with regulatory authorities.

The audit engagement team identified the risk of management override of controls and revenue recognition for the cut off of income as the areas where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business, challenging judgments and estimates and substantively testing the income recorded in the year and around the year end.

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

**BRUTON SCHOOL FOR GIRLS
YEAR ENDED 31 AUGUST 2021**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF BRUTON SCHOOL FOR GIRLS
(CONTINUED)**

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.

RSM UK Audit LLP

KEVIN BARWICK (Senior Statutory Auditor)

For and on behalf of RSM UK AUDIT LLP, Statutory Auditor

Chartered Accountants

Highfield Court

Tollgate

Chandlers Ford

Eastleigh

Hampshire

SO53 3TY

Date

2 March 2022

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021

	Notes	Unrestricted funds £	Restricted funds £	Total 2021 £	Total 2020 (restated) £
Income from:					
Voluntary sources					
Donations, gifts & legacies	2	1,758		1,758	15,012
Other trading activities					
Distribution from subsidiary	5	40,674		40,674	37,674
Investments					
Investment income	6	-		-	4,667
Fee income	3	3,174,082		3,174,082	3,022,270
Coronavirus Job Retention Scheme Grant	4	60,775		60,775	136,826
Trading income		4,926		4,926	2,728
Other income		66,979		66,979	68,267
Total income		3,349,195		3,349,195	3,287,444
Expenditure on:					
Raising funds					
Marketing and publicity		153,874		153,874	169,996
Trading expenditure		4,310		4,310	4,669
Charitable activities					
Trading expenditure		3,554,133		3,554,133	3,592,471
Charitable activities		3,281		3,281	1,702
Total expenditure	7	3,715,599		3,715,599	3,768,838
Net expenditure before transfers and investment gains/(losses)	8	(366,403)		(366,403)	(481,394)
Investment gains/(losses)		6,566		6,566	(17,668)
Net expenditure		(359,837)		(359,837)	(499,062)
Transfers between funds					
Net movement in funds		(359,837)		(359,837)	(499,062)
Funds balances brought forward on 1 September 2020		5,607,092	5,106	5,612,198	6,111,260
Funds balances carried forward on 31 August 2021	21	5,247,255	5,106	5,252,361	5,612,198

All the income and expenditure in the prior year related to unrestricted funds.

All the above results derive from continuing activities and there were no gains or losses other than those shown above.

SUMMARY INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 AUGUST 2021

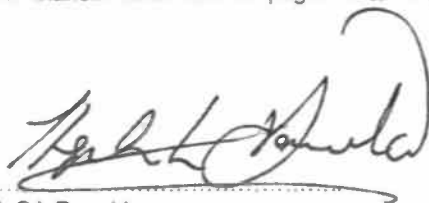
	2021	2020
	£	£
Income	3,349,195	3,282,777
Expenditure	3,684,994	3,737,308
Net deficit before interest and investment	(335,800)	(454,531)
Interest payable and similar charges,	(24,038)	(49,198)
Interest receivable	-	4,667
Net deficit of expenditure over income for the year	(359,837)	(499,062)


BRUTON SCHOOL FOR GIRLS
YEAR ENDED 31 AUGUST 2021

BALANCE SHEET AS AT 31 AUGUST 2021

	Notes	2021 £	2020 (restated) £
Fixed assets			
Tangible assets	11	3,781,683	3,845,015
Investment property	12	1,475,000	1,475,000
Investments	13	42,586	36,020
		5,299,269	5,356,035
Current assets			
Stocks	14	11,662	20,165
Debtors	15	115,370	162,247
Cash at bank and in hand		805,298	1,648,342
		932,330	1,830,754
Creditors: amounts falling due within one year	16	(711,699)	(550,030)
Net current assets		220,631	1,280,724
Total assets less current liabilities		5,519,900	6,636,759
Creditors: amounts falling due after one year	17	(139,674)	(864,539)
Pension provision	24	(127,865)	(160,021)
Net assets		5,252,361	5,612,198
Capital and reserves:			
Restricted funds	22	5,106	5,106
Unrestricted funds	22	3,761,532	4,121,369
Fair value reserve	22	1,485,723	1,485,723
Total charity funds		5,252,361	5,612,198

The financial statements on pages 19 to 43 were approved by the Governors and signed on its behalf by:


