

**Bruton School for Girls**  
**Annual report and financial statements**  
**for the period ended 30 June 2022**

Registered Company Number: 4094352  
Registered Charity Number: 1085577

**BRUTON SCHOOL FOR GIRLS  
PERIOD ENDED 30 JUNE 2022**

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**BRUTON SCHOOL FOR GIRLS  
PERIOD ENDED 30 JUNE 2022**

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**Governors, Directors, Officers and Advisers**

**Governors and Directors**

Mrs L A Anderson CPPtm MCSI FPFS \*

Mrs E Balfour MA (Resigned 1 March 2022)

Mr D H C Batten \*(Resigned 1 March 2022)

Dr H Bentley (Resigned 1 March 2022)

Mrs P A Cant (Resigned 1 March 2022)

Mrs C A Davidson BA (Resigned 1 March 2022)

Mr H L Davies CMG BA (Resigned 1 March 2022)

Mr S L Donald \*

Mr D J C Hindley JP MA (Resigned 1 March 2022)

Mrs T J Khodabandehloo BEd MEd PFPip (Resigned 1 March 2022)

Mr N B Noble OBE FCIS \*(Resigned 1 March 2022)

Mr M J C Streatfeild BA ACA (Resigned 1 March 2022)

Mrs T C Wood (Resigned 1 March 2022)

Mr E Hobhouse (Elected 1 March 2022)

Mr L S Tuson MBE (Elected 1 March 2022)

Mr I Wilmshurst (Elected 1 March 2022)

\* 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 28 February 2022 the Governors as shown above resigned.

**Headmistress**

Mrs J Evans BA Hons PGCE - Resigned 31 August 2022

**Director of Support Services**

Mr S Butcher MA, MBA  
Appointed 8 November 2021, resigned 5 September 2022

**Company Secretary**

Mr S Butcher MA, MBA - Resigned 5 September 2022  
Mr L S Tuson MBE - Appointed 5 September 2022

**Registered Office**

Bruton School for Girls  
Bruton  
Somerset  
BA10 0NT

**Independent Auditors**

RSM UK Audit LLP  
Davidson House  
The Forbury  
Reading  
RG1 3EU

**Bankers**

HSBC Bank Plc  
1 Middle Street  
Yeovil  
Somerset  
BA20 1LR

**Solicitors**

Harris & Harris  
14 Market Place  
Wells  
Somerset  
BA5 2RE

# **BRUTON SCHOOL FOR GIRLS**

## **THE ANNUAL STRATEGIC REPORT OF THE GOVERNORS**

### **FOR THE PERIOD ENDED 30 JUNE 2022**

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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 period ended 30 June 2022.

The School continued to successfully operate throughout the academic year but as detailed later in this report, as a consequence of falling projected pupil numbers for September 2022 and beyond, closed at the end of the Summer Term in July 2022, with the exception of the Nursery. The report of the Governors therefore includes a detailed summary of the success of the pupils and achievements of the School in the reporting period together with the financial statements which demonstrate that continuation of the School was not practicable.

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 23 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 28 February 2022.

##### **Organisation**

The Company commenced operations on 1 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 7 May 1970), was transferred to the Company by a Scheme approved by the Charity Commission dated 21 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 10 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.

On 1 March 2022 King's School, Bruton (KSB) with Charity Registration Number 1071997 took control of Bruton School for Girls (BSG). The financial period of BSG was re-aligned to match that of KSB terminating on 30 June. It was announced that BSG would close at the end of the academic year in May 2022 with the exception of the nursery. The financial results of BSG for the period 1 March 2022 to the period end (30 June 2022) have been consolidated into those of KSB.

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

##### **Governors**

The Governors all of whom served throughout the period to 30 June 2022, and since the period-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 21 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 31 August 1992 indicate, all properties acquired before 1 April 1966 were written off in the period 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 period.

**BRUTON SCHOOL FOR GIRLS**  
**THE ANNUAL STRATEGIC REPORT OF THE GOVERNORS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

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**Governance of the School**

During the period under review, the Governing Body met, either in person or on-line, at least termly and the Finance Committee at least termly. The Committee operates under specific terms of reference, which delegate certain functions from the Governing Body.

**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 period, some Governors attended virtual seminars/conferences/webinars on aspects of the governance of independent schools and 'safeguarding'.

**Organisational Management of the School**

In the period to 30 June 2022 the day to day running of the school was delegated to the Headmistress in her role as Chief Executive Officer. She was 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 attended all meetings of the Committees of the Governing Body, sometimes accompanied by the Director of Support Services. The Director of Support Services assumed the duties of Company Secretary on 8 November 2021 but subsequently resigned on 5 September 2022.

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 was an equal opportunities employer. Full and fair consideration was given to job applications from disabled persons and due consideration was given to their training and employment needs. Consultation and communication with employees, or their representatives, 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. These principles have continued to be applied through the redundancy process that followed the closure.

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

**Investments powers, policy, and performance**

During the period the Governing Body delegated its investment powers to the Finance Committee. In exercising their delegated powers, the Committee's prime objective was to maintain the real value of the school investments over the long term. The net book value of the fixed asset investments (excluding investment properties) on 30 June 2022 was £45k (2021: £43k).

**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.

**BRUTON SCHOOL FOR GIRLS**  
**THE ANNUAL STRATEGIC REPORT OF THE GOVERNORS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

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**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 period and remains so in the current period. The Company also purchased and maintained throughout the financial period, 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, were 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 aimed to provide public benefit through high quality independent education. It did so through strong academic tuition, and in developing wider sporting, artistic and social skills in all its pupils. This was intended to provide an environment where each pupil could 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 were focussed on meeting its charitable objects and aims, and in doing so provide public benefit.

