

Company Registration No: 4301828

Charity Registration No: 1091089

Egerton Rothesay

(A company limited by guarantee)

Consolidated Annual Report and Financial Statements

For the year ended 31 August 2020

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Egerton Rothesay

Charity Information

Trustees:	Jonathan Cedric Cooke (Chairman) Sir Jeremy Lionel Cooke Stephen John East
Secretary:	Sarah Vest
Charity number:	1091089
Company number:	4301828
Registered office:	Durrants Lane Berkhamstead Herts HP4 3UJ
Bankers:	Barclays Bank The Dacorum Group 11 Bank Court Hemel Hempstead Herts HP1 1BX
Auditor:	Mazars LLP The Pinnacle 160 Midsummer Boulevard Milton Keynes MK9 1FF

Egerton Rothesay

Report of the Trustees

For the year ended 31 August 2020

The Trustees present their report and the audited financial statements for the year ended 31 August 2020. The format and content of the reports and financial statements comply with the requirements of The Companies Act 2006, the Statement of Recommended Practice – “Statement of Recommended Practice” (SORP FRS102) the Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS102).

OBJECTS OF THE CHARITY

The objects for which Egerton Rothesay is established are:-

- (i) To further the education of children attending Egerton Rothesay School.
- (ii) The advancement of education in the United Kingdom and elsewhere (including social and physical training) of persons and children attending schools, colleges or other places of education in which religious instruction in accordance with the doctrines and principles of the Protestant and evangelical faith is given.

The Charity does not undertake fundraising.

PRINCIPAL ADDRESS OF THE CHARITY

Durrants Lane
Berkhamsted
Hertfordshire
HP4 3UJ

TRUSTEES

The Trustees are selected and appointed in accordance with the Articles of Egerton Rothesay.

The Trustees, who are also the Directors for the purposes of The Companies Act 2006, set out below have held office during the year ended 31 August 2020.

Jonathan Cedric Cooke (Chairman)

Sir Jeremy Lionel Cooke

Stephen John East

The Trustees each have a long association with Egerton-Rothesay School Limited and interest in its work. They bring a range of skills to their role as Trustees and review the skills necessary for performance of their duties and any training requirements at least annually. They believe they have available to them the skills necessary to enable the Charity to satisfy its objectives.

Egerton Rothesay

Report of the Trustees

For the year ended 31 August 2020

ORGANISATIONAL STRUCTURE

Egerton Rothesay is governed by its Trustee Board which is responsible for setting the strategic direction of the organisation and the policy of the charity. The Trustees carry the ultimate responsibility for the conduct of the charitable company and for ensuring that the charity satisfies its legal and contractual obligations.

Trustees meet bi-annually and produce formal minutes of the meeting and delegate the day-to-day operation of the organisation to senior management. The Trustee Board is independent from management. The Directors of Egerton-Rothesay School Limited meet quarterly and produce formal minutes of the meeting. During the meetings the budget and school performance is reviewed.

TRUSTEES' INTERESTS

The Charity is a company limited by guarantee, having no share capital, with all the Trustees being members of the company. The liability of the members is limited to £1 each in the event of winding up the company.

CHARITABLE STATUS

Egerton Rothesay is incorporated as a charitable company limited by guarantee (charity number 1091089, company number 4301828) and is governed by its Memorandum and Articles of Association.

ADVISERS

Details of advisers can be found on page 1.

PUBLIC BENEFIT

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning the future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set.

FINANCIAL REVIEW

The main activities of the Charity are conducted through its subsidiary Egerton-Rothesay School Limited and these are reviewed in further detail overleaf. The School continued to implement the conclusions from the review of how its activities should be focused going forward. The Trustees continue to support the changes to the School's operations. Continued plans are in place to ensure that the School has sufficient resources available to finance its operations through the period of change.

The School made a profit after tax before donation to the charity of £448,401 in the year, which is higher than the profit in the previous year of £333,077.

During the year the Charity received a distribution from its subsidiary of £Nil (2019: £225,000) and donation from parents including gift aid of £9,765 (2019: £10,215).

At the year end date the funds of the Charity consisted of unrestricted funds of £1,710,759 (2019: £1,743,072 and restricted funds of £3,710 (2019: £3,710) giving total funds of £1,714,469 (2019: £1,746,782).

At the year end date the funds of the Group consisted of unrestricted funds of £2,559,450 (2019: £2,143,362 and restricted funds of £3,710 (2019: £3,710) giving total funds of £2,563,160 (2019: £2,147,072).