Mr S L Donald
Governor


Mrs L A Anderson
Governor

Date: 28/02/2022

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 AUGUST 2021

		2021	2020
	Notes	£	£
Net cash inflow from operating activities	24	(1,434)	(630,007)
Cash flows from investing activities			
Interest received	6	-	4,667
Investment income received	3	2,416	2,545
Purchase of investments	12	-	(1,812)
Purchase of tangible fixed assets	11	(124,699)	(24,179)
Net cash used in investing activities		(122,253)	
Cash inflow before financing		(123,687)	(648,786)
Financing			
Repayment of Bank Loan		(44,357)	(42,197)
Coronavirus Business Interruption Loan		(675,000)	675,000
Total cash inflow from financing		(719,357)	632,802
Increase in cash in the year		(843,044)	(15,983)
Cash balances at start of year		1,648,342	1,664,325
Cash balances at end of year		805,298	1,348,342

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1: Principal accounting policies

General information and Basis of accounting

Bruton School for Girls is a private company limited by guarantee, incorporated in England and Wales. Full details of the school constitution, place of business, and activities are given in the Annual and Strategic Report presented with these accounts.

The financial statements have been prepared on the going concern basis under the historical cost convention, as modified by the revaluation of fixed asset investments, and in accordance with the Companies Act 2006 and Charities Act 2011, the Statement of Recommended Practice (SORP (FRS102)) and Financial Reporting Standard 102.

Going concern

The governors have further reviewed their assessment of the going concern basis upon which these accounts were originally prepared. At the date of signing these accounts, agreement has been reached for a change of control for Bruton School for Girls with King's School Bruton (KSB) Trustees replacing the current Trustees of Bruton School for Girls and the school becoming a subsidiary of KSB.

At the date of signing, the Trustees consider the new direction of the School in terms of ownership, strategic plans and financial support from KSB enables the governors to conclude that there is no material uncertainty that the charity and the school will continue as a going concern. The accounts have accordingly been prepared on a going concern basis.

Donations, legacies, and gifts in kind

Donations and legacies are credited to revenue on a receivable basis. Legacies are accounted for on receipt of correspondence from the personal representative indicating that payment of the legacy will be made. Gifts in kind are valued at a reasonable estimate of their value to the school. Gifts donated for resale are included as income when they are sold. No amounts are included in the financial statements for services donated by volunteers.

Coronavirus Job Retention Scheme (CJRS)

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met, and the grants will be received.

Fees and similar income

Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships, and other remissions granted by the School, but include contributions received from restricted funds for scholarships, bursaries, and other grants.

Trading income

This income comprises the trading activities of the school and is credited per the statement of financial activities on a receivable basis.

Advanced fees

The school offers parents the opportunity to pay tuition fees in advance in accordance with a written contract. This is treated as deferred income until the pupil joins the school whereupon the fees for each School term are charged against the remaining balance and taken to income.

Refundable deposits

Refundable deposits are currently classified between long term and short term in the financial

statements. These deposits are refundable if the pupils leave school on one terms' notice, and as such the deposit would be offset against fees and disbursements due for the last term each pupil attends. However, the financial statements are prepared on a going concern basis, and it is assumed that most

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

children will remain in school for their full years of education and therefore the deposit will be refunded to them when they leave school. Short term deposits reflect those pupils that will be leaving school within one year, and longer-term element reflects those pupils that will be leaving a school after 12 months from the balance sheet date.

Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to the category. Where costs cannot be directly attributed to particular headings, they have been allocated to activities on a primary purpose basis consistent with the use of the resources. Expenditure is accrued as soon as a liability is considered probable, discounted to present value for longer term liabilities.

Bursaries, grants, and allowances payable

Grants from restricted funds are included as expenditure in the period for which the award is given. Bursaries and allowances from restricted funds towards school fees at the school are treated as a reduction in those fees.

Costs of raising funds

Costs of raising funds relate to the costs of running and supporting the school trading activities, along with the school marketing activities.

Support costs

Support costs comprise the direct costs, including staff, attributable to School activities. These are all allocated to the one activity of the charity, the provision of education.

Employee termination costs

These are recognised when the school becomes demonstrably committed to these costs.

Governance costs

Governance costs include expenditure on compliance with constitutional and statutory requirements.

Irrecoverable VAT

Any irrecoverable VAT is charged to the statement of financial activities or capitalised as part of the cost of the related asset, where appropriate.