This year the school roll averaged 116 (2021: 152) pupils, excluding the nursery and short stayers, of whom 33 (2021: 35) were boarders. The achievements of the School both curricular 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 contributed 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.

**BRUTON SCHOOL FOR GIRLS**  
**THE ANNUAL STRATEGIC REPORT OF THE GOVERNORS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

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**Public Benefit (continued)**

- The School educated 160 (2021: 184) children, including Nursery and short stayers, at no cost to the taxpayer (other than the value of fiscal benefits), and saved the state approximately £3m this period.
- By providing an environment which is single sex the School provided a facility neither generally nor locally provided in the maintained sector.
- The School fees were competitive with many similar schools in the region.
- The School operated a means tested scheme for bursaries and other financial support.
- The School offered 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 delivered outstanding academic results which are demonstrably much better than the national average.
- Within overall academic excellence, the School demonstrated specific academic achievement in Mathematics, English, Sciences, and the Arts.
- The School provided for considerable non-academic achievements and intangible benefits for all its pupils. It also catered for both children with special needs and gifted and talented children.
- The School employed over 60 members of staff from the surrounding area.
- The School provided broader benefits to society by inducting and training academic staff and by maintaining the gardens, grounds, and buildings of the School.
- The School made its facilities available to several worthy and notable organisations.
- The School was involved in an array of partnership activities with maintained sector schools.
- The School was involved in local conservation projects.
- The School was actively engaged in charitable work in the local community, in the arts, and in the provision of day care.

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

**Awards**

During the period the Governors operated a policy of setting aside a proportion of the School unrestricted funds. Funds allocated in this manner were used to provide awards to pupils in the form of scholarships, bursaries, Armed Forces discounts and other approved schemes.

For the period to 30th June 2022, the value of these awards amounted to 10.7% of gross tuition and boarding fees receivable, compared with 11.8% in the previous year. Both figures are within the parameters set by the Governing Body.

The pattern of awards was 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 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 were also awarded to those parents whose financial situation underwent a substantial and unplanned change, to the extent that they would 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.

**BRUTON SCHOOL FOR GIRLS**  
**THE ANNUAL STRATEGIC REPORT OF THE GOVERNORS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

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**ACHIEVEMENTS AND PERFORMANCE IN EXTRAORDINARY ACADEMIC YEAR**

**Extra-Curricular Activities**

A return to a more normal School year post Covid-19 restrictions saw the full spectrum of Extra-curricular activities re-introduced from September 2021, providing a range of activities for girls to enjoy outside the classroom, including a sports fixtures programme across the year. Duke of Edinburgh expeditions and Biology and Geography field trips were run across locations in the South West.

We performed *Annie (The Musical)* in the Autumn term and *Matilda* in the Summer term. 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 Nursery and Preparatory School was followed by hold two carol services in St Leonards Pitcombe and St Mary's, Bruton for the Prep and Senior schools. Musical events included an acoustic evening and the School spring concert.

**Examination Results – Summer 2022**

Although the public examination results were published after the end of the School financial period for 2021/22, they are published here as the work to deliver them occurred during the period covered by these accounts. Exams took place for the first time in 3 years as restrictions from the coronavirus pandemic eased. Students were also assessed by the School in the Spring as a contingency against another cancellation of public exams. Fortunately, these assessments were not required, and all examinations were successfully run as planned. Our exams office and procedures were also inspected, with minor observations made on our already significant security measures.

**A Level:**

40	% of grades awarded A*/A
71	% of grades awarded A*-B
100	% of grades awarded A*-E

**GCSE:**

37	% of grades awarded 8-9 (A*)
52	% of grades awarded 7-9 (A/A*)
99	% of grades awarded 4-9 (A*-C)

In the context of the School closure and the knowledge of this by the pupils during the exam period, these results are excellent, reinforcing the dedication and hard work put in by students and staff. Once again the School's reputation for academic excellence, despite being non-academically selective, was well deserved, demonstrating the ability to get the best out of each of our pupils.

**General Comments**

The period was marked by the attempts of Governors, School leadership and Staff to deliver a viable School recovery plan and then the difficult and complex task of School closure at the end of the summer term. The School continued to deliver a high standard of education to our pupils, while at the same time supporting them and their parents to find a suitable new school for their daughters for September 2022. Staff have continued to focus on delivering the very best in educational, co-curricular and pastoral standards while managing their own challenging redundancy process.

The School continued 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 gained increased self-awareness, an appreciation of their strengths and what they enjoy, with an understanding and respect for others, and are consequently better able to make good decisions for themselves as their lives unfold. They are enabled to succeed, self-confident and resilient but never arrogant.



**BRUTON SCHOOL FOR GIRLS**  
**THE ANNUAL STRATEGIC REPORT OF THE GOVERNORS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

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**FINANCIAL REVIEW**

**Overall Financial Performance and Results for the Year**

With the continuing impact of the COVID 19 pandemic, a challenging economic situation and falling pupil numbers, the costs of continuing to provide education at Bruton School for Girls became unsustainable. Despite the support and financial stability brought by a Change of Control for the charity to sit under King's School Bruton on 1 March 2022, a reduction in forecast pupils numbers and associated significant financial losses from September 2022, meant the Governors had no choice but to close the School at the end of the summer term on 1 July 2022 with the exception of the Nursery which continues to operate. The closure of the School has resulted in redundancy costs of £1,339,427 and negotiation of compensation claims with those parents who suffered loss due to the contractual notice not being given are ongoing.

The deficit for the period worsened from £360k to £2,032k and total reserves reduced from £5,252k to £3,221k due to poor financial performance combined with the costs associated with the closure of the School. The most significant movements on the balance sheet are relating to a £122k impairment charge against tangible assets being processed to reduce the value of assets no longer in use and a significant accrual in relation to redundancy payments totalling £1,339k.

