



GRESHAM'S SCHOOL
(A company limited by guarantee)

REPORT AND CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020

Charity Number: 1105500
Company Number: 05196298

GRESHAM'S SCHOOL

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020



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GRESHAM'S SCHOOL

GOVERNORS' REPORT

FOR THE YEAR ENDED 31 AUGUST 2020



The Governors present their report and audited financial statements for the year ended 31 August 2020.

Reference and Administrative Information

Charity name	Gresham's School
Charity registration number	1105500
Company registration number	05196298
Registered Office	Gresham's School Cromer Road Holt Norfolk NR25 6EA
Website	www.greshams.com
E-mail	headmaster@greshams.com

Governors and Directors

Michael Goff	(Chairman)
David Jones	(Prime Warden, The Fishmongers' Company) (25 June 2019 - 19 March 2021)
Sir Alan Yarrow	(Prime Warden, The Fishmongers' Company) (elected 19 March 2021)
Graham Able	(retired 14 December 2020)
Martin Bailey	
Alexander de Capell Brooke	
Anna Dugdale	
Jenny Dwyer	
Sir James Dyson	
James fforde	
Nigel Flower	
Sir William Goodenough	(appointed 20 March 2020)
Simon Gorton	
David Jones	
Paul Marriage	
James Maunder Taylor	
The Rt Revd Jonathan Meyrick	(retired 25 January 2021)
James Morgan	
Steven Oldfield	
David Robertson	
Dr Susan Rubin	
Rosamund Walwyn	
Nick Youngs	(appointed 20 March 2020)

Please see the School's website for information regarding Governors' post-nominals and qualifications.

GRESHAM'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020



Reference and Administrative Information (continued)

Headmaster

Douglas Robb

Head of the Prep School

Cathy Braithwaite

Head of the Pre-Prep School

Sarah Hollingsworth

Bursar

Steven Willis

School Accountant

Kate Olby

Clerk and PA to the Governors

Victoria Hovenden

Auditor

Haysmacintyre LLP, 10 Queen Street Place, London, EC4R 1AG

Bankers

Barclays Corporate, 3 St James Court, Whitefriars, Norwich, NR3 1RJ

Solicitors

Veale Wasborough Vizards, Orchard Court, Orchard Lane, Bristol, BS1 5WS (Corporate)

Hayes & Storr, 18/19 Market Place, Fakenham, NR21 9BH (Debt Collection)

Birketts LLP, 22 Station Road, Cambridge, CB1 2JD (Property & HR)

Investment Advisors

Rathbone Brothers Plc, 8 Finsbury Circus, London, EC2M 7AZ

Subsidiary Information

Company Name Gresham's School Enterprises Limited

Company registration number 06577062

Registered Office Gresham's School Enterprises Limited, Cromer Road, Holt, Norfolk, NR25 6EA

Governing document

Gresham's School was founded by Sir John Gresham and received letters patent from Queen Mary and King Philip in 1555. Sir John Gresham placed the School under the care of the Worshipful Company of Fishmongers of the City of London in 1556 and to this day that company remains actively involved. The School is a charitable company limited by guarantee, Gresham's School (Company Registration 5196298 and Charity Commission Registration Number 1105500).

Recruitment and appointment of Governors

The Governors are also Trustees for the purpose of charity law and Directors for the purpose of company law.

It is the Board of Governors' collective responsibility to ensure that the organisation is fit for purpose and to determine and support its strategic direction in order to enable it to attain its stated objective.

The Charity aims to recruit Governors with a wide range of business and other sector experience from which the School will benefit. Complementing this diversity, the Board of Governors has a strong sense of purpose and ethos through strong links with Old Greshamians and parents of pupils at, or formerly at, the School.

Governor induction and training

On appointment, Governors are provided with copies of relevant documents, including the Charity Commission guidance note CC3 - "The Essential Trustee: What you need to know". In addition, Governors are encouraged to keep abreast of their duties and responsibilities by reading Charity Commission and other updates and attending appropriate training courses.

Organisational structure

The Board of Governors meets a minimum of three times annually, including at least one meeting per term. In addition, the Finance and General Purposes Committee of Governors meets at least once per term to monitor the financial management and development of the School. Other Sub-Committees have specific remit to consider matters such as Strategy, Education, Estates, Human Resources, Health and Safety and Risk. Working Parties may be established, as necessary, but all feed back to the Board.