Recognition of liabilities

Liabilities are recognised when an obligation arises to transfer economic benefits because of past transactions or events.

Fund accounting

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

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

Endowed funds are funds for which capital must be maintained in accordance with the specific restrictions imposed by the donors. Investment income and gains are allocated to the appropriate fund.

Pension costs

Retirement benefits to employees of Bruton School for Girls are provided by the Teachers' Pension Scheme ('TPS') and The Pension Trust Growth Plan. These are defined benefit schemes and are contracted out of the State Earnings-Related Pension Scheme ('SERPS'), and the assets are held separately from those of the school.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

The TPS is an unfunded scheme and contributions are calculated to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll.

The contributions are determined by the Government Actuary based on quinquennial valuations using a prospective benefit method. As stated in note 19, the TPS is a multi-employer scheme, and the school is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the pension costs recognised as they are paid each year.

The Pension Trust Growth Plan is a multi-employer funded scheme whose contributions are recognised in the SOFA in the period to which they relate, as there is insufficient information available to use defined benefit accounting. A liability is recognised for contributions arising from an agreement with the multi-employer plan that determines that the school will fund a deficit.

Contributions are discounted when they are not expected to be settled wholly within 12 months of the period end.

All other pension arrangements are defined contribution schemes where the assets of the schemes are all held separately from those of the school in an independently administered fund. In all cases the pension cost charge represents contributions by the school to the fund. Contributions payable to the school defined contribution scheme are charged to the Statement of Financial Activities to spread the cost of pensions over the service lives of employees in the schemes.

Operating leases

Rentals applicable to operating leases are charged to the statement of financial activities on a straight-line basis over the lease terms.

Exemption from consolidation

The school statement of financial activities and balance sheet do not include the financial statements of the school subsidiary undertaking, as the latter company's results and assets are not considered material to the group. The covenanted income due from the subsidiary company is recorded as income in the school statement of financial activities. The school subsidiary undertaking has prepared its own statutory financial statements.

Tangible fixed assets

Capitalisation and replacement

Tangible fixed assets are stated at historic purchase cost less accumulated depreciation. Cost includes the original purchase price of the asset and the costs attributable to bringing the asset to its working condition for its intended use.

Expenditure, over £1,000, on tangible fixed assets is capitalised. Repair, renovation, and replacement expenditure is written off in the statement of financial activities.

Depreciation

Depreciation of assets is calculated to write off the cost of tangible fixed assets on a straight-line basis, less their estimated residual values, over the expected useful economic lives of the assets concerned. Assets during construction are not depreciated until they are brought into use. A full year's depreciation is charged in the year of the acquisition and not in the year of disposal.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

The principal annual rates used for this purpose, which were reviewed in 2019 are:

	%
Freehold Property:	
Land	0
Buildings	2
Sports facilities and car parks	5
Furniture & equipment	10
Computers, software & telephone	33.3
Intangibles	25
Motor vehicles	25

Gains on disposal of tangible fixed assets are shown within other (outgoing)/ incoming resources.

Investment properties

Investment property, which is property held to earn rentals and/or for capital appreciation, is measured using the fair value model and stated at its fair value as at the reporting end date. The surplus or deficit on revaluation is recognised in the statement of comprehensive income.

Where fair value cannot be achieved without undue cost or effort, investment property is accounted for as tangible fixed assets.

Investments

Investments are included at closing mid-market value at the balance sheet date. Any realised and unrealised gains and losses on revaluation or disposals are combined in the statement of financial activities. The investment in the subsidiary is stated at cost.

Stocks

Stocks of stationery and consumables are stated at the lower of cost, on a first-in, first-out basis, and net realisable value.

Cash and cash equivalents

Cash and cash equivalents include cash in hand.

Financial instruments

The charity has elected to apply the provisions of Section 11 'Basic Financial Instruments' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the charity's balance sheet when the charity becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Basic financial assets

Basic financial assets, which include debtors and cash and bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

Trade and other debtors are recognised at the settlement amount due after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

Impairment of financial assets

Financial assets, other than those held at fair value through income and expenditure, are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, because of one or more events that occurred after the initial recognition of the financial asset,

the estimated future cash flows have been affected.

If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in net income/(expenditure) for the year.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in net income/(expenditure) for the year.