**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**

During the period, the Governors considered the school key performance indicators to be pupil numbers, academic outcomes, staff numbers and operating surplus before depreciation. The performance in the period in respect of these indicators has been discussed elsewhere or is reported in the notes to the accounts. Key performance indicators for the remaining nursery activities will be reviewed and agreed in due course.

Notes 21 and 22 to the financial statements shows the assets and liabilities attributable to each fund and shows the movement between each asset.

At the period end the School's unrestricted funds stood at £3,221k (2021: £3,761k). Restricted funds at the period end were £nil (2020/1021: £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 conducted a rolling review of the major strategic, business, and operational risks to which the School was exposed. A Risk Register was maintained, and the identified risks were regularly reviewed to establish that appropriate action to mitigate these was put in hand. Each risk was assigned a lead risk manager whose role was to co-ordinate the mitigation programme. A programme of structured risk reviews was drawn up and is reviewed by rotation at each meeting of the Finance and General Purposes Committee.

The following statements summarise the School policy during the period in managing identified forms of financial risk:

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

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

**Liquidity risk:** The School had considerable assets, as an overdraft facility to be used for short term finance, if required, but cash in hand could not be maintained as pupil numbers and income fell.

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

**BRUTON SCHOOL FOR GIRLS**  
**THE ANNUAL STRATEGIC REPORT OF THE GOVERNORS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

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**Risk Management and Principal Risks and Uncertainties (continued)**

Regulatory Risk: The School was 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 had over sixty policy documents in place, all designed to ensure compliance in the appropriate areas. A rolling programme of review took place at meetings of the Finance and General Purposes Committee. This programme had a dual purpose: first to ensure Governors were abreast of developments, and second the opportunity to question senior leaders and management staff and make judgements on the adequacy of their compliance actions. The Education Committee also had role to play in this important area.

Following the closure of the School the risks will be revisited to align them with the ongoing activities.

**FUTURE PLANS**

**Business Plan**

The Governors and Senior leadership team conducted a thorough review of the whole school, developing a costed 5-year recovery and development plan which was submitted to Governors before Christmas 2021 and formed part of the Change of Control agreement with King's School. The key objectives were to stop the outflow of pupils, to appeal to a wider market base, to operate the School in a cost effective manner, to grow commercial operations, to reduce the estate and invest in those areas that would encourage growth. Unfortunately, this work was not able to stem the departure of pupils and when reviewed in May 2022, forecast losses had made it unaffordable. The School was closed with the exception of the Nursery. The Nursery will be retained and developed as a going concern. The remainder of the School site will be used to ensure all liabilities of the charity are met and any residual assets will be used to continue to meet the objects of the charity.

**Going Concern**

In May 2022, the Charity Trustees decided that the school (Bruton School for Girls) was not viable from September 2022 as a result of falling pupil numbers and gross tuition fee income with the forecast operating losses for the next 5 years. The charity, Bruton School for Girls remains a going concern, with the support of King's School Bruton as the sole member of BSG to enable a positive cash position to be maintained, while the school creditors are cleared. The charity assets (as valued in 2022) are significant (£5,291) and are able to cover all current debts of the School.

**BRUTON SCHOOL FOR GIRLS**  
**THE ANNUAL STRATEGIC REPORT OF THE GOVERNORS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

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**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 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.

**Auditor**

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 2.12.22 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



Mr E Hobhouse

Date: 2.12.2022

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

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## Opinion

We have audited the financial statements of Bruton School for Girls (the 'charitable company') for the period ended 30 June 2022 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 30 June 2022 and of its incoming resources and application of resources, including its income and expenditure, for the period 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)**

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### **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 period 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 11, 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 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.

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

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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 income recognition as the area 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. Additionally the audit team tested the completeness of donations by reviewing minutes and post period end bank receipts and substantively tested the income recorded around the period 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.

### 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.

*Kerry Gallagher*

KERRY GALLAGHER (Senior Statutory Auditor)  
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor  
Chartered Accountants  
Davidson House  
The Forbury  
Reading  
RG1 3EU

Date 15 December 2022

**BRUTON SCHOOL FOR GIRLS**  
**STATEMENT OF FINANCIAL ACTIVITIES**  
**INCORPORATING THE INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE PERIOD ENDED 30 JUNE 2022**

	Notes	Unrestricted Funds £	Discontinued Unrestricted Funds £	Operations Restricted Funds £	Total Period to 30 June 2022 £	Total Year to 31 August 2021 £
<b>Income from:</b>						
Charitable activities						
School fees	3	166,069	2,547,228	-	2,713,297	3,174,082
Ancillary trading income	5	-	4,947	-	4,947	4,926
Other Grants	4	-	-	97,381	97,381	-
Donations, gifts & legacies	2	-	4,274	-	4,274	1,758
Coronavirus Job Retention Scheme Grant	4	-	-	-	-	60,775
Other trading activities						
Distribution from subsidiary	5	-	45,183	-	45,183	40,674
Other income		-	1,003,426	-	1,003,426	66,979
Investment income	6	17	-	-	17	-
<b>Total income</b>		<u>166,086</u>	<u>3,605,058</u>	<u>97,381</u>	<u>3,868,525</u>	<u>3,349,195</u>
<b>Expenditure on:</b>						
Raising funds	7	-	229,272	-	229,272	158,184
Charitable activities:						
School operating costs	7	123,377	5,256,916	102,487	5,482,780	3,557,415
<b>Total expenditure</b>	7	<u>123,377</u>	<u>5,486,188</u>	<u>102,487</u>	<u>5,712,052</u>	<u>3,715,599</u>
<b>Net income/(expenditure) before transfers and investment (losses)/gains</b>	8	42,709	(1,881,130)	(5,106)	(1,843,527)	(366,403)
<b>Net (losses)/gains on investments</b>	12,13	(188,060)	-	-	(188,060)	6,566
<b>Net expenditure</b>		<u>(145,351)</u>	<u>(1,881,130)</u>	<u>(5,106)</u>	<u>(2,031,587)</u>	<u>(359,837)</u>
Transfers between funds		-	-	-	-	-
<b>Net movement in funds</b>		(145,351)	(1,881,130)	(5,106)	(2,031,587)	(359,837)
Funds balances brought forward		1,485,723	3,761,532	5,106	5,252,361	5,612,198
<b>Funds balances carried forward</b>	21	<u>1,340,372</u>	<u>1,880,402</u>	<u>-</u>	<u>3,220,774</u>	<u>5,252,361</u>