The day-to-day running of the School is delegated to the Headmaster, and through the Headmaster, to the Head of the Prep School, the Head of the Pre-Prep School and the Bursar. The Heads and the Bursar attend Governor and Committee meetings.

The Governors are non-executive, unpaid key managers. The key executive managers are the Heads of the three Schools, the Bursar and the Deputy Heads of the Senior and Prep Schools (see note 7 to the accounts). The pay and remuneration of the Head and senior staff is reviewed annually and any changes are recommended by the Finance & General Purposes Committee and approved by the Board of Governors.

During the Covid-19 pandemic, which led to schools in England being shut down from 20 March 2020, all scheduled Governor meetings were held as planned, but remotely via Microsoft Teams, and so governance continued in spite of the pandemic. Additional conference calls took place between Governors, including the Chair, and school executives, particularly during the Easter holiday period, to discuss matters such as Covid-19 risks and finances and the School's response to the evolving pandemic. This allowed decisions to be made quickly about things like remote teaching and learning, fee levels during the period of school closure, likely forecast and budget changes, capital expenditure plans and use of government support for businesses affected by the pandemic, including furloughing of staff. Additionally, the Chair of Audit, Risk and Compliance took the lead on behalf of the Governors for reviewing risks assessments which were prepared prior to the School's partial re-opening later in the Summer Term, and again prior to the full re-opening in September 2020. The Chair of Governors, Deputy Chair of Governors and Chair of Strategy Committee came onto site once a week during the Summer Term for socially-distanced meetings with the Head and Bursar, to keep abreast of how things were progressing and to pick up on any further matters which needed to be addressed, including those which were scrutinised through normal committee channels such as capital expenditure decisions. This forum also oversaw plans for the School's annual Speech Days, which took place remotely at the end of the Summer Term.

OBJECTIVES

Charitable objects

The primary object of the School is to advance education and training and in particular, to provide and conduct in or near Holt, Norfolk, a day or day and boarding school or schools for boys and girls. Within these objects, the School also maintains the fabric of its buildings and manages a number of endowed and other funds held for special purposes in connection with the development of the School's facilities as well as for scholarships, bursaries, prizes and other educational purposes.

Aims

Gresham's is a school dedicated to the development of the individual and the individual's role in the context of the lives of others. Pupils and teachers work together towards common goals in a demanding academic, cultural and sporting milieu. Pupils also learn that responsibilities accompany rights, that good manners and healthy respect for others are central to the life of the School and that service to others goes hand in hand with the striving of each individual for excellence in his or her chosen field.

Public Benefit

The Governors have considered the guidance contained in the Charity Commission's general guidance on public benefit and in particular its supplementary public benefit guidance on advancing education and on fee-charging, when exercising their powers and duties and planning the future activities of the charity. Responsibilities in relation to public benefit are discharged partly through the provision of bursaries but also through partnerships and activities involving local schools and the wider community.

Grant-making policy

The Governors' policy in relation to scholarships and bursaries is to maintain a balance between attracting sufficient pupils of academic, artistic and sporting distinction, who would otherwise be unable to attend the School, and the cost of the resultant fee discounts. The overall cost of scholarships and bursaries, as well as the benefit derived from externally funded awards, is detailed in note 2.

Linked charity

The prize fund held within the School was registered with the Charity Commission as a linked charity (1105500-1) on 17 September 2020. With the Charity Commission's approval the small individual funds within the prize fund have been consolidated into a single fund with the purpose of advancing education by awarding or providing such prizes, grants, bursaries, scholarships and other forms of assistance to pupils at Gresham's School. The prize fund shall continue to be reported within the School's financial statements.

Connected charity

The Gresham's Foundation, Charity Number 1109441, was registered as a Charity on 16 May 2005 with the object of advancing and promoting charitable purposes connected with Gresham's School and advancing and promoting education in general by the provision of grants, scholarships and bursaries.

STRATEGIC REPORT

The Board, through the Strategy Committee, is developing a new five-year strategic plan for the School. The previous plan covered the period 2015 to 2020, during which time the School roll increased and there was significant investment in the School estate. Work on the new plan was suspended temporarily to allow effort to be focused on dealing with the Covid-19 pandemic and associated uncertainties and challