

**LOCHINVER HOUSE SCHOOL**  
**(Limited by guarantee)**

**REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 AUGUST 2021**

**Charity Number: 1091045**  
**Company Number: 04374254**

# **LOCHINVER HOUSE SCHOOL**

## **HEADMASTER'S REPORT**

### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **HEADMASTER'S REPORT**

Lochinver House School looks ahead to its 75<sup>th</sup> anniversary with energy, ambition and excitement. It has performed tremendously well through the ongoing challenge of the global pandemic. Interest in the school has increased as a result of the fully engaged and agile response of its talented and willing staff team. Parents have been delighted by the full live provision in lockdown, the broad and enriched curriculum for onsite learning and the agility which has enabled onsite learning to include remote access for isolating individuals. The use of three online surveys to check in with parents has also supported that all-important partnership of trust. Excellent academic progress has been happily maintained.

The school has operated within the DFE's guidelines but has ensured the positive provision of sports fixtures and residential trips, albeit UK-limited, as soon as these became possible. Schools have been important hubs for community during such a time of dislocation and separation, nationally. So events such as our act of remembrance, pumpkin carving at Halloween, history workshops, Christmas production, Christmas Fayre, dramatic presentations across the age range and Sports Day for all, have been valued as uniting experiences. The pupil-devised Year 8 Leavers' Play was an intelligent exploration of 'The Covid Experience' and enabled poignant reflection whilst empowering the audience through engaging humour. In this way the School has truly been a champion of hope and healthy minds.

New has been our partnership with Dr Kathy Weston and our becoming a 'Tooled-Up Education School'. This new partnership has given our staff, pupils and parents access to a constantly updated resource library of world-class, research-based advice. Lochinver has made available to its parents advice for effective parenting in response to a complex and changing world. This has complimented the continued work that the school does on digital wisdom and safety in partnership with Karl Hopwood.

The restless pursuit of progress and the highest standards have led Lochinver's progression to be finalists and runners-up in the Independent Schools of the Year Awards.

Lochinver is a gently selective school specialising in a well-rounded education for boys. We provide a bespoke and nurturing journey of challenge for success at both 11+ and 13+. We are grounded - not grand, and our pupils are respected for being diverse, dynamic, honest and kind. Strong values equip our boys with adaptable learning power for an onward journey to world class schools.

With privilege comes responsibility and Lochinver pupils are committed to thinking globally and acting locally. Pupil-led charitable initiatives regularly raise £15,000 for 3 charities democratically elected by the school community each year.

The School is blessed by a talented team of highly committed professionals who have shown immense capacity and courage in maintaining an excellent offering to the children and families we serve. My heartfelt thanks to everyone.

Ben Walker  
Headmaster

# LOCHINVER HOUSE SCHOOL

## GOVERNORS' REPORT

### FOR THE YEAR ENDED 31 AUGUST 2021

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The Directors present their report and audited financial statements for the year ended 31 August 2021.

#### Reference and Administrative Information

Lochinver House School was founded by Trust Deed in 1947. A Company Limited by Guarantee, Lochinver House School, was incorporated on 14 February 2002 to own and manage the School. The assets and liabilities of the School were transferred from Lochinver House School Trust to the Limited Company on 1 April 2002 when it commenced its educational activities. The School is a registered charity, number 1091045 and is constituted as a company limited by guarantee. Its objects, powers and other constitutional matters are set out in its Memorandum and Articles of Association. It is governed by a Board of Governors which is responsible for setting the strategic directions of the School and for establishing policy. The financial statements and report comply with the current statutory Memorandum and Articles of Association and the Statement of Recommended Practice - Accounting and Reporting by Charities (SORP 2015), The Charities Act 2011 and the Companies Act 2006.

#### Directors

The governing body of the company is known as the Board of Governors. The Members of the Board are also the charity trustees for the purposes of charity law and Directors for the purpose of company law. They are also the company members. Throughout this report they are collectively referred to as the Governors. Those who served during the year and since the year end were:

W R Moores	Chair
D A Taylor	Vice Chair
B Aitken	
M Collier	
S Coombs	(Appointed 2 December 2020)
A English	
N Gilbert	
J Gillespie	
D Hamalis	(Appointed 28 January 2021)
O Jacobs	
J Le Couilliard	
H Philp	
C A Smith	(Resigned 17 March 2021)
J Taylor-Cummings	
A Walker	(Appointed 5 May 2021)
A Ward	(Appointed 5 May 2021)

They are elected at a full Governors' Meeting for a term of three years. They can be re-elected for up to three further consecutive terms of three years but shall not then be eligible for re-election without a break of at least twelve calendar months except by resolution of the Board.