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

**BRUTON SCHOOL FOR GIRLS  
BALANCE SHEET  
AS AT 30 JUNE 2022**

Company Registration Number: 4094352

	Notes	As at 30 June 2022 £	As at 31 August 2021 £
<b>Fixed assets</b>			
Tangible assets	11	3,551,219	3,781,683
Investment property	12	1,285,000	1,475,000
Investments	13	44,526	42,586
		<u>4,880,745</u>	<u>5,299,269</u>
<b>Current assets</b>			
Stocks	14	1,655	11,662
Debtors	15	106,344	115,370
Cash at bank and in hand		125,446	805,298
Total current assets		<u>233,445</u>	<u>932,330</u>
<b>Creditors:</b> amounts falling due within one year	16	<u>(1,860,182)</u>	<u>(711,699)</u>
<b>Net current assets</b>		<u>(1,626,737)</u>	<u>220,631</u>
<b>Total assets less current liabilities</b>		<u>3,254,008</u>	<u>5,519,900</u>
<b>Creditors:</b> amounts falling due after one year	17	(8,762)	(139,674)
Pension provision	23	(24,472)	(127,865)
<b>Net assets</b>		<u><u>3,220,774</u></u>	<u><u>5,252,361</u></u>
<b>Funds:</b>			
Restricted funds	21	-	5,106
Unrestricted funds	21	1,923,111	3,761,532
Fair value reserve	21	1,297,663	1,485,723
<b>Total charity funds</b>		<u><u>3,220,774</u></u>	<u><u>5,252,361</u></u>

The financial statements on pages 15 to 36 were approved by the Governors and signed on its behalf by:



.....  
Mr E Hobhouse  
Governor

Date: 2.12.22



**BRUTON SCHOOL FOR GIRLS  
STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 30 JUNE 2022**

	Notes	Period ended 30 June 2022 £	Year ended 31 August 2021 £
Net cash used in operating activities	24	(1,449,846)	(1,434)
<b>Cash flows from investing activities</b>			
Interest received	6	17	-
Investment income received	3	863	2,416
Sale of tangible fixed assets		980,270	-
Purchase of tangible fixed assets	11	(72,546)	(124,699)
<b>Net cash used in investing activities</b>		<u>908,604</u>	<u>(122,253)</u>
<b>Financing</b>			
Repayment of Bank Loan		(138,610)	(44,357)
Coronavirus Business Interruption Loan		-	(675,000)
<b>Net cash used in financing activities</b>		<u>(138,610)</u>	<u>(719,357)</u>
<b>Decrease in cash in the period</b>		<u>(679,852)</u>	<u>(843,044)</u>
<b>Cash balances at start of period</b>		<u>805,298</u>	<u>1,648,342</u>
<b>Cash balances at end of period</b>		<u><u>125,446</u></u>	<u><u>805,298</u></u>
<b>Relating to:</b>			
Bank balances and short term deposits included in "cash at bank and in hand"		<u><u>125,446</u></u>	<u><u>805,298</u></u>

**BRUTON SCHOOL FOR GIRLS  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE PERIOD ENDED 30 JUNE 2022**

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**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, modified to include investment properties and certain financial instruments at fair value, and in accordance with the Companies Act 2006, Charities Act 2011, Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (issued in October 2019) – (Charities SORP (FRS102)), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102).

**Accounting period**

The accounting period is the ten-month period to 30 June 2022. The accounting period was reduced to bring the year end into line with that of the new parent company. As a result the comparative amounts are not entirely comparable.

Monetary amounts in these financial statements are rounded to the nearest £.

**Exemption from consolidation**

The school Statement of Financial Activities and balance sheet do not include the financial statements of the school subsidiary undertaking, The Bruton Girls' School Company Limited (Registered number 03107892), 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.

**Going concern**

The governors have further reviewed their assessment of the going concern basis upon which these accounts were originally prepared. During the period there was 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 for at least 12 months from the date of approval of these financial statements.

**Discontinued operations**

As described in the Trustees report, the Governors and Senior leadership team conducted a thorough review of the whole school, developing a costed 5-year recovery and development plan. The key objectives were to stop the outflow of pupils, to appeal to a wider market base, to operate the school in a cost effective manner, to grow commercial operations, to reduce the estate and invest in those areas that would encourage growth. Unfortunately, this work was not able to stem the departure of pupils and when reviewed in May 2022, forecast losses had made it unaffordable. The Governors took the decision in May 2022 that there was no choice but to implement an orderly wind down then the cessation of educational operations at 30 June 2022. All educational operations, with the exception of the Nursery was closed, the Nursery will be retained and developed as a going concern. The remainder of the School site will be used to ensure all liabilities of the charity are met and any residual assets will be used to continue to meet the objects of the charity.