Egerton Rothesay

Report of the Trustees

For the year ended 31 August 2020

EGERTON-ROTHESAY SCHOOL LIMITED

Egerton-Rothesay School Limited is a wholly owned subsidiary of the Charity. It is managed by a Board of Directors which includes Mr Stephen East who represents the Charity.

REVIEW OF THE DEVELOPMENT, ACTIVITIES AND ACHIEVEMENTS

The School continues to carry into effect the charitable objectives of the Trust.

The School having consolidated its operations on to one site continues to build on its proven ability to provide an educational environment where pupils who need additional support can achieve their potential.

The School's focus is being built around the following key strands of activity:

- Providing an exciting, relevant and supported educational experience.
- For students who have found, or might find, it difficult to make progress and succeed within another school where there is inadequate provision for their specific needs.
- To make a unique and excellent contribution into the life of each child ensuring that they can be supported in the way that they personally need to maximise their individual learning potential.
- Provide an environment offering exceptional pastoral care and spiritual development based on and informed by the School's Christian ethos.

With this focus we continue to draw children from a wide area - made possible by our 10-route bus service - and to also act as specialist education provider to 17 Local Authorities who pay full fees for 97, part fees for 12 and no part of the fees for 21 children with EHCP's so they can attend Egerton Rothesay School.

As we are now well established in the SEN market both on the open market with private fee paying parents and local authorities, the need for Open days has reduced amounting to one possibly two per year.

The average number of pupils for the year was 173.

The school has continued to develop its links to the local Christian community as part of its own ministry. We intend to build further network links with both ministers and youth activities in the area both for the benefit of our own children and to enable them to make a contribution for others.

FUTURE DEVELOPMENTS

The Trustees are keeping the current activities and objectives under review and are looking at opportunities to further the objects of the Charity, in particular in relation to the School, but will also generally examine opportunities as and when they arise.

The Trustees continue to monitor the effects of the Covid19 pandemic on the School and the mitigating actions taken to offset these effects where possible

Covid-19

The school was affected by the National Lockdown and closure of schools in March 2020. Whilst staying open to cater for vulnerable and key worker pupils the school also made use of online teaching to enable pupils to continue their education with the least possible interruption. As the school continued to provide education to its pupils fees continued to be received other than where specific services could not be provided. Some members of staff were furloughed during the closure which mitigated some of the lost revenue.

Egerton Rothesay

Report of the Trustees

For the year ended 31 August 2020

RISK MANAGEMENT

The Trustees continue to keep under review the assessment of risks to which the Charity is exposed and ensure that systems are in place to mitigate its exposure to major risks. Risk management in relation to the operation of the School are governed by its own risk management policies and procedures overseen by its Board of Trustees.

INVESTMENT POLICY

Having considered the medium term requirements of the Charity £350,000 has been invested in a portfolio of investments created for the Charity by JM Finn & Co Limited. The remainder of the Charity's funds are retained on deposit. The Trustees continue to keep the needs and objectives of the Charity under regular review.

RESERVES POLICY

It is the policy of Egerton Rothesay to hold reserves in unrestricted funds that have not yet been committed or designated for any particular purpose. The Trustees have retained these reserves in order to provide a sound financial base for the charity as part of a policy of good financial management practice.

AUDITOR

Mazars LLP were appointed auditor to the company and a resolution proposing that they be re-appointed will be put to the Annual General Meeting.

STATEMENT OF THE RESPONSIBILITIES OF THE TRUSTEES

The Trustees are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Trustees to prepare financial statements for each financial year. Under that law the Trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the Trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Egerton Rothesay

Report of the Trustees

For the year ended 31 August 2020

STATEMENT OF DISCLOSURE OF INFORMATION TO THE AUDITOR

We confirm that we have taken all necessary steps to make us aware, as Trustees, of any relevant audit information and to establish that the auditor is aware of that information.

As far as we are aware, there is no relevant audit information of which the group's auditors are unaware.

POST BALANCE SHEET EVENTS

Apart from the ongoing Covid-19 pandemic there have been no other significant events affecting the group or charity since the year end.