# LOCHINVER HOUSE SCHOOL

## GOVERNORS' REPORT (continued)

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### Key Executives and Professional Advisers

<b>The Headmaster</b>	B C Walker B.A.(Hons), PGCE
<b>The Bursar/Company Secretary</b>	J C Smithson B.A. (Hons), FCA
<b>Address</b>	Lochinver House School Heath Road Little Heath Potters Bar Hertfordshire EN6 1LW
<b>Bankers</b>	National Westminster Bank Commercial Banking 1st Floor 30 Clarendon Road Watford, Hertfordshire WD17 1GQ
<b>Solicitors</b>	Veale Wasbrough Vizards Orchard Court Orchard Lane Bristol BS1 5WS
<b>Auditors</b>	Haysmacintyre LLP 10 Queen Street Place London EC4R 1AG

## **LOCHINVER HOUSE SCHOOL**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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## **Structure, Governance and Management**

### **Governing Document**

The Company is governed by its Articles of Association. The Articles were reviewed and updated in 2015. The objects of the Company are to advance education by the carrying on of a preparatory school for boys known as Lochinver House School.

### **Governing Body**

The Governors are Directors and are elected at a meeting of the Board of Governors. Governors are recruited on the basis of nomination taking regard of special skills and personal qualities to ensure that the Board retains an effective balance of expertise to strengthen the management of the Charity. Governors are eligible to serve for an initial period of three years.

### **Governor Training**

New Governors are provided with an induction pack containing Board policy and procedures, schemes of governance and information regarding the work and operations of the School. Governors are encouraged to attend suitable training courses which deal with their responsibilities in relation to the Companies Act, Charity Law and Department for Education requirements as the need arises and are encouraged to attend new Governor induction courses.

### **Organisational Management**

There are normally three full Board Meetings each year where the Governors meet and review the policies of the Charity for which they are responsible. The Finance and General Purposes Committee meet to review budgets, accounts and reports and makes recommendations to the Board of Governors. The Governors have a programme of regular visits to the School to witness and monitor the charity's work in action. Day to day running of the School is delegated to the Head and the Bursar, supported by the School Senior Leadership Team.

The School, through its officers, is represented in a number of organisations including the Association of Governing Bodies of Independent Schools (AGBIS), the Independent Association of Prep Schools (IAPS) and the Independent Schools' Bursars' Association (ISBA).

### **Structure and Relationships**

The Headmaster is an active member of IAPS which promotes and maintains standards in preparatory schools. The School takes an active part in numerous professional studies for the evaluation of quality and performance.

Outside of the Covid-19 restrictions, we co-operate with as many local charities, clubs and associations as we can to widen public access to the education we provide and promote the educational benefits of using our sporting facilities. We have an arrangement with a local state junior school that use our science laboratories each week which makes a positive contribution to their education.

### **Objects, Public Benefit, Aims, Objectives and Principal Activities**

The School's aim is to provide public benefit, in compliance with the duty in Section 17(5) of the Charities Act 2011 to have due regard to the Charity Commission's published general and relevant sub-sector guidance, and in accordance with its Articles of Association, which is to educate boys up to the age of thirteen.

### **Strategic Aim and Intended Effect**

The Board's strategic aim is to reach its annual objective for the public benefit as a charitable Independent School through the provision of a high quality education for boys between the ages of four and thirteen to allow them to achieve the highest academic standards in preparation for entry into the senior school of their own and their parents' choice.

## **LOCHINVER HOUSE SCHOOL**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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Our wider admission policy enables us to help boys from lower income or otherwise disadvantaged families to benefit from our fee based schooling and to benefit from our extra-curricular programme. The School also aims to draw out all boys' abilities and academic potential and to develop their wider interests in life within a secure and stable environment to enable them to participate in society and the community.

#### **Principal Activity**

The School's principal activity continues to be the provision of an excellent standard of education for boys aged four to thirteen.

#### **Objectives**

The Board's main objective continues to be to educate all pupils to a high standard each year, which benefits their chosen senior school for the completion of their education. The School has a three year whole school development plan which is regularly reviewed and updated. The School is committed to reviewing its academic syllabus and teaching methods. The facilities are upgraded regularly to provide modern buildings and amenities, which stimulate the pupils in all areas of their development.

The Board's other objective is to develop bursaries with a view to further increasing the School's intake of boys from lower income families and to extend working arrangements with other charities and state schools to provide access to our facilities for those who cannot come to the School itself. We set aside funds for bursary awards to help those in need of assistance with our school fees.

#### **Review of Achievements and Performance for the Year**

##### **Academic**

The achievements of pupils demonstrate the School's continued success. Lochinver boys are in demand and in the last 10 years we have sent boys to over 20 different schools. Our leavers gain successful entry to their chosen senior schools. 32 boys transitioned at 13+: Aldenham 6, Haberdashers 2, Haileybury 3, Harrow 1, Merchant Taylors 1, St Albans 12, St Columba's 5 and St John's 2. A further 13 boys left us at 11+: Aldenham 1, Dame Alice Owen 3 (including 2 who passed QE Boys assessments but opted for Dame Alice Owens), Haberdashers 2, JCoss 1, Nicholas Breakspear 1, St Albans 2, St Columba's 1, Sherrards Wood 1 and University College School 1. These accomplishments have been made possible by the recruitment of the highest quality staff and by maintaining a high teacher to pupil ratio which ensures that teaching methods can be suited to individual needs. Teaching staff regularly attend training courses in order to enhance their personal performance and to improve the quality of the curriculum. The School reviews its academic syllabus and teaching methods in order to benchmark standards and value-added criteria.