**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.

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

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**1: Principal accounting policies (continued)**

**Government grants**

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. The balance of income received for specific purposes but not expended during the period is shown in the relevant funds on the balance sheet. Where income is received in advance of meeting any performance-related conditions there is not unconditional entitlement to the income and its recognition is deferred and included in creditors as deferred income until the performance-related conditions are met. Where entitlement occurs before income is received, the income is accrued.

**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.

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.

**Trading income**

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

**Expenditure**

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

**Fund accounting**

Unrestricted income funds represent those resources which may be used towards meeting any of the charitable objects of the School at the discretion of the trustees.

Restricted general funds comprise restricted funds received with restrictions imposed by the funder/donor and include government grants received in the year.

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.

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 24, 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.

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

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**1: Principal accounting policies (continued)**

**Pension costs (continued)**

The Pension Trust Growth Plan is a multi-employer funded scheme whose contributions are recognised in the Statement of Financial Activities 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.

**Tangible fixed assets**

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.

The principal annual rates used for this purpose, which were reviewed in 2020 are:

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

Gains on disposal of tangible fixed assets are shown in the Statement of Financial Activities.

**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 Financial Activities.

**Investments**

Listed investments are initially measured at cost and subsequently measured at fair value at the reporting date.

The school's shareholding in the wholly owned subsidiary, The Bruton Girls' School Company Limited, is initially measured at cost and subsequently measured at cost less any impairment. An assessment for impairment is made at each reporting date.

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

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**1: Principal accounting policies (continued)**

**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 fees, amounts owed by other group entities and other 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.

Trade and other debtors are recognised at the settlement amount due after any trade discount offered.

*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 bank loans, trade and other 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.

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

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**1: Principal accounting policies (continued)**

**Basic financial liabilities (continued)**

*Derecognition of financial liabilities*

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

**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.

*Multi-employer defined benefit pension scheme*

Certain employees participate in a multi-employer defined benefit pension scheme. In the judgment of the Governors, the charity does not have sufficient information on the plan assets and liabilities to be able to reliably account for its share of the defined benefit obligation and plan assets. Therefore the scheme is accounted for as a defined contribution scheme.

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

**2: Donations, gifts and legacies**

	Period ended 30 June 2022 Total £	Year ended 31 August 2021 Total £
<i>Discontinued operations</i>		
Donations from individuals	4,274	1,758

**3: Fee income**

	Period ended 30 June 2022			Year ended 31 August
	Continuing Operations	Discontinued Operations	Total 2022	Total 2021
	£	£	£	£
Gross Fees	166,069	2,916,533	3,082,602	3,615,022
Less: Total bursaries, grants, and allowances	-	(370,168)	(370,168)	(426,490)
Coronavirus discount	-	-	-	(16,866)
	166,069	2,546,365	2,712,434	3,171,666
Add back: Scholarships, Grants etc paid by Endowment Fund income	-	863	863	2,416
	166,069	2,547,228	2,713,297	3,174,082

**4: Government Grants**

	Period ended 30 June 2022 £	Year ended 31 August 2021 £
<i>Discontinued operations</i>		
Coronavirus Job Retention Scheme (CJRS)	-	60,775
Turing Scheme	97,381	-
	97,381	60,775

**Coronavirus Job Retention Scheme (CJRS)**

During the pandemic, the school furloughed teaching and non-teaching staff. In the period to 30 June 2022 no claims were submitted (2021: a total of nine monthly claims were submitted to the value of £61k).

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

**5: Trading Income**

***Discontinued operations***

Trading income within the school amounted to £5k (2021: £5k) and is chiefly comprised of the sale of second-hand uniform.

Other trading is conducted through The Bruton Girls' School Company Limited (Registered number 03107892) 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:

	<b>Period ended 30 June 2022 £</b>	<b>Year ended 31 August 2021 £</b>
<b>Turnover</b>	43,144	43,930
Administrative expenses	2,039	(3,256)
<b>Profit before taxation</b>	45,183	40,674
Taxation	-	-
<b>Profit for the period</b>	45,183	40,674
Distribution to parent company	(45,183)	(40,674)
<b>Retained profit for the period</b>	-	-
Total assets	50,766	41,863
Total liabilities	(50,283)	(41,380)
<b>Net assets</b>	483	483

**6: Investment income**

	<b>Period ended 30 June 2022 £</b>	<b>Year ended 31 August 2021 £</b>
<b><i>Continuing activities</i></b>		
Interest from short term deposits	17	-



**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

**7: Total expenditure**

	Staff costs £	Other costs £	Depreciation and impairment £	Period ended 30 June 2022 £	Year ended 31 August 2021 £
Cost of raising funds:					
Marketing & publicity	107,220	118,085	-	225,305	153,874
Trading expenditure	-	3,967	-	3,967	4,310
	<u>107,220</u>	<u>122,052</u>	<u>-</u>	<u>229,272</u>	<u>158,184</u>
Charitable activities:					
Costs of providing education					
Teaching	1,489,718	404,459	31,031	1,925,208	1,823,761
Welfare	238,096	122,996	7,171	368,263	384,512
Premises	173,070	513,591	239,244	925,905	699,558
Support costs	1,627,235	389,493	-	2,016,728	625,723
Governance costs	-	246,676	-	246,676	20,850
Total cost of providing education	<u>3,528,119</u>	<u>1,677,215</u>	<u>277,446</u>	<u>5,482,780</u>	<u>3,554,134</u>
Pension provision adjustment	-	-	-	-	3,281
Total expenditure on charitable activities	<u>3,528,119</u>	<u>1,677,215</u>	<u>277,446</u>	<u>5,482,780</u>	<u>3,557,415</u>
Total expenditure	<u>3,635,339</u>	<u>1,799,267</u>	<u>277,446</u>	<u>5,712,052</u>	<u>3,715,599</u>

Included within charitable activities are staff costs totalling £3,525,636, other costs of £1,785,593 and depreciation and impairment costs totalling £277,446 relating to discontinued operations.