SMALL COMPANY

In preparing this report, the Trustees have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Trustees on Apr 2, 2021

Signed on its behalf by

S J East
S J East (Apr 2, 2021 12:54 GMT+1)

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Stephen John East

Trustee

Independent Auditor's Report to the Members of Egerton Rothesay

Opinion

We have audited the financial statements of Egerton Rothesay (the 'parent charity') and its subsidiary (the 'group') for the year ended 31 August 2020 which comprise of the Statement of Financial Activities – Charity, the Statement of Financial Activities – Group, the Balance Sheets – Charity and Group, the Statement of Cash Flows – Group and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 group's and of the parent charity's affairs as at 31 August 2020 and of the group's and the parent charity's 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

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

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

Independent Auditor's Report to the Members of Egerton Rothesay

Other information

The trustees are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Trustees' Report which includes 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 Trustees' Report has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the group and the parent charity and its environment obtained in the course of the audit, we have not identified material misstatements in the Trustees' Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate and proper accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent charity financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of trustees' remuneration specific by law are not made; or
- we have not received all the information and explanations we require for our audit.
- the trustees were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Trustees' Report and from the requirement to prepare a Strategic Report.

Independent Auditor's Report to the Members of Egerton Rothesay

Responsibilities of Trustees

As explained more fully in the Statement of the Responsibilities of the Trustees set out on page 5, the trustees (who are also the directors of the parent charity for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charity'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 charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditors under the Companies Act 2006 and report in accordance with regulations made under the Act.

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

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

Use of the audit report

This report is made solely to the 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 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 company and the company's members as a body for our audit work, for this report, or for the opinions we have formed.


Vincent Marke (Apr 7, 2021 14:38 GMT+1)

Vincent Marke (Senior Statutory Auditor)
for and on behalf of **Mazars LLP**
Chartered Accountants and Statutory Auditor
The Pinnacle
160 Midsummer Boulevard
Milton Keynes
MK9 1FF

Date: Apr 7, 2021

Egerton Rothesay

Statement of Financial Activities - Charity

For the year ended 31 August 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income from:					
Voluntary income	4	43,680	-	43,680	236,772
Investment income		5,188	-	5,188	-
Total income		<u>48,868</u>	<u>-</u>	<u>48,868</u>	<u>236,772</u>
Expenditure:					
Other trading activities	6	67,431	-	67,431	64,886
Realised loss on investments		263	-	263	
Unrealised loss on investments		13,487	-	13,487	
Total expenditure		<u>81,181</u>	<u>-</u>	<u>81,181</u>	<u>64,886</u>
Net movement in funds		(32,313)	-	(32,313)	171,886
Total funds brought forward		1,743,072	3,710	1,746,782	1,574,896
Total funds carried forward	20	<u><u>1,710,759</u></u>	<u><u>3,710</u></u>	<u><u>1,714,469</u></u>	<u><u>1,746,782</u></u>

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of Financial Activities.

There was no other comprehensive income for 2020 (2019 - £NIL).

The notes on pages 14 to 28 form part of these financial statements.

Egerton Rothesay

Statement of Financial Activities - Group

For the year ended 31 August 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Total 2020 £	Total 2019 £
Income from:					
Voluntary income	4	43,680	-	43,680	11,772
Investment income		18,448	-	18,448	38,934
Other trading activities	5	5,214,626	-	5,214,626	4,986,777
Total income		<u>5,276,754</u>	<u>-</u>	<u>5,276,754</u>	<u>5,037,483</u>
Expenditure:					
Charitable activities	6	67,431	-	67,431	64,886
Other trading activities	8	4,717,121	-	4,717,121	4,628,283
Interest payable	9	23,696	-	23,696	28,132
Tax expense	10	38,668	-	38,668	36,218
Total expenditure		<u>4,846,916</u>	<u>-</u>	<u>4,846,916</u>	<u>4,757,519</u>
Net losses on investments		<u>13,750</u>	<u>-</u>	<u>13,750</u>	
Net movement in funds		416,088	-	416,088	279,964
Total funds brought forward		2,143,362	3,710	2,147,072	1,867,108
Transfers		-	-	-	-
Total funds carried forward	20	<u><u>2,559,450</u></u>	<u><u>3,710</u></u>	<u><u>2,563,160</u></u>	<u><u>2,147,072</u></u>

The Statement of Financial Activities also complies with the requirements for an income and expenditure account under the Companies Act 2006.

There were no recognised gains and losses for 2020 or 2019 other than those included in the Consolidated Statement of Financial Activities.

There was no other comprehensive income for 2020 (2019 - £NIL).

The notes on pages 14 to 28 form part of these financial statements.