Derecognition of financial assets

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the charity transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are

retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

Basic financial liabilities

Basic financial liabilities, including creditors are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Liabilities are recognised within the financial statements in respect of all expenditure for which the entity has a measurable obligation, be it constructive or legal, at the balance sheet date. Any expenditure which is committed to, but not measurable at this time, is disclosed within the notes to the financial statements as a contingent liability.

Derecognition of financial liabilities

Financial liabilities are derecognised when the charity's contractual obligations expire or are discharged or cancelled.

Correction of prior period error

A prior period error has been identified and accounted for in respect of the recognition of investment properties. There were certain properties that were rented to third parties prior to 1 September 2019 and continue to be so, the rental income is reflected in the accounts of the subsidiary, The Bruton Girls' School Company Limited. As these properties do not meet the definition of tangible fixed assets in use for charitable purposes, they instead meet the definition of investment properties and so have been reclassified in the balance sheet at fair value as at 1 September 2019. The fair value is based on current market information which is also considered to be the fair value at 1 September 2019. The original underlying assets were transferred from the Bruton School for Girls Trust and the Sunnyhill Trust and were recognised in tangible fixed assets previously at a £nil value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

Critical accounting estimates and areas of judgement

In the application of the school accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are relevant.

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

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Critical areas of judgement

The key sources of estimation uncertainty that have a significant effect on the amounts recognised in the financial statements are described below.

Tangible fixed assets – estimation of useful life

Tangible fixed assets represent a significant proportion of the school total assets. Therefore, the estimates and assumptions made to determine their carrying value and related depreciation are critical to the school financial position and performance.

The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. Increasing an asset's expected life or its residual value would result in a reduced depreciation charge in the Statement of Financial Activities.

Bad debt provisions

The school has recognised bad debt provisions where there is uncertainty whether specific accounts receivable are collectible. The judgements, estimates, and associated assumptions necessary to calculate these provisions are based on historical experience and other reasonable factors.

Fair value of investment properties

Investment properties included within the financial statements are carried at fair value. The governors arrange valuations of the investment properties by professional valuers in order to attain a representative fair value at the period end. The governors consider this to be an appropriate basis of valuation given the skills and expertise of the professional valuers. This is inherently judgemental.

2: Donations, gifts and legacies

	2021	2020
	£	£
Individuals	1,758	15,012

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

3: Fee income

	2021	2020
	£	£
Gross Fees	3,615,022	3,777,467
Less: Total bursaries, grants, and allowances	(426,490)	(397,165)
Coronavirus discount in the summer term	(16,866)	(361,577)
	3,171,666	3,019,725
Add back: Scholarships, Grants etc paid by Endowment Fund income	2,416	2,545
	3,174,082	3,022,270

4: Coronavirus Job Retention Scheme (CJRS)

During the pandemic, the school furloughed teaching and non-teaching staff. In 2020/21 a total of nine monthly claims were submitted to the value of £61k (2020:£137k).

5: Trading Income

Trading income within the school amounted to £5k (2020: £3k) and is chiefly comprised of the sale of second-hand uniform.

Other trading is conducted through The Bruton Girls' School Company Limited (Registered number 3107892) which receives income from the letting of School properties. The school also owns 100% of the company and it covenants its taxable profit to the school. The results of the company are not

consolidated into the financial statements of Bruton School for Girls as they are not considered material.

The results of The Bruton Girls' School Company Limited extracted from its audited financial statements were:

	2021	2020
	£	£
Turnover	43,930	42,624
Administrative expenses	(3,256)	(4,950)
Profit before taxation	40,674	37,674
Taxation	-	-
Profit for the year	40,674	37,674
Distribution to parent company	(40,674)	(37,674)
Retained profit for the year	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

Total assets	41,863	43,758
Total liabilities	(41,380)	(43,275)
Net assets	483	483

6: Investment income

	2021	2020
	£	£
Bank and building society interest and other investment income	-	4,667

7: Total expenditure

Unrestricted fund expenditure	Staff costs	Other costs	Depreciation	2021	2020
	£	£	£	£	
Cost of raising funds:					
Marketing & publicity	85,608	68,266	-	153,874	169,996
Trading expenditure		4,310	-	4,310	4,669
	85,608	72,576	-	158,184	174,665
Charitable activities:					
Costs of providing education					
Teaching	1,535,836	249,074	38,851	1,823,761	1,894,536
Welfare	287,282	88,709	8,521	384,512	388,135
Premises	170,709	388,221	140,629	699,558	726,863
Support costs	326,636	299,088	-	625,723	563,003
Governance costs	-	20,580	-	20,850	19,934
Total cost of providing education	2,320,462	1,045,671	188,001	3,554,134	3,592,471
Pension provision adjustment	-	3,281	-	3,281	1,702
Total expenditure on charitable activities	2,320,462	1,048,952	188,001	3,557,415	3,594,173
Total expenditure	2,406,070	1,121,527	188,001	3,715,599	3,768,838