##### **Extra-Curricular activities**

The Covid-19 restrictions continued to impact on activities this year, particularly with the lockdown in the Spring Term. However, the School maintained its educational programme to provide as many extra-curricular activities for the children as possible. Within the evolving scope of the guidelines, educational visits have been undertaken and workshops have been provided both by remote and in-person means. Pupils were even able to experience an online session with professional ceramicist, Fergus Stewart, from his studio in Lochinver, in the west highlands of Scotland. World Book Day became World Book Week as a number of renowned children's authors led interactive live online sessions with our boys. UK-based residential trips enabled in the summer term have never been more appreciated by the pupils in our upper years.

Music remains very strong at the school with a large uptake of participants. Over half of our boys learn an instrument with half of those learning two or more to progress through ABRSM grade exams. Our weekly composition club which builds on class music lessons and the use of Sibelius software led to boys hearing their own compositions being played by a visiting professional string quartet.

The School continues to put out a tremendous number of sports teams and we have competed at the highest level. We remain the only Prep School to have reached the national final of the Independent Schools Football Association Cup. This was achieved at both Under 13 and Under 11 levels. Some boys are contracted to professional clubs.

## **LOCHINVER HOUSE SCHOOL**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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##### **Developments in the School**

Having completed a three phase building development plan in the summer of 2019 and faced the continuing challenges of Covid-19, we undertook a full site survey in February 2021. The output of this survey will shape the School's refurbishment and development plans for the next 5 years. IT continues to be embedded throughout the School with a cyclical replacement programme in place. That investment has continued to underpin the offering throughout the various Covid-19 restrictions and is valued greatly by our pupils and their families.

##### **Public Benefit**

###### **Bursaries**

The Governors recognise that the independent education fees are at levels which may exclude many boys from applying for a place at the School but they are committed to widening the access to the education offered. Accordingly, the Governors set a fixed sum to provide bursaries for those boys whose parents could otherwise not afford to send them to our School. The Governors have a formal Bursary Policy and a Governors' Bursary Award Committee assesses all applications and report to the Board. Details of Bursaries are included on the School website. The Governors budgeted £142,000 for bursaries in 2020/2021 which is reviewed on an annual basis. Emergency funds were made available to assist parents facing unprecedented demands during the Covid-19 restrictions. In addition, the fees for the Summer term for all pupils were discounted by 20% as a one-off concession to all parents.

In 2020/2021 the School supported thirteen (2019/2020: fourteen) pupils through our Bursary Scheme, four of whom were on a full bursary. The support which is available on a needs basis as determined by the Governors' Bursary Award Committee reduced annual income from scale fees by £126,897 (2018/19 £154,613). The Governors have currently agreed thirteen bursaries for 2021/2022 totalling £91,584, including three full bursaries.

###### **Other Public Benefit**

The School continues to support various good causes via the Head Boys' Charities. The donations support various national and local charities which benefit the community.

This year the charities were National Blood Clot Alliance, National Autistic Society and Lives not Knives.

For a small prep school the School has great facilities and it uses these as far as it is able to benefit the local community, although this has continued to be impacted this year by the Covid-19 restrictions. Once restrictions are lifted, local state schools will be able to attend workshops and special events once again. The Science laboratories will again be made available on a weekly basis for a local junior school to attend an after school club. These activities make a positive contribution to their education. During the closure of all schools between January and March 2021, onsite education was provided to 68 children of keyworkers as well as a full remote provision to all of our other boys.

The facilities of the School are made available to outside organisations to benefit the education of children and adults. School links with the community continue with our association with the local youth organisations. We also have strong links with the residents' association, printing their newsletters inhouse.

The School maintains a public benefit register of all activities where the School opens its facilities to the local community. The financial benefit to the community via free or reduced charges for use of our facilities has been assessed to be at least £2,040 for 2020/2021 which was reduced to the Covid-19 restrictions.

###### **Charity Fundraising**

The school has not made any fundraising appeals to the general public during the year, and is unlikely to do so in the future. There has been no outsourced fund raising via professional fundraisers or other third parties. As a result the charity is not registered with the fundraising regulator and received no fundraising complaints in the year.

## **LOCHINVER HOUSE SCHOOL**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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##### **Volunteers**

Volunteers in the school have been limited since March 2020 by the Covid-19 restrictions. The Parent Teacher Association meets regularly to organise and run social events to raise funds for the School. The School continues to enjoy the support of volunteers and parental helpers in the classroom. The level of this voluntary service is invaluable to the School in providing the excellent level of education to which the School is committed. The Governors would like to thank all those volunteers for their valuable support. The School also appreciates the number of parents who donate their time to take boys for reading support.

##### **Looking ahead**

The key objective continues to be the provision of a high quality education for boys aged between four and thirteen to allow them to achieve the highest academic standards.