**8: Net income/(expenditure)**

	Period ended 30 June 2022 £	Year ended 31 August 2021 £
Net income/(expenditure) is stated after charging:		
Depreciation on owned assets	155,018	188,001
Impairment of fixed assets	122,458	-
Operating lease rentals – equipment	26,079	21,712
Interest charge on pension provision	-	3,281
Auditor's remuneration for external audit services	24,540	20,580
Gain on disposal of fixed assets	980,270	-
Redundancy costs	<u>1,339,427</u>	<u>18,162</u>

Impairment costs totalling £122,458 (2021: £nil) and redundancy costs totalling £1,339,427 (2021: £18,162) are relating to the closure of the school.

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

**9: Employee information**

	Period ended 30 June 2022 Number	Year ended 31 August 2021 Number
The average number of persons (full time equivalent) employed by the school during the period was:		
Teaching (including laboratory technicians)	63	35
Welfare	11	12
Premises	14	9
Support	12	9
Marketing and publicity	6	4
	106	69

The increase in the employee numbers during the year is due to the 2022 numbers being based off the average number of employees for the year when the 2021 numbers are expressed as full time equivalents.

	Period ended 30 June 2022 £	Year ended 31 August 2021 £
<b>Staff costs (for the above persons)</b>		
Wages and salaries	1,887,812	1,929,363
Social security costs	153,706	163,127
Pension costs	254,394	295,419
Termination and redundancy payments	1,339,427	18,162
	3,635,339	2,406,071

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

	2022 Number	2021 Number
£60,001 - £70,000	-	1
£100,001 - £110,000	-	1
£140,001 - £150,000	1	-

As a result of a the closure of the school, redundancy payments were made to 91 members of staff (2021: 3 members of the support staff due to a restructuring).

No Governor received any remuneration from the school during the period (2021: £nil). £nil (2021: £nil) 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 also Trustees by default, are the Headmistress and the Director of Support Services, was £200k (2021: £133k).

**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.

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**11: Tangible fixed assets**

	Freehold property £	Furniture & equipment £	Computers, software & telephone £	Motor vehicles £	Total £
<b>Cost</b>					
At 1 September 2021	6,174,169	498,649	255,573	109,814	7,038,205
Additions	38,292	34,254	-	-	72,546
Disposals	-	-	-	(25,534)	(25,534)
<b>At 30 June 2022</b>	<b>6,212,461</b>	<b>532,903</b>	<b>255,573</b>	<b>84,280</b>	<b>7,085,217</b>
<b>Accumulated depreciation</b>					
At 1 September 2021	2,528,898	392,612	242,237	92,775	3,256,522
Charge in period	142,213	29,979	1,190	7,170	180,552
Impairment losses	-	110,312	12,146	-	122,458
Eliminated on disposal	-	-	-	(25,534)	(25,534)
<b>At 30 June 2022</b>	<b>2,671,111</b>	<b>532,903</b>	<b>255,573</b>	<b>74,411</b>	<b>3,533,998</b>
<b>Net book value</b>					
<b>At 30 June 2022</b>	<b>3,541,350</b>	<b>-</b>	<b>-</b>	<b>9,869</b>	<b>3,551,219</b>
At 31 August 2021	3,645,271	106,037	13,336	17,039	3,781,683

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. During the period one of the properties was sold for a consideration of £980,270.

**12: Investment property**

	<b>2022 £</b>
<b>Fair value</b>	
At 1 September 2021	1,475,000
Revaluations	(190,000)
<b>At 30 June 2022</b>	<b>1,285,000</b>

The fair value has been based on market information provided to the governors from Lodestone 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.

Since 30 June 2022, the investment properties have been placed on the open market at a value that is not significantly different to the value per the accounts.

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

**13: Fixed asset investments**

	Shares in subsidiary company £	UK listed investments £	Total £
Cost or valuation			
At 1 September 2021	2	42,584	42,586
Net gain on investments	-	1,940	1,940
At 30 June 2022	<u>2</u>	<u>44,524</u>	<u>44,526</u>
Fair value			
At 30 June 2022	<u>2</u>	<u>44,524</u>	<u>44,526</u>
Fair value			
At 31 August 2021	<u>2</u>	<u>42,584</u>	<u>42,586</u>

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 performance and financial position of the subsidiary company is detailed in Note 4.

The historical cost of the UK listed investments on 30 June 2022 was £51,904 (2021: £51,904).

**14: Stocks**

	Period ended 30 June 2022 £	Year ended 31 August 2021 £
Stationery and consumables	1,655	9,385
Catering	-	2,277
	<u>1,655</u>	<u>11,662</u>

**15: Debtors**

	Period ended 30 June 2022 £	Year ended 31 August 2021 £
<b>Amounts falling due within one year:</b>		
Fees	1,650	8,938
Amounts owed by other group entities	47,824	40,674
Other debtors	15,870	13,727
Prepayments & accrued income	41,000	52,031
	<u>106,344</u>	<u>115,369</u>

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

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

**16: Creditors: amounts falling due within one year**

	Period ended 30 June 2022 £	Year ended 31 August 2021 £
Bank loan	-	47,725
Trade creditors	125,714	13,222
Taxation and social security costs	424	39,746
Other creditors	49,242	34,480
Refundable deposits	36,497	5,750
Fees received in advance	-	507,482
Accruals	1,644,713	59,386
Contractual obligation	3,592	3,908
	<u>1,860,182</u>	<u>711,699</u>