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

8: Net expenditure

	2021	2020
	£	£
Net expenditure is stated after charging:		
Depreciation on owned assets	188,001	208,359
Operating lease rentals – equipment	21,712	16,606
Interest charge on pension provision	3,281	1,702
Auditor's remuneration for external audit services	20,580	18,400

9: Employee information

	2021	2020
	Number	Number
The average number of persons (full time equivalent) employed by the school during the year was:		
Teaching (including laboratory technicians)	35	35
Welfare	12	12
Premises	9	9
Support	9	9
Marketing and publicity	4	4
	69	69

	2021	2020
	£	£
Staff costs (for the above persons)		
Wages and salaries	1,929,363	1,990,673
Social security costs	163,127	166,138
Pension costs	295,419	295,775
Termination and redundancy payments	18,162	-
	2,406,071	2,452,586

The number of employees whose emoluments exceeded £60,000 was:

	2021	2020
	Number	Number
£60,001 - £70,000	1	1
£70,001 - £80,000	-	1
£100,001 - £110,000	1	1

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

As a result of a restructuring exercise, redundancy payments were made to three members of the support staff.

No Governor received any remuneration from the school during the year (2020: £0.00). £0.00 (2020: £0.00) was paid to Governors for reimbursement for authorised expenses. The aggregate employee benefits (including employer's national insurance and pension contributions) of key management personnel, who are the Headmistress and the Director of Support Services (who was not in post in 2020/21), was £133k (2020: £211k).

10: Taxation

The school is a registered charity, and as such is entitled to certain tax exemptions on income and profits from investments, and surpluses on any trading activities carried on in furtherance of the charity's primary objectives, if these profits and surpluses are applied solely for charitable purposes. The school is not registered for VAT and accordingly, all its expenditure is recorded inclusive of any VAT incurred.

11: Tangible fixed assets

	Freehold property	Furniture & equipment	Computers, software & telephone	Intangibles	Motor vehicles	Total
	£	£	£	£	£	£
Cost						
At 1 September 2020	6,053,783	498,649	251,290	1,470	109,814	6,915,006
Additions	120,386		4,283	-	-	124,669
Write downs of fully depreciated	-	-	-	(1,470)	-	(1,470)
At 31 August 2021	6,174,169	498,649	255,573	-	109,814	7,038,205
Accumulated depreciation						
At 1 September 2020	2,388,269	360,258	236,106	1,104	84,254	3,069,991
Charge in year	140,629	32,354	6,131	366	8,521	188,001
Write downs of fully depreciated	-	-	-	(1,470)	-	(1,470)
At 31 August 2021	2,528,898	392,612	242,237	-	92,775	3,256,522
Net book amount						
At 31 August 2021	3,645,271	106,037	13,336	-	17,039	3,781,683
At 31 August 2020	3,665,514	138,391	15,184	366	25,560	3,845,015

In addition to the above assets, The School owns certain land and buildings which it received for no value from the Bruton School for Girls Trust and the Sunnyhill Trust. Certain assets have been reclassified as referred to in the accounting policy and in note 29.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

12: Investment property

	2021 £
Fair value	
At 1 September 2020	1,475,000
Additions	-
Disposals	-
Revaluations	-
At 30 September 2021	1,475,000

As referred to in the prior period accounting policy note and in note 29, certain properties have been treated as investment properties which were previously accounted for as tangible fixed assets. The fair value has been based on market information provided to the governors from Hunter French a firm of Estate Agents, who are not connected with the company. The valuation was made on an open market value basis by reference to market evidence of transaction prices for similar properties. The governors consider this valuation to be representative of the market value of the properties at the period end.