The School has a three year Development Programme covering the curriculum, premises, staff training, pupil development and the provision of bursary support.

##### **Financial Results and Reserves Policy**

The results are shown in the accompanying financial statements on pages 13 to 26. During the financial year, the School generated income of £4,914,154 (2020: £4,498,795) from school activities.

Expenditure of £4,529,578 (2020: £4,326,900) was incurred.

Additions to fixed assets totalled £176,153 (2020: £340,144) and included £87,829 (2020: £47,763) for computer equipment, £26,579 (2020: £248,445) on building improvements and equipment, and £61,745 on fixtures & fittings.

The School has an objective to achieve a surplus each year to ensure that there are sufficient reserves to manage the School prudently and to provide funds for future capital expenditure. The accumulation of reserves to date enables the ongoing implementation of the School's Development Plan.

Notes 13 to 16 split the reserves between those held for a specific purpose (restricted funds) and those available for the day to day requirements of the School (unrestricted funds). The School's assets are sufficient to meet its obligations.

##### **Key management personnel**

The Governors have identified the Headmaster and Bursar as key management personnel. The salary of these key management personnel is set by the Board of Governors after assessing their performance and reviewing market benchmarks.

##### **Investment Performance**

The Articles of Association permit funds to be invested in such investments, securities and property as may be thought fit.

At present investment income is generated primarily by placing funds with up to three separate banks to minimise risk, as determined by the Bursar, to whom such responsibilities are delegated by the Governors under the Terms of Reference of the Treasury Policy.



## **LOCHINVER HOUSE SCHOOL**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **Resources**

The School's unrestricted funds represent two types of fund. The designated "School Buildings" of £5,131,404 (2020: £5,233,968) represents unrestricted funds retained to finance the freehold property of the School. The balance of the unrestricted funds of £4,273,747 (2020: £3,783,119) represents general reserves to cover normal fluctuations in working capital, to finance the continuing development of the School and to help fund provision for bursaries.

#### **Principal Risks & Uncertainties**

The Governors carry out regular reviews of the School's activities and operations. As part of that review process they have established a Risk Management Committee which annually reviews the action taken, or proposed to be taken, by the School to identify and manage the main risks to which the School is exposed. Through the reports and recommendations of the Risk Management Committee, the Governors monitor the effectiveness of the School's internal policies and procedures for the management of such risks, including the adequacy of the School's insurance cover.

The School has identified the following as the principal risks it faces: –

- Maintaining pupil numbers in the current challenging economic climate and ability of existing parents to fund fees. Strategies for managing this risk include the Director of Admissions and Marketing appointed to work to strengthen links with local nursery schools and developing a marketing strategy to support pupil retention, a robust Bursary Policy and application procedure.
- The capacity of the School to adapt practically and efficiently to the increasingly onerous regulatory and legislative requirements, which schools face. Strategies for managing this risk include having a dedicated HR & Compliance Manager and compliance is addressed as a standing item of the main Governors agenda at every meeting.
- Recruitment and retention of staff of the required calibre to maintain the high standards of the School. This is increasingly challenging and is being managed by building a strong link with our local training college. We also ensure that our inclusive recruitment process communicates all that we are and all that we offer to staff, both new and existing, in terms of employment package, positive culture, high-quality environment and career opportunity supported by well-resourced training.

The Board recognises that systems cannot provide absolute assurance that all possible risks have been identified and managed, but strives to ensure strategies, systems and plans are in place to mitigate these risks.

## **LOCHINVER HOUSE SCHOOL**

### **GOVERNORS' REPORT (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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#### **STATEMENT OF DIRECTORS' RESPONSIBILITIES**

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

Company law requires the Governors to prepare financial statements for each financial 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 charity for that year. In preparing these financial statements, the trustees are required to:

- Select suitable accounting policies and then apply them consistently;
- Observe the methods and principles in the Charities SORP;
- Make judgements and estimates that are reasonable and prudent;
- State whether applicable UK Accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Governors are responsible for keeping proper accounting records that are sufficient to show and explain the School'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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

So far as each of the Governors is aware at the time the report is approved:

- there is no relevant audit information of which the company's auditors are unaware; and
- the Governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

#### **AUDITOR**

Messrs Haysmacintyre LLP have expressed their willingness to continue in office as auditors and a resolution proposing their re-appointment will be submitted at the Annual General Meeting.

In approving this Governors/Trustees Report, the Board are also approving the Strategic Report included herein their capacity as company directors.

Approved by the Board of Directors at its meeting on

and signed on its behalf by:

W R Moores  
**Chair**

### Opinion

We have audited the financial statements of Lochinver House School for the year ended 31 August 2021 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and the related notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

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

### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 trustees are responsible for the other information. The other information comprises the information included in the Trustees' 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.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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

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

- the information given in the Trustees' Report (which includes the strategic report and the directors' report prepared for the purposes of company law) for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report included within the Trustees' Report has 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 Trustees' Report (which incorporates the strategic report and the directors' report).