Egerton Rothesay

Balance Sheets - Charity and Group

For the year ended 31 August 2020

Company number: 4301828

	Note	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
Fixed assets					
Tangible assets	12	-	-	2,046,368	1,954,427
Investments	13	338,331	-	338,331	-
Investment in subsidiary	13	747,841	747,841	-	-
		<u>1,086,172</u>	<u>747,841</u>	<u>2,384,699</u>	<u>1,954,427</u>
Current assets					
Debtors	14	9,951	234,397	280,709	94,393
Cash and cash equivalents	15	643,633	770,135	1,504,582	1,804,662
		<u>653,584</u>	<u>1,004,532</u>	<u>1,785,291</u>	<u>1,899,055</u>
Creditors: Amounts falling due within one year	16	(25,287)	(5,591)	(980,164)	(1,004,575)
		<u>628,297</u>	<u>998,941</u>	<u>805,127</u>	<u>894,480</u>
Net current assets					
Creditors: Amounts falling due after more than one year	17	-	-	(611,142)	(683,965)
Provision for deferred taxation	18	-	-	(15,524)	(17,870)
Net assets		<u><u>1,714,469</u></u>	<u><u>1,746,782</u></u>	<u><u>2,563,160</u></u>	<u><u>2,147,072</u></u>
Funds					
Unrestricted funds		1,710,759	1,743,072	2,559,450	2,143,362
Restricted funds		3,710	3,710	3,710	3,710
		<u>1,714,469</u>	<u>1,746,782</u>	<u>2,563,160</u>	<u>2,147,072</u>
	20	<u><u>1,714,469</u></u>	<u><u>1,746,782</u></u>	<u><u>2,563,160</u></u>	<u><u>2,147,072</u></u>

The notes on pages 14 to 28 form part of these financial statements.

The financial statements were approved and authorised for issue by the Board of Trustees and were signed on its behalf on Apr 2, 2021

S J East

S J East (Apr 2, 2021 12:54 GMT+1)

Stephen John East

Trustee

Statement of Cash Flows - Group

For the year ended 31 August 2020

	2020	2019
	£	£
Cash flows from operating activities		
Net movement in funds	416,088	279,964
Adjustments for:		
Depreciation	90,126	92,585
Interest paid	23,696	28,132
Investment income	(18,448)	(38,934)
Tax expense	38,668	36,214
Decrease in debtors	(186,316)	493
(Decrease)/increase in creditors	(24,977)	(340,333)
Corporation tax paid	<u>(32,698)</u>	<u>(24,060)</u>
	306,139	34,061
Net cash flows from operating activities		
Purchase of fixed assets	(182,067)	(76,292)
Investment income	<u>18,448</u>	<u>38,934</u>
	(163,619)	(37,358)
Cash flows used in investing activities		
Loan repayments in the year	(80,573)	(77,377)
Interest paid	(23,696)	(28,132)
Investment	<u>(338,331)</u>	<u>-</u>
	(442,600)	(105,509)
Net increase/(decrease) in cash	(300,080)	(108,806)
Cash and cash equivalents at start of the year	1,804,662	1,913,468
Cash and cash equivalents at end of the year	1,504,582	1,804,662

The notes on pages 14 to 28 form part of these financial statements.

Notes to the financial statements

For the year ended 31 August 2020

1. General information

Egerton Rothesay is a registered charity (No: 1091089) and a private company limited by guarantee (No: 4301828) registered and incorporated in England and Wales. The address of its registered office and principal place of business is disclosed in the company information.

The principal activity of the charity is to further the education of children attending Egerton-Rothesay School.

The principal activity of the subsidiary (Egerton-Rothesay School Limited) continued to be that of running an independent school which provides a supportive educational environment to meet the specific educational special needs of its pupils.

These financial statements have been presented in Pounds Sterling (£) as this is the Charity and Group's functional currency, being the primary economic environment in which the Charity and Group operates. The monetary amounts included in these financial statements are rounded to the nearest £.

2. Principal accounting policies

Basis of preparation of accounts

The financial statements are prepared under the historical cost convention and the charity follows best practice as set out in the Statement of Recommended Practice: 'Accounting and Reporting by Charities' (SORP), the Financial Reporting Standard applicable in the United Kingdom and Ireland (FRS102) and the Charities and Companies Acts. They include the results of the charity's operations which are described in the Trustees Report and all of which are continuing.

The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the aims and objectives and in planning the future activities. In particular, the Trustees consider how planned activities will contribute to the aims and objectives they have set as a Public Benefit entity.