13: Fixed asset investments

	Shares in subsidiary company £	UK listed investments £	Total £
Cost or valuation			
At 1 September 2020	2	36,018	36,020
Additions	-	-	-
Net revaluation	-	6,566	6,566
Net book value			
At 31 August 2021	2	42,584	42,586
Net book value			
At 31 August 2020	2	36,018	36,020

The shares in subsidiary company relates to a 100% holding in the £1 ordinary shares of The Bruton Girls' School Company Limited, a company incorporated in the United Kingdom, which provides services in property management as a trading subsidiary. The aggregate amount of capital and reserves of the subsidiary company at 31 August 2021 was £483 (2020: £483). The performance and financial position of the subsidiary company is detailed in Note 4.

The historical cost of the UK listed investments on 31 August 2021 was £51,904 (2020: £51,904).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

Investments included in the above with a market value greater than 5% of the total portfolio market value at 31 August 2021 are as follows:

	2021	2020
	£	£
GlaxoSmithKline Plc	14,956	15,059
Imperial Brands Group Plc	9,082	7,339
Royal Dutch Shell Plc	8,142	5,923
Royal Sun Alliance	4,980	5,923
Marks and Spencer Group Plc	2,425	-

14: Stocks

	2021	2020
	£	£
Stationery and consumables	9,385	19,385
Catering	2,277	780
	11,662	20,165

15: Debtors

	2021	2020
	£	£
Amounts falling due within one year:		
Fees	8,938	47,560
Amounts owed by subsidiary company	40,674	8,994
Other debtors	13,727	-
Prepayments & accrued income	52,031	105,693
	115,369	162,247

Fees invoiced in advance are shown within creditors and amounts not received by the balance sheet date are shown above as fee debtors.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

16: Creditors: amounts falling due within one year

	2021 £	2020 £
Bank loan	47,725	47,725
Trade creditors	13,222	6,166
Taxation and social security costs	39,746	41,180
Other creditors	34,480	51,850
Refundable deposits	5,750	5,750
Fees received in advance	507,482	317,773
Accruals	59,386	75,786
Contractual obligation	3,908	3,800
	711,699	550,030

All the fees received in advance at 31 August 2021 will be released to income in the year ending 31 August 2022.

17: Creditors: amounts falling due after more than one year

	2021 £	2020 £
Bank loan	90,885	135,241
Coronavirus Business Interruption Loan	-	675,000
Contractual obligation	12,042	15,742
Refundable deposits	36,747	38,556
	139,674	864,539

18: Financial instruments

The carrying value of the school financial instruments at 31 August was as follows: -

	2021 £	2020 £
Equity instruments held at fair value	42,586	36,018

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

19: Analysis of changes in net debt

	At 1 September 2020	Cash flow	At 31 August 2021
	£	£	£
Cash at bank and in hand	1,648,342	(843,044)	805,298
Bank loans within one year	(47,725)	-	(47,725)
Bank loans over one year	(135,241)	44,356	(90,885)
CBIL loan	(675,000)	675,000	-
Total Debt	(857,966)	722,725	(138,610)
Net Debt	790,376	(120,319)	666,688

A £350k Capital Repayment Loan (96 month term, 2% over base rate) was taken in September 2017 from HSBC, the school bankers, to contribute towards the Chappell Project. The loan was secured on the Old Vicarage Boarding House. However, with the sale of this building due to be completed on 13th October 2021, the balance of the loan is to be repaid at that point. Once the repayment is completed, the school will become debt free. In strategic terms, it is seen as important to retain this position throughout the term of the BSG2025 development plan. It is the intention to fund the plan from the sale of further redundant land and buildings.

20: Borrowings

	2021	2020
	£	£
Bank loans	138,610	182,966
CBIL loan	-	675,000
	138,610	857,966
Payable within one year	47,725	47,725
Payable after one year	90,885	810,241

A £675k CBIL borrowing (72 month, 3.99% over base rate) was arranged by HSBC and paid on 3rd August 2020. No interest or capital payments were required in the first year. It was repaid in full on 26th July 2021.

21: Contracts and commitments

Operating leases

The total minimum payments due under non-cancellable operating leases are as follows:

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

	2021	2020
	£	£
In less than one year	11,928	17,923
Between two and five years	47,712	71,693
Over five years	-	6,377

Capital contracts

There were no significant capital commitments at the year-end (2020: £Nil).