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

- adequate accounting records have not been kept by the charitable company; or

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF LOCHINVER HOUSE SCHOOL

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- the charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or

### Responsibilities of trustees for the financial statements

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the 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.

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

Based on our understanding of the charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to ISI regulations, safeguarding regulations, health and safety law, GDPR and employment law and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, and payroll tax.

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to revenue and management bias in accounting estimates. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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

### Use of our report

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

.....  
**Thomas Wilson**  
**Senior Statutory Auditor**  
**For and on behalf of Haysmacintyre LLP**  
**Statutory Auditors**  
Date:.....

**10 Queen Street Place**  
**London**  
**EC4R 1AG**

**LOCHINVER HOUSE SCHOOL**

**STATEMENT OF FINANCIAL ACTIVITIES**  
**(Incorporating income and expenditure account)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

	<b>Note</b>	<b>Restricted Fund £</b>	<b>Unrestricted Fund £</b>	<b>Total 2021 £</b>	<b>Total 2020 £</b>
<b>INCOME FROM:</b>					
<b>Charitable activities</b>					
School Fees receivable	2	-	4,790,562	4,790,562	4,310,631
Registration fees and other income	3	-	105,502	105,502	107,384
<b>Donations</b>		-	8,424	8,424	63,145
<b>Other trading activities</b>					
Rents and lettings		-	8,666	8,666	6,409
Investment income	6	-	1,000	1,000	11,226
<b>Other</b>		-	-	-	-
<b>Total income</b>		-	4,914,154	4,914,154	4,498,795
<b>EXPENDITURE ON:</b>					
<b>Charitable Activities</b>					
School Operating costs		5,192	4,524,386	4,529,578	4,326,900
<b>Total expenditure</b>	7	5,192	4,524,386	4,529,578	4,326,900
<b>Net (expenditure)/income</b>		(5,192)	389,768	384,576	171,895
Transfers between funds		1,704	(1,704)	-	-
<b>Net movement in funds</b>		(3,488)	388,064	384,576	171,895
Balances brought forward		12,757	9,017,087	9,029,844	8,852,949
<b>Balances at carried forward</b>	13	9,269	9,405,151	9,414,420	9,029,844

There were no acquisitions or discontinued activities during the year. There were no other recognised gains or losses during the year.

The accompanying notes form part of these accounts.

## BALANCE SHEET

AS AT 31 AUGUST 2021

	Notes	£	2021	£	£	2020	£
<b>FIXED ASSETS</b>							
<b>Tangible assets</b>							
School land, buildings and equipment	9			5,571,681			5,659,066
<b>CURRENT ASSETS</b>							
Debtors	10	153,286			164,521		
Cash at bank and in hand		4,573,653			3,943,345		
				4,726,939			4,107,866
<b>CREDITORS: amounts falling due within one year</b>							
	11	(724,600)			(584,587)		
<b>NET CURRENT ASSETS</b>							
				4,002,339			3,523,279
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>							
				9,574,020			9,182,345
<b>CREDITORS: amounts falling due after one year</b>							
	12			(159,600)			(152,501)
<b>TOTAL NET ASSETS</b>							
				9,414,420			9,029,844
<b>CAPITAL AND RESERVES</b>							
Unrestricted funds	13						
Designated: School Buildings Fund				5,131,404			5,233,968
General funds				4,273,747			3,783,119
	15			9,405,151			9,017,087
Restricted funds	16			9,269			12,757
				9,414,420			9,029,844

Approved by the Board of Directors at its meeting on

and signed below on its behalf by:

W R Moores  
Director

**LOCHINVER HOUSE SCHOOL**

**CASH FLOW STATEMENT**

**FOR THE YEAR ENDED 31 AUGUST 2021**

		<b>2021 £</b>	<b>2020 £</b>
<b>Cash flows from operating activities:</b>			
<i>Net cash provided by operating activities</i>	<b>A</b>	805,461	270,591
<b>Cash flows from investing activities:</b>			
Interest received		1,000	11,226
Payments for tangible fixed assets		(176,153)	(340,144)
<i>Net cash used in investing activities</i>		(175,153)	(328,918)
<b>Change in cash in the reporting year</b>		630,308	(58,327)
<b>Cash at the beginning of the reporting year</b>		3,943,345	4,001,672
<b>Cash at the end of the reporting year</b>	<b>B</b>	4,573,653	3,943,345
<b>A. Reconciliation of net income to net cash flow from operating activities</b>			
		<b>2021 £</b>	<b>2020 £</b>
<b>Net income for the reporting year (as per the statement of financial activities)</b>		384,576	171,895
<b>Adjustments for:</b>			
Depreciation charges		263,538	204,768
Interest received		(1,000)	(11,226)
Decrease/(increase) in debtors		11,235	(36,742)
Increase/(Decrease) in creditors		147,112	(58,104)
<b>Net cash provided by operating activities</b>		805,461	270,591
<b>B. Analysis of cash and cash equivalents</b>			
		<b>2021 £</b>	<b>2020 £</b>
Cash at bank		4,573,653	3,943,345
<b>Total cash and cash equivalents</b>		4,573,653	3,943,345

## 1. ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102) (Charities SORP Second Edition, effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

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

The school is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee (company number: 04374254 and charity number: 1091045).