Basis of consolidation

The group financial statements consolidate the financial statements of the company and its subsidiary undertaking made up to 31 August 2020.

Going concern

The financial statements have been prepared on a going concern basis as the Trustees have not identified any material uncertainties or events that may cast significant doubt about the ability of the Company or Group to continue as a going concern. Further, forecasts and business plans have been prepared which provide comfort that the Group and Charity will continue to trade in the foreseeable future.

Funds

Restricted funds represent funds which have been donated to the Group for a specific purpose.

General unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the Charity.

Egerton Rothesay

Notes to the financial statements

For the year ended 31 August 2020

Income

Voluntary income represents donations received by the charity, and are accounted for when received.

Investment income represents bank interest receivable.

Other trading activities represents amounts receivable for school fees and similar income plus other operating income of the subsidiary Egerton-Rothesay School Limited. Revenue from school fees and similar income is recognised in the term in which the services are provided and when:

- the amount of revenue can be measured reliably: and
- it is probable that the Company will receive the consideration due.

Revenue is deferred where received in advance of the service.

Resources expended

Expenditure is recognised on an accruals basis and when there is a legal or constructive obligation to do so.

Charitable activities represents the legal, professional and other costs of running the charity.

Other trading activities are those costs incurred by the trading activity of the subsidiary Egerton-Rothesay School Limited.

Investments

Investments for the charity are stated at the market value. Realised and unrealised gains and losses on investments are dealt with in the Statement of Financial Activities.

Tangible fixed assets and depreciation

All assets costing more than £500 are capitalised and depreciated.

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following basis:

Freehold property	2% straight line
Office equipment	3 to 8 years straight line

The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the Statement of Comprehensive Income.

Notes to the financial statements

For the year ended 31 August 2020

Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Financial instruments

The Company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Comprehensive Income.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

Egerton Rothesay

Notes to the financial statements

For the year ended 31 August 2020

Finance costs

Finance costs are charged to the Statement of Comprehensive Income over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Distributions

Distributions to the charity from the subsidiary are recognised when they are paid. Distributions are eliminated on consolidation.

Operating leases: the Group as lessee

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

Pensions

The Company operates defined contribution plans for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The assets of the plan are held separately from the Company in independently administered funds.

Investment income

Investment income plus associated tax recoverable is credited to income on an accruals basis, using dates of payment for dividends, and daily accrual for interest.

Interest income is recognised in the Statement of Comprehensive Income using the effective interest method.

Borrowing costs

All borrowing costs are recognised in the Statement of Comprehensive Income in the year in which they are incurred.

Taxation

Egerton Rothesay is a charitable company and does not carry out activity that would be subject to corporation tax.

Egerton-Rothesay School Limited, a subsidiary of Egerton Rothesay, is subject to corporation tax.

Egerton Rothesay

Notes to the financial statements

For the year ended 31 August 2020

Deferred taxation

Deferred tax is provided in full in respect of taxation deferred by timing differences between the treatment of certain items for taxation and accounting purposes. The deferred tax balance has not been discounted.

Value added tax

Value added tax is not recoverable by the charity, and as such is included in the relevant costs in the Statement of Financial Activities.

Egerton-Rothesay School Limited, the subsidiary company, is VAT registered and recovers VAT on a partial exemption basis.

3. Judgements in applying accounting policies and key sources of uncertainty

In applying the company's accounting policies, the Trustees are required to make judgements, estimates and assumptions in determining the carrying amounts of assets and liabilities. The Trustees' judgements, estimates and assumptions are based on the best and most reliable evidence available at the time when the decisions are made, and are based on historical experience and other factors that are considered to be applicable. Due to inherent subjectivity involved in making such judgements, estimates and assumptions, the actual results and outcomes may differ.

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 estimates and assumption made in these accounts is depreciation. Tangible fixed assets are stated at cost less depreciation which is provided in equal annual instalments over the estimated useful life of the assets (refer to accounting policy).

In the opinion of the Directors of Egerton-Rothesay School Limited, the open market value of the freehold land and buildings is not significantly different to the value in the accounts in its current use.

4. Voluntary income

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
Distributions from subsidiary	-	225,000	-	-
Donation from parents including gift aid	43,680	11,772	43,680	11,772
	<u>43,680</u>	<u>236,772</u>	<u>43,680</u>	<u>11,772</u>

After the year end the Directors of the school approved a distribution to the parent charity of £350,000 which will be paid within 9 months of the year end and be accounted for in the accounts for the year ending 30th August 2021. This will mean that the reserves of the school will be higher and the reserves of the parent charity lower than would have been the case in prior years, but this has no effect on the consolidated figures.