22: Funds

	Balance at 1 September 2020 (restated)	Transfers	Income	Expenditure	Investment gains	Balance 31 August 2021
	£	£	£	£	£	£
Restricted funds						
Modern languages trips	5,106	-	-	-	-	5,106
Total restricted funds	5,106	-	-	-	-	5,106
Unrestricted funds						
General fund	3,901,367	-	3,349,195	(3,715,599)	6,567	3,541,530
Fair value reserve	1,485,723	-	-	-	-	1,485,723
Designated fund	220,002	-	-	-	-	220,002
Total unrestricted funds	5,607,092	-	3,349,195	(3,715,599)	6,567	5,247,255
Total funds	5,612,198	-	3,349,195	(3,715,599)	6,567	5,252,361

The modern language trips fund was established because of a donation of £5,000 in 2004. It was established to help with the cost of Modern Language trips. Both capital and income are available to satisfy the purposes of the fund at the discretion of the Head of Modern Languages. The Gleam fund was established in 2012 to aid with the recruitment and retention of senior school pupils in as wide a way as deemed necessary and to perhaps act as 'seed corn' for future fundraising from old girls. Both capital and income are available to satisfy the purposes of the fund at the discretion of the Headmistress and Governing Body. The designated unrestricted fund was designated by the Governors in 2010 for the purpose of providing fee discounts from both the capital and income at their discretion.

The fair value reserve represents movements in the fair value of investment properties compared to their original book value.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

23: Analysis of the net assets between funds

The net assets are held for the various funds as follows:

	Tangible fixed assets	Investment properties	Investments	Net current assets	Long term liabilities	Pension provision	Total
	£	£	£	£	£		£
Restricted funds	-	-	-	5,106	-	-	5,106
Unrestricted funds	3,781,683	-	31,863	215,524	(139,674)	(127,865)	3,761,532
Fair value reserve	-	1,475,000	10,723	-	-	-	1,485,723
Total	3,781,683	1,475,000	42,586	220,630	(139,674)	(127,865)	5,252,361

24: Pensions

The school participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £233,335 (2020: £241,965) and at the year-end £25,777 (2020 - £26,577) was accrued in respect of contributions to this scheme.

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

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

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

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

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)**

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations

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

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

The Pensions Trust Growth Plan

COMPANY: Bruton School for Girls

SCHEME: TPT Retirement Solutions – The Growth Plan

FRS 102 - SECTION 28 Statement for the period ending 31 August 2021

The company participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

The scheme is classified as a 'last-man standing arrangement'. Therefore the company is potentially liable for other participating employers' obligations if those employers are unable to meet their share of the scheme deficit following withdrawal from the scheme. Participating employers are legally required to meet their share of the scheme deficit on an annuity purchase basis on withdrawal from the scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

	31 August 2021 (£s)	31 August 2020 (£s)	31 August 2019 (£s)
Present value of provision	127,865	160,021	193,900

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 30 September 2025: £12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)

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

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 scheme liabilities.

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the company recognises a liability for this obligation. The amount recognised is the net present value of the deficit reduction contributions payable under the agreement that relates to the deficit. The present value is calculated using the discount rate detailed in these disclosures. The unwinding of the discount rate is recognised as a finance cost.

PRESENT VALUES OF PROVISION - RECONCILIATION OF OPENING AND CLOSING PROVISIONS

	Period Ending 31 August 2021 (£s)	Period Ending 31 August 2020 (£s)
Provision at start of period	162,684	193,900
Unwinding of the discount factor (interest expense)	790	1,702
Deficit contribution paid	(35,437)	(34,405)

BRUTON SCHOOL FOR GIRLS
YEAR ENDED 31 AUGUST 2021

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

Remeasurements - impact of any change in assumptions	(172)	1,487
Remeasurements - amendments to the contribution schedule	-	-
Provision at end of period	127,865	162,684

INCOME AND EXPENDITURE IMPACT

	Period Ending 31 August 2021 (£s)	Period Ending 31 August 2020 (£s)
Interest expense	790	1,702
Remeasurements – impact of any change in assumptions	(172)	1,487
Remeasurements – amendments to the contribution schedule	-	-
Contributions paid in respect of future service*	*	*
Costs recognised in income and expenditure account	*	*

*includes defined contribution schemes and future service contributions (i.e. excluding any deficit reduction payments) to defined benefit schemes which are treated as defined contribution schemes. To be completed by the company.