### a) Basis of Preparation

The accounts are prepared under the historical cost convention.

### b) Going concern

Having reviewed the funding facilities available to the school together with the expected ongoing demand for places and the school's future projected cash flows, the Governors have an expectation that the school has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the school's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 10.

### c) Critical accounting judgements and key sources of estimation uncertainty

In the application of the accounting policies, Governors are required to make judgement, estimates, and assumptions about the carrying value 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 considered to be relevant. Actual results may differ from these estimates.

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

Judgements made by the Governors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are deemed to be in relation to the depreciation rates of tangible fixed assets and are discussed below.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

### d) Fees and Similar Income

Fees receivable and other fees are accounted for in the year in which the service is provided. Fees receivable represent fees less bursaries and allowances and other income derived from the School's continuing activities.

### e) Investment income

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



# LOCHINVER HOUSE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS

### FOR THE YEAR ENDED 31 AUGUST 2021

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#### 1. ACCOUNTING POLICIES (continued)

##### f) Donations, legacies, grants and other voluntary income

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

##### g) Expenditure

Expenditure is accounted for on an accruals basis and are allocated to expense headings on a direct cost basis. The irrecoverable VAT is included with the item of expense to which it relates. Governance costs comprise costs incurred in meeting statutory and constitutional requirements of the School.

##### h) Tangible Fixed Assets

No depreciation is provided on freehold land. For all other assets, depreciation is calculated to write off the cost of the item over the anticipated useful life as follows:

Freehold buildings	2% straight line basis
Fixtures, fittings and equipment	25% straight line basis
Long-term fixtures, fittings and equipment	4% straight line basis
Computer equipment	25% straight line basis
Motor vehicles	25% reducing balance basis

Items costing less than £1,000 are written off as an expense as acquired. Items are depreciated only for six months in the year of acquisition.

##### i) Pension contributions

The company contributes to the Teachers' Pension Scheme at rates set by the scheme actuary. It is part of a multi-employer scheme and it is not possible to attribute a value to the scheme assets and liabilities which would be appropriate to the company. In accordance with FRS 102 the scheme is accounted for as if it were a defined contribution scheme. The assets of the scheme are held separately from those of the company. The pension cost charge represents the amount of the contributions payable to the scheme in respect of the year. The company also contributes to personal pension schemes for non-teaching staff and these contributions are charged to the profit and loss account in the year in which they are incurred.

##### j) Unrestricted Funds

Unrestricted Funds are funds applied at the discretion of the Governors in furtherance of the objects of the school.

##### k) Restricted funds

This represents the monies received for specific purposes as disclosed in note 16.

##### l) Financial instruments

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

##### m) Debtors

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

**LOCHINVER HOUSE SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 AUGUST 2021**

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**1. ACCOUNTING POLICIES (continued)**

**n) Cash at bank and in hand**

Cash at bank and cash in hand includes cash and short term highly liquid investments.

**o) Creditors and provisions**

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

**LOCHINVER HOUSE SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

<b>2. FEES RECEIVABLE</b>	<b>Unrestricted funds 2021 £</b>	<b>Unrestricted funds 2020 £</b>
Gross fees	4,935,933	4,486,769
Less: total bursaries and staff concessions	(145,371)	(176,138)
Fees Receivable	4,790,562	4,310,631
<b>3. REGISTRATION FEES AND OTHER INCOME</b>	<b>Unrestricted funds 2021 £</b>	<b>Unrestricted funds 2020 £</b>
Registration and other fees including initial deposits forfeited	23,003	22,975
Sundry income	37,408	28,701
Before & After School clubs and music tuition	45,091	55,708
	105,502	107,384
<b>4. STAFF COSTS</b>	<b>2021 £</b>	<b>2020 £</b>
Staff costs incurred were as follows:		
Wages and salaries	2,627,888	2,554,371
Social security costs	262,115	257,308
Other pension costs	451,747	444,536
Other costs	31,079	30,766
	3,372,829	3,286,981

The average number of employees during the year within each category of persons was:

	<b>Number</b>	<b>Number</b>
Teaching	88	92
Welfare and premises	21	24
Administration	10	9
	119	125

The Trustees received no remuneration. No trustees were reimbursed expenses during the year (2020: £nil).

	<b>£</b>	<b>£</b>
Aggregate employee benefits of key management personnel	230,698	237,262

NOTES TO THE FINANCIAL STATEMENTS (continued)

FOR THE YEAR ENDED 31 AUGUST 2021

4. STAFF COSTS (continued)

The number of higher paid employees (including taxable benefits but excluding employers' pension contributions) to 31 August 2021 was:

	2021 Number	2020 Number
£60,001 - £70,000	1	1
£70,001 - £80,000	1	-
£80,000 - £90,000	-	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £380,833(2020: £336,978) and at the year-end £Nil (2020 - £Nil) was accrued in respect of contributions to this scheme.