Egerton Rothesay

Notes to the financial statements

For the year ended 31 August 2020

5. Income from other trading activities

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
School fees and similar income	-	-	5,214,626	4,986,777
	<u>-</u>	<u>-</u>	<u>5,214,626</u>	<u>4,986,777</u>

6. Expenditure: charitable activities

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
Legal and professional fees	64,324	64,886	64,324	64,886
Investment management fees	3,107	-	3,107	-
Grant to subsidiary	-	-	-	-
	<u>67,431</u>	<u>64,886</u>	<u>67,431</u>	<u>64,886</u>

Included in legal and professional fees is £60,000 (2019: £60,000) which relates to services purchased from Marshall Lucas / Marshall Management Limited for the year. They have been disclosed as a related party transaction in note 23.

7. Auditor remuneration

Fees payable to the Group's auditor for the audit of the Company's annual financial statements and other non-audit services were as follows:

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
Audit fees	<u>3,000</u>	<u>2,900</u>	<u>10,500</u>	<u>10,100</u>
Non-audit services:				
Tax compliance services	-	-	1,450	1,450
All other services	850	825	1,740	1,690
Total fees for non-audit services	<u>850</u>	<u>825</u>	<u>4,040</u>	<u>3,040</u>

Egerton Rothesay

Notes to the financial statements

For the year ended 31 August 2020

8. Expenditure: other trading activities

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
School expenditure	-	-	4,717,121	4,628,283
	-	-	4,717,121	4,628,283

9. Interest payable

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
Bank loans and overdrafts	-	-	15,584	19,370
Other loans	-	-	8,112	8,762
	-	-	23,696	28,132

10. Taxation

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
Corporation tax				
U.K. corporation tax	-	-	41,014	36,218
Deferred tax				
Deferred tax (credit)/charge	-	-	(2,346)	-
	-	-	38,668	36,218

11. Staff costs

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
Wages & salaries	-	-	2,884,232	2,814,458
Social security costs	-	-	237,690	224,862
Pension costs	-	-	519,007	387,765
	-	-	3,640,929	3,427,085

No Trustee received any remuneration for the services that they provide (2019: none).

No Trustee received any reimbursement for expenses incurred in the year (2019: none).

Notes to the financial statements

For the year ended 31 August 2020

Staff costs (continued)

The number of persons employed by the group during the year who received emoluments (including taxable benefits in kind) in the following ranges in excess of £60,000 was as follows:

	2020	2019
	Number	Number
£60,000 - £70,000	2	1
£70,001 - £80,000	-	-
£80,001 - £90,000	1	1

The key management personnel of the Group are deemed by the Trustees to be the members of the 'Management and Leadership Team'. During the year ended there were 10 members (2019: 10 members) and their total remuneration was £522,900 (2019: £509,821). This includes pension contributions of £64,412 (2019: £50,105).

	Charity	Charity	Group	Group
	2020	2019	2020	2019
Average number of Trustees	3	3	3	3
Average number of employees	-	-	150	145
	<u>3</u>	<u>3</u>	<u>153</u>	<u>148</u>

Trustees' liability

The company is limited by guarantee and does not have a share capital. The members are the Trustees. The number of Trustees at 31 August 2020 was three (2019: three) and each Trustee's guarantee continues to be limited to £1 in the event of the winding up of the company.

12. Tangible fixed assets

Group only	Freehold land and buildings £	Fixtures and Fittings £	Total £
Cost			
At 1 September 2019	2,416,792	736,650	3,153,442
Additions	<u>170,000</u>	<u>12,067</u>	<u>182,067</u>
At 31 August 2020	<u>2,586,792</u>	<u>748,717</u>	<u>3,335,509</u>
Depreciation			
At 1 September 2019	576,747	622,268	1,199,015
Charge for the year	<u>51,882</u>	<u>38,244</u>	<u>90,126</u>
At 31 August 2020	<u>628,629</u>	<u>660,512</u>	<u>1,289,141</u>
Net book value			
At 31 August 2020	<u>1,958,163</u>	<u>88,205</u>	<u>2,046,368</u>
At 31 August 2019	<u>1,840,045</u>	<u>114,382</u>	<u>1,954,427</u>

Egerton Rothesay

Notes to the financial statements

For the year ended 31 August 2020

13. Fixed asset investments

Listed investments	Charity £	Group £
Additions	348,011	348,011
Disposals	(7,293)	(7,293)
Realised gains/(losses)	(263)	(263)
Unrealised gains/(losses)	<u>(13,487)</u>	<u>13,487</u>
Investment portfolio	326,968	326,968
Cash balances	<u>11,363</u>	<u>11,363</u>
Total listed investments at market value	<u>338,331</u>	<u>338,331</u>
Total listed investments at historical cost	<u>351,101</u>	<u>351,101</u>

Listed investments are held and managed by JM Finn.