ASSUMPTIONS

	31 st August 2021	31 st August 2020	31 st August 2019
Rate of discount	0.63	0.55	0.97

The discount rates shown above are the equivalent single discount rates which, when used to discount the future recovery plan contributions due, would give the same results as using a full AA corporate bond yield curve to discount the same recovery plan contributions.

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

Workplace Pension

Since May 2014 the School automatically enrolled and paid contributions at the rate of 2%, with members paying contributions at the rate of 1%, into a government approved and defined contribution workplace pension administered by the Pension Trust. This automatic enrolment covers those employees who qualified to be part of the Teachers Pensions or Pension Trust Schemes but had elected not to join. There were 23 members of this scheme at the year-end.

25: Reconciliation of net expenditure to net cash flow from operating activities

	2021	2020
	£	£
Continuing activities		
Net expenditure for the year	(359,837)	(499,062)
Depreciation of tangible fixed assets	188,001	208,359
Interest receivable	-	(4,667)
Investment income	(2,416)	(2,545)
Pension provision charge	3,281	1,702
(Decrease)/Increase in pension provision	(35,437)	(34,405)
Gains/(Losses) on investments	(6,566)	17,668
Decrease/(increase) in stocks	8,503	(1,643)
Decrease/(increase) in debtors	46,877	40,192
(Decrease)/increase in creditors	156,150	(355,606)
Net cash flow from operating activities	(1,434)	(630,007)

26: Capital

The school is a company limited by guarantee. Each member has undertaken to contribute a sum not exceeding £10 to the assets of the company to meet its liabilities if called on to do so. The total amount guaranteed by members on 31 August 2021 is £130 (2020: £140).

27: Related party transactions

During the year, all the transactions relating to the subsidiary company, as reported in Note 4, were accounted for through the school and recharged to the subsidiary. There was a Gift Aid donation receivable from the company of £40,674 (2020: £37,674) at the year end. This balance was outstanding at the year end.

In the prior financial year it was agreed to sell a redundant boarding house, titled the Old Vicarage, which does not form part of the permanent endowment. After taking appropriate professional advice it was placed on the market and a subsequent offer in excess of the asking price was accepted. Contracts were exchanged on 23rd November 2020 and it was expected to complete the sale within the financial year. However, on 13th August 2021 the vendor exercised a contractual right to delay the completion date to 13th October 2021.

Completion subsequently took place on that date and the sale proceeds (£845,507), net of commission, legal fees and redemption of the mortgage on the property (£157,658) were received by the school on the completion date. The anticipated net proceeds were recorded as a debtor and are shown at Note 14.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021
(CONTINUED)

28: Events after the reporting period

In the prior financial year it was agreed to sell a redundant boarding house, titled the Old Vicarage, which does not form part of the permanent endowment. After taking appropriate professional advice it was placed on the market and a subsequent offer in excess of the asking price was accepted. Contracts were exchanged on 23rd November 2020 and it was expected to complete the sale within the financial year. However, on 13th August 2021 the vendor exercised a contractual right to delay the completion date to 13th October 2021. Completion subsequently took place on that date after relevant conditions had been met and the sale proceeds (£845,507), net of commission, legal fees and redemption of the mortgage on the property (£157,658) were received by the school on the completion date.

Subsequent to the year end, pupil numbers for the next academic year have fallen which has been documented throughout the financial statements. The governors have further reviewed their assessment of the going concern basis upon which these accounts were originally prepared. At the date of signing these accounts, agreement has been reached for a change of control for Bruton School for Girls with King's School Bruton (KSB) Trustees replacing the current Trustees of Bruton School for Girls and the school becoming a subsidiary of KSB.

At the date of signing, the Trustees consider the new direction of the School in terms of ownership, strategic plans and financial support from KSB enables the governors to conclude that there is no material uncertainty that the charity and the school will continue as a going concern.

29: Prior period errors

A prior period error has been shown in these financial statements to reflect properties that are rented out commercially and to treat these as investment properties at fair value, rather than tangible fixed assets at cost less accumulated depreciation.

	2021	2020 (restated)
	£	£
Net movement in funds	(359,837)	(499,062)
Fair value adjustment for investment property	-	-

Revised net movement in funds	(359,837)	(499,062)
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	2021	2020 (restated)	2019 and prior periods (restated)
	£	£	£
Net assets	3,777,361	4,137,198	4,636,260
Recognition of investment property	1,475,000	1,475,000	1,475,000
Revised net movement in funds	5,252,361	5,612,198	6,111,260