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

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

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

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

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

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

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

**LOCHINVER HOUSE SCHOOL****NOTES TO THE FINANCIAL STATEMENTS (continued)****FOR THE YEAR ENDED 31 AUGUST 2021**

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**5. EXPENDITURE**

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Direct charitable expenditure includes:		
Depreciation	263,538	204,768
Governance costs include:		
Auditors' remuneration		
- audit	11,145	10,530
- non audit	1,000	900
Directors' liability insurance	652	511

**6. INVESTMENTS INCOME**

	<b>Unrestricted funds 2021 £</b>	<b>Unrestricted funds 2020 £</b>
Bank interest	1,000	11,226

# LOCHINVER HOUSE SCHOOL

## NOTES TO THE FINANCIAL STATEMENTS (continued)

### FOR THE YEAR ENDED 31 AUGUST 2021

#### 7. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs £	Other £	Depreciation £	Total 2021 £
<b>Charitable activities</b>				
School Operating Costs:				
Teaching	2,741,276	199,654	-	2,940,930
Welfare	93,681	115,679	-	209,360
Premises and equipment	174,600	443,397	263,538	881,535
Support and governance costs	363,272	129,289	-	492,561
Head Boys' charitable donations	-	5,192	-	5,192
	<u>3,372,829</u>	<u>893,211</u>	<u>263,538</u>	<u>4,529,578</u>

#### ANALYSIS OF TOTAL EXPENDITURE (Prior Year)

	Staff costs £	Other £	Depreciation £	Year-ended Total 2020 £
<b>Charitable activities</b>				
School Operating Costs:				
Teaching	2,730,082	217,999	-	2,948,081
Welfare	96,567	81,422	-	177,989
Premises and equipment	118,960	390,688	204,768	714,416
Support and governance costs	341,372	145,042	-	486,414
Head Boys' charitable donations	-	-	-	-
	<u>3,286,981</u>	<u>835,151</u>	<u>204,768</u>	<u>4,326,900</u>

#### 8. PENSION COMMITMENTS

Staff costs include payments by the company to the Teachers' Pensions Scheme of £380,833 (2020: £336,978) and to an individual defined contribution scheme on behalf of certain employees of £70,284 (2020: £71,710). The amount outstanding at the year-end was £Nil (2020: £7,226).

**LOCHINVER HOUSE SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**9. TANGIBLE FIXED ASSETS**

	<b>Freehold Land £</b>	<b>Freehold Buildings £</b>	<b>Fixtures Fittings &amp; Equipment £</b>	<b>Computer Equipment £</b>	<b>Motor Vehicles £</b>	<b>Total £</b>
<b>Cost</b>						
At 1 September 2020	425,806	6,430,590	428,837	450,137	124,115	7,859,485
Additions	-	26,579	61,745	87,829	-	176,153
Disposals	-	-	(5,436)	(88,754)	-	(94,190)
<b>At 31 August 2021</b>	<b>425,806</b>	<b>6,457,169</b>	<b>485,146</b>	<b>449,212</b>	<b>124,115</b>	<b>7,941,448</b>
<b>Depreciation</b>						
At 1 September 2020	-	1,622,428	179,547	309,247	89,197	2,200,419
Charge for the year	-	129,143	41,434	84,231	8,730	263,538
Disposals	-	-	(5,436)	(88,754)	-	(94,190)
<b>At 31 August 2021</b>	<b>-</b>	<b>1,751,571</b>	<b>215,545</b>	<b>304,724</b>	<b>97,927</b>	<b>2,369,767</b>
<b>Net Book Value</b>						
At 31 August 2021	425,806	4,705,598	269,601	144,488	26,188	5,571,681
At 31 August 2020	425,806	4,808,162	249,290	140,890	34,918	5,659,066

The above assets include those acquired from Lochinver House School Trust on 31 March 2002 for £2,985,449 being the net book value to the Trust at the date of transfer. The land and buildings were originally acquired by that Trust in 1957 when the School was founded by Trust Deed and since that date, various improvements and extensions had been made to the buildings.

The remainder of the assets have been acquired since the company was incorporated and are stated at cost less depreciation.

**10. DEBTORS**

	<b>2021 £</b>	<b>2020 £</b>
Fees receivable	30,120	10,040
Other debtors and prepayments	123,166	154,481
	<b>153,286</b>	<b>164,521</b>

**11. CREDITORS: amounts falling due within one year**

	<b>2021 £</b>	<b>2020 £</b>
Fees in advance and initial deposits	523,745	365,253
Trade creditors	70,688	78,915
Other creditors and accruals	66,236	140,419
Other taxation and social security	63,931	-
	<b>724,600</b>	<b>584,587</b>