There is no single investment greater than 10% of the whole portfolio value.

Subsidiary undertaking	Charity £	Group £
Cost		
At 31 August 2019 and 31 August 2020	<u>747,841</u>	<u>-</u>

In the opinion of the Trustees, the aggregate value of the Charity's investment in subsidiary undertakings is not less than the amount included in the balance sheet.

Company	Company number	Shares held Class	%
Egerton-Rothesay School Limited	02226604	Ordinary	100

The main activities of the Charity are conducted through its subsidiary Egerton-Rothesay School Limited. The aggregate amount of capital and reserves and the results of these undertakings for the last relevant financial year were as follows:

	Capital and reserves £	Income £	Expenditure £	Profit for the year £
Egerton-Rothesay School Limited	<u>1,596,532</u>	<u>5,227,886</u>	<u>4,779,485</u>	<u>448,401</u>

The registered office of the subsidiary is the same as for the Charity.

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Notes to the financial statements

For the year ended 31 August 2020

14. Debtors

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
Due within one year				
Trade debtors	-	-	152,842	47,557
Prepayments and accrued income	-	-	35,677	26,911
Other debtors	9,951	9,397	92,190	19,925
Amounts due from subsidiary	-	225,000	-	-
	<u>9,951</u>	<u>234,397</u>	<u>280,709</u>	<u>94,393</u>

15. Cash and cash equivalents

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
Cash at bank and in hand	<u>643,633</u>	<u>770,135</u>	<u>1,504,582</u>	<u>1,804,662</u>
	<u>643,633</u>	<u>770,135</u>	<u>1,504,582</u>	<u>1,804,662</u>

16. Creditors: amounts falling due within one year

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
Bank loan	-	-	66,809	63,989
Other loans	-	-	17,563	16,888
Payments received on account	-	-	454,491	587,082
Trade creditors	-	-	241,431	159,237
Corporation tax	-	-	41,014	32,698
Other taxes and social security	-	-	61,747	59,763
Accruals	25,287	5,591	52,018	40,274
Other creditors	-	-	45,091	44,644
	<u>25,287</u>	<u>5,591</u>	<u>980,164</u>	<u>1,004,575</u>

Interest on bank loans is paid at 2.25% above the base rate.

Interest on other loans is paid at 4%.

Included in group other creditors is pension contributions payable of £45,091 (2019: £34,518).

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Notes to the financial statements

For the year ended 31 August 2020

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

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
Bank loans	-	-	431,543	498,048
Other loans	-	-	168,354	185,917
Deferred income	-	-	11,245	-
	<u>-</u>	<u>-</u>	<u>611,142</u>	<u>683,965</u>

Amounts falling due after more than 5 years

£164,784 (2019 - £238,621) of the bank loan and £80,538 (2019 - £101,478) of the other loan is due after more than five years from the balance sheet date.

None of the deferred income balance will be recognised in more than five years from the balance sheet date.

Secured loans

Banking facilities are secured by the first legal charge over the site at Durrants Lane, Berkhamsted, Herts, HP4 3UJ.

Interest on bank loans is paid at 2.25% above the base rate.

In 2017 a secured loan facility was taken out for £300,000 in order to acquire the Woods Building which was previously rented. The year end balance is shown above as the 'other loan' and is secured by way of a second legal charge over the Durrants Lane site.

Interest on other loans is paid at 4%.

18. Provision for deferred taxation

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
At beginning of the year	-	-	17,870	14,354
Charge for the year	-	-	(2,346)	3,516
	<u>-</u>	<u>-</u>	<u>15,524</u>	<u>17,870</u>

Notes to the financial statements
For the year ended 31 August 2020**19. Financial instruments**

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
Financial assets				
Measured at fair value	643,633	770,135	1,504,582	1,804,662
Measured at amortised cost	209,951	234,397	245,032	67,482
	<u>853,584</u>	<u>1,004,532</u>	<u>1,749,614</u>	<u>1,872,144</u>
Financial liabilities				
Measured at amortised cost	25,287	5,591	1,034,054	1,008,989
	<u>25,287</u>	<u>5,591</u>	<u>1,034,054</u>	<u>1,008,989</u>

Financial assets measured at fair value comprise of cash and cash equivalents.