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

	Period ended 30 June 2022 £	Year ended 31 August 2021 £
Bank loan	-	90,885
Contractual obligation	8,762	12,042
Refundable deposits	-	36,747
	<u>8,762</u>	<u>139,674</u>

**18: Financial instruments**

The carrying value of the school financial instruments is as follows: -

	Period ended 30 June 2022 £	Year ended 31 August 2021 £
Equity instruments held at fair value	<u>44,524</u>	<u>42,586</u>

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

**19: Borrowings**

	Period ended 30 June 2022 £	Year ended 31 August 2021 £
Bank loans	-	138,610
	<u>-</u>	<u>138,610</u>
Payable within one year	-	47,725
Payable after one year	-	90,885
	<u>-</u>	<u>90,885</u>

A £350k Capital Repayment Loan (96 month term, 2% over base rate) was taken out 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 the balance of the loan was repaid at that point.

**20: Contracts and commitments**

**Operating leases**

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

	Period ended 30 June 2022 £	Year ended 31 August 2021 £
In less than one year	33,561	11,928
Between two and five years	<u>-</u>	<u>47,712</u>

**Capital contracts**

There were no significant capital commitments at the period end (2021: £Nil).

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

**21: Funds**

<b>Current period</b>	<b>Balance at 1 September 2021 £</b>	<b>Transfers £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Investment gains/(loss) £</b>	<b>Balance at 30 June 2022 £</b>
<b>Restricted funds</b>						
Turing Scheme	-	-	97,381	(97,381)	-	-
Modern languages trips	5,106	-	-	(5,106)	-	-
Total restricted funds	5,106	-	97,381	(102,487)	-	-
<b>Unrestricted funds</b>						
General fund	3,541,530	-	3,771,144	(5,609,565)	-	(1,703,109)
Fair value reserve	1,485,723	-	-	-	(188,060)	1,297,663
Designated fund	220,002	-	-	-	-	220,002
Total unrestricted funds	5,247,255	-	3,771,144	(5,609,565)	(188,060)	3,215,320
<b>Total funds</b>	<b>5,252,361</b>	<b>-</b>	<b>3,868,525</b>	<b>(5,712,052)</b>	<b>(188,060)</b>	<b>3,220,774</b>

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 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 Turing Scheme was established by the Department for Education in 2021 as a student exchange scheme and to provide funding for international opportunities.

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

<b>Prior year</b>	<b>Balance at 1 September 2020 (restated) £</b>	<b>Transfers £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Investment gains £</b>	<b>Balance at 31 August 2021 £</b>
<b>Restricted funds</b>						
Modern languages trips	5,106	-	-	-	-	5,106
Total restricted funds	5,106	-	-	-	-	5,106
<b>Unrestricted funds</b>						
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
<b>Total funds</b>	<b>5,612,198</b>	<b>-</b>	<b>3,349,195</b>	<b>(3,715,599)</b>	<b>6,567</b>	<b>5,252,361</b>

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

**22: Analysis of the net assets between funds**

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

**Current period**

	<b>Tangible fixed Assets £</b>	<b>Investment properties £</b>	<b>Investments £</b>	<b>Net current assets/ (liabilities) £</b>	<b>Long term liabilities £</b>	<b>Pension provision</b>	<b>Total £</b>
Unrestricted funds	3,551,219	-	31,863	(1,590,240)	(45,259)	(24,472)	1,917,657
Fair value reserve	-	1,285,000	12,663	-	-	-	1,297,663
<b>Total</b>	<b>3,551,219</b>	<b>1,285,000</b>	<b>44,526</b>	<b>(1,590,240)</b>	<b>(45,259)</b>	<b>(24,472)</b>	<b>3,220,774</b>

**Prior year**

	<b>Tangible fixed Assets £</b>	<b>Investment properties £</b>	<b>Investments £</b>	<b>Net current assets £</b>	<b>Long term liabilities £</b>	<b>Pension provision</b>	<b>Total £</b>
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
<b>Total</b>	<b>3,781,683</b>	<b>1,475,000</b>	<b>42,586</b>	<b>220,630</b>	<b>(139,674)</b>	<b>(127,865)</b>	<b>5,252,361</b>

**23: Pensions**

The school participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the period includes contributions payable to the TPS of £198,066 (2021: £233,335) and at the period end £28,497 (2021: £25,777) was accrued in respect of contributions to this scheme.

**Teachers' Pension Scheme**

The Teachers' Pension Scheme (TPS) is a statutory, contributory, defined benefit scheme, governed by the Teachers' Pensions 2014. Membership is automatic for teachers and teachers have the option to opt-out of the TPS following enrolment. The TPS is an unfunded scheme and members contribute on a 'pay as you go' basis – these contributions along with those made by employers are credited to the Exchequer. The academy trust has accounted for its contributions to the scheme as if it were a defined contribution scheme. The academy trust has set out below the information available on the scheme.

**Valuation of the Teachers' Pension Scheme**

The Government Actuary, using normal actuarial principles, conducts a formal actuarial review of the TPS in accordance with the Public Service Pensions (Valuations and Employer Cost Cap) Directions 2014 published by HM Treasury every 4 years. The aim of the review is to specify the level of future contributions. Actuarial scheme valuations are dependent on assumptions about the value of future costs, design of benefits and many other factors. The latest actuarial valuation of the TPS was carried out as at 31 March 2016.