**12. CREDITORS: amounts falling due after more than one year**

	<b>2021 £</b>	<b>2020 £</b>
Long term deposits held	159,600	152,501

**LOCHINVER HOUSE SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

<b>13. MOVEMENT IN FUNDS</b>	<b>Balance at 1 September 2020 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfer to/ (from) fund £</b>	<b>Balance at 31 August 2021 £</b>
<b>Unrestricted funds</b>					
School Buildings fund	5,233,968	-	-	(102,564)	5,131,404
Other reserves	3,783,119	4,914,154	(4,524,386)	100,860	4,273,747
	<u>9,017,087</u>	<u>4,914,154</u>	<u>(4,524,386)</u>	<u>(1,704)</u>	<u>9,405,151</u>
<b>Restricted funds</b>	12,757	-	(5,192)	1,704	9,269
<b>Total</b>	<u>9,029,844</u>	<u>4,914,154</u>	<u>(4,529,578)</u>	<u>-</u>	<u>9,414,420</u>

<b>MOVEMENT IN FUNDS (Prior Year)</b>	<b>Balance at 1 September 2019 £</b>	<b>Income £</b>	<b>Expenditure £</b>	<b>Transfer to/ (from) fund £</b>	<b>Balance at 31 August 2020 £</b>
<b>Unrestricted funds</b>					
School Buildings fund	5,114,135	-	-	119,833	5,233,968
Other reserves	3,738,184	4,491,668	(4,326,900)	(119,833)	3,783,119
	<u>8,852,319</u>	<u>4,491,668</u>	<u>(4,326,900)</u>	<u>-</u>	<u>9,017,087</u>
<b>Restricted funds</b>	<u>5,630</u>	<u>7,127</u>	<u>-</u>	<u>-</u>	<u>12,757</u>

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

	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2021 Total £</b>
Fixed assets	5,571,681	-	5,571,681
Debtors	153,286	-	153,286
Cash at bank and in hand	4,564,384	9,269	4,573,653
Creditors	(884,200)	-	(884,200)
	<u>9,405,151</u>	<u>9,269</u>	<u>9,414,420</u>

**ANALYSIS OF NET ASSETS BETWEEN FUNDS  
(Prior Year)**

	<b>Unrestricted £</b>	<b>Restricted £</b>	<b>2020 Total £</b>
Fixed assets	5,659,066	-	5,659,066
Debtors	164,521	-	164,521
Cash at bank and in hand	3,930,588	12,757	3,943,345
Creditors	(737,088)	-	(737,088)
	<u>9,017,087</u>	<u>12,757</u>	<u>9,029,844</u>



## **LOCHINVER HOUSE SCHOOL**

### **NOTES TO THE FINANCIAL STATEMENTS (continued)**

#### **FOR THE YEAR ENDED 31 AUGUST 2021**

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##### **15. UNRESTRICTED FUNDS**

The company's unrestricted funds represent two types of fund. The designated "School Buildings" of £5,131,404 (2020: £5,233,968) represents unrestricted funds retained to finance the freehold property of the School. The balance of the general funds of £4,273,747 (2020: £3,783,119) represents free reserves of £3,833,470 (2020: £3,358,021) to cover normal fluctuations in working capital and to finance the continuing development of the School and the remaining £440,277 (2020: £425,098) represents the value of other fixed assets.

##### **16. RESTRICTED FUNDS**

The restricted funds of £9,269 (2020: £12,757) relate to monies held by the School on behalf of pupils for external charitable purposes and the ski fund. Transfers from restricted funds have been made to reflect the assets funded from restricted donations becoming unrestricted upon purchase.

##### **17. CAPITAL COMMITMENTS**

The Headmaster, together with the Directors, continues to implement the Development Plan for the School. The Directors have authorised expenditure of £Nil (2020: £Nil) in respect of information technology and £52,383 (2020: £Nil) primarily in respect of alterations to the School's buildings.

##### **18. FINANCIAL COMMITMENTS**

At 31 August 2021 the charity had annual commitments under non-cancellable operating leases of £6,682 due within one year and £26,729 due between two and five years. (2020: None).

##### **19. TRANSACTIONS WITH RELATED PARTIES**

During the year the company paid for the Directors' liability insurance. The cost of the premium is included within the total cost of insurance and amounted to £652 (2020: £511).

During the year a company under the control of a Governor transacted services for £3,548 with Lochinver House School Limited.

There were no other related party transactions during the year (2020: None).

##### **20. LIABILITY OF MEMBERS**

The company is limited by guarantee and as such each member has guaranteed to contribute a sum not exceeding £10 to the assets of the company in the event of it being wound up and unable to pay its debts.

**LOCHINVER HOUSE SCHOOL**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**FOR THE YEAR ENDED 31 AUGUST 2021**

**21. NET DEBT RECONCILIATION**

	<b>At 1 September 2020 £</b>	<b>Cashflows £</b>	<b>Other non- cash changes £</b>	<b>At 31 August 2021 £</b>
Cash at bank and in hand	3,943,345	630,308	-	4,573,653
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
	<b>At 1 September 2019 £</b>	<b>Cashflows £</b>	<b>Other non- cash changes £</b>	<b>At 31 August 2020 £</b>
Cash at bank and in hand	4,001,672	(58,327)	-	3,943,345
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>