Financial assets measured at amortised costs comprise of trade debtors, accrued income, other debtors and amounts due from subsidiary.

Financial liabilities measured at amortised cost comprise of bank loan, other loans, trade creditors, accruals and other creditors.

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Notes to the financial statements

For the year ended 31 August 2020

20. Funds

Charity

	Unrestricted Funds £	Restricted Funds £	Total £
As at 1 September 2018	1,571,186	3,710	1,574,896
Net movement in funds	171,886	-	171,886
At 31 August 2019	1,743,072	3,710	1,746,782
Net movement in funds	(32,313)	-	(32,313)
At 31 August 2020	1,710,759	3,710	1,714,469

Group

	Unrestricted Funds £	Restricted Funds £	Total £
As at 1 September 2018	1,863,398	3,710	1,867,108
Net movement in funds	279,964	-	279,964
Transfer	-	-	-
At 31 August 2019	2,143,362	3,710	2,147,072
Net movement in funds	416,088	-	454,756
Transfer	-	-	-
At 31 August 2020	2,559,450	3,710	2,563,160

Unrestricted funds represent funds which are expendable at the discretion of the Trustees in the furtherance of the objects of the Charity.

Restricted funds are in respect of a donation received for specific expenditure within the School. A transfer was made in the prior year when part of this donation was paid down to the subsidiary to be spent as intended. The restricted fund is cash at bank and in hand.

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Notes to the financial statements

For the year ended 31 August 2020

21. Pension commitments

Contributions are made to The Teachers' Superannuation Scheme (TSS) and the NEST pension scheme. The TSS is a defined benefit multi-employer pension scheme. The Company is unable to identify its share of the underlying assets and liabilities of the scheme and accordingly the Company has accounted for the scheme as if it were a defined contribution scheme. The NEST pension scheme is a defined contribution scheme.

The pension cost charge represents contributions payable by the Company to the funds and amounted to £414,868 (2019 - £312,784) in relation to TSS and £103,513 (2019 - £73,875) in relation to NEST.

In addition, contributions are made to personal pension schemes. The pension cost charge represents contributions payable by the Company into the schemes and amounted to £625 (2019 - £625).

Contributions totalling £45,091 (2019 - £34,517) were payable in respect of pensions at the year end and are included in other creditors.

22. Commitments under operating leases

At 31 August 2019 the group had annual commitments under non-cancellable operating leases as follows:

	Charity 2020 £	Charity 2019 £	Group 2020 £	Group 2019 £
Expiry date:				
Within one year	-	-	11,434	11,978
Between one and two years	-	-	1,629	9,541
Between two and five years	-	-	-	443
	<u>-</u>	<u>-</u>	<u>13,063</u>	<u>21,962</u>

23. Related party transactions

The Group has taken advantage of the exemption permitted by FRS 102 Section 33 "Related Party Disclosures" note to provide disclosures of transactions entered into with other wholly owned members of the Group.

The loan taken out to purchase the previously rented Woods building is provided by Pact Holdings Limited as trustee of God Save Britain Crusade (registered charity number 262703). Mr J C Cooke and Mr S J East are directors of Pact Holdings Limited. The loan was for £300,000. Refer to the other creditor in note 16 and 17.

David Vesey, Director of Egerton-Rothesay School Limited, operates as Marshall Lucas and is also a Director of Marshall Management Limited. During the year, the charity purchased services in the ordinary course of business from Marshall Lucas amounting to £60,000 (2019: £60,000). At the year end, £20,000 (2019 - £NIL) was outstanding.

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Notes to the financial statements

For the year ended 31 August 2020

24. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	Other non-cash changes £	At 31 August 2020 £
Cash and cash equivalents				
Cash	1,804,662	(300,080)	-	1,504,582
	<u>1,804,662</u>	<u>(300,080)</u>	<u>-</u>	<u>1,504,582</u>
Borrowings				
Debt due within one year	80,877	3,495		84,372
Debt due after one year	683,965	(84,068)		599,897
	<u>764,842</u>	<u>(80,573)</u>	<u></u>	<u>684,269</u>