The valuation report was published by the Department for Education on 5 March 2019. The key elements of the valuation and subsequent consultation are:

- Total scheme liabilities for service (pensions currently payable and the estimated cost of future benefits) of £218 billion
- Value of notional assets (estimated future contributions together with the proceeds from the notional investments held at the valuation date) of £196 billion
- Notional past service deficit of £22 billion
- Discount rate is 2.4% in excess of CPI



**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**23: Pensions (continued)**

As a result of the valuation, new employer contribution rates were set at 23.68% (including a 0.08% administration levy) of pensionable pay from September 2019 onwards (compared to 16.48% during 2018/19).

The next valuation result is due to be implemented from 1 April 2024.

**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 30 June 2022**

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.

	30 June 2022 £	31 August 2021 £	31 August 2020 £
Present value of provision	24,472	127,865	160,021

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

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From 1 April 2022 to 31 January 2025: £3,312,000 per annum (payable monthly)

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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 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 asked the participating employers to pay additional contributions to the scheme as follows:

**Deficit contributions**

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From 1 April 2019 to 30 September 2025: £11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

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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.

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE PERIOD ENDED 30 JUNE 2022 (continued)**

**23: Pensions (continued)**

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 ended 30 June 2022 £	Year ended 31 August 2021 £
Provision at start of period	127,865	162,684
Unwinding of the discount factor (interest expense)	703	790
Deficit contribution paid	(29,507)	(35,437)
Remeasurements - impact of any change in assumptions	(865)	(172)
Remeasurements - amendments to the contribution schedule	(73,724)	-
Provision at end of period	<u>24,472</u>	<u>127,865</u>

**INCOME AND EXPENDITURE IMPACT**

	Period ended 30 June 2022 £	Year ended 31 August 2021 £
Interest expense	703	790
Remeasurements – impact of any change in assumptions	(865)	(172)
Remeasurements – amendments to the contribution schedule	<u>(73,724)</u>	<u>-</u>

**ASSUMPTIONS**

	30 June 2022	31 August 2021	31 August 2020
Rate of discount	<u>3.45</u>	<u>0.63</u>	<u>0.55</u>

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.

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**24: Reconciliation of net expenditure to net cash flow from operating activities**

	Period ended 30 June 2022 £	Year ended 31 August 2021 £
<b>Continuing activities</b>		
Net expenditure for the period	(2,031,587)	(359,837)
Depreciation and impairment of tangible fixed assets	303,010	188,001
Profit on disposal of fixed assets	(980,270)	-
Interest receivable	(17)	-
Investment income	(863)	(2,416)
Pension provision charge	-	3,281
Decrease in pension provision	(103,393)	(35,437)
Losses/(gains) on investments and investment properties	188,060	(6,566)
Decrease in stocks	10,037	8,503
Decrease in debtors	9,026	46,877
Increase in creditors	1,156,151	156,150
<b>Net cash flow from operating activities</b>	<u>(1,449,846)</u>	<u>(1,434)</u>

	At 1 September 2021 £	Cash flow £	At 30 June 2022 £
Cash at bank and in hand	805,298	(679,852)	125,446
Bank loans within one year	(47,725)	47,725	-
Bank loans over one year	(90,885)	90,885	-
Total Debt	<u>(138,610)</u>	<u>138,610</u>	<u>-</u>
Net Debt	<u>666,688</u>	<u>(541,242)</u>	<u>125,446</u>

**25: 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 30 June 2022 is £50 (2021: £130).

**26: Related party transactions**

During the period, 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 £45,183 (2021: £40,674) at the period end. This balance was outstanding at the period end.

During the period, the School received income of £7,755 (2021: £nil) from the parent company, King's School Bruton, in relation to the usage of the School's minibus facilities. As at 30 June 2022 King's School, Bruton owed the School £nil (2021: £nil).

**BRUTON SCHOOL FOR GIRLS**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**27: Ultimate parent undertaking**

Until 1 March 2022, there was no ultimate parent undertaking or controlling party.

On 1 March 2022, Bruton School for Girls was acquired by King's School, Bruton (a company limited by guarantee, No: 03304693). From this date, King's School, Bruton, a company registered in England and Wales, is the ultimate parent undertaking and controlling party. The group financial statements, which include this entity, are available from King's School, Bruton, Somerset, BA10 0ED.

**28: Comparative Statement of Financial Activities at 31 August 2021**

	Unrestricted funds £	Restricted funds £	Total £
<b>Income from:</b>			
Voluntary sources			
Donations, gifts & legacies	1,758	-	1,758
Other trading activities			
Distribution from subsidiary	40,674	-	40,674
Investments			
Investment income	-	-	-
Fee income	3,174,082	-	3,174,082
Coronavirus Job Retention Scheme Grant	60,775	-	60,775
Trading income	4,926	-	4,926
Other income	66,979	-	66,979
<b>Total income</b>	<u>3,349,195</u>	<u>-</u>	<u>3,349,195</u>
<b>Expenditure on:</b>			
Raising funds			
Marketing and publicity	153,874	-	153,874
Trading expenditure	4,310	-	4,310
Charitable activities			
Trading expenditure	3,554,133	-	3,554,133
Charitable activities	3,281	-	3,281
<b>Total expenditure</b>	<u>3,715,599</u>	<u>-</u>	<u>3,715,599</u>
<b>Net expenditure before transfers and investment gains/(losses)</b>	(366,403)	-	(366,403)
<b>Investment gains/(losses)</b>	6,566	-	6,566
<b>Net expenditure</b>	<u>(359,837)</u>	<u>-</u>	<u>(359,837)</u>
Transfer between funds			
<b>Net movement in funds</b>	(359,837)	-	(359,837)
Funds balances brought forward on 1 September 2020	5,607,092	5,106	5,612,198
<b>Funds balances carried forward on 31 August 2021</b>	<u>5,247,255</u>	<u>5,106</u>	<u>5,252,361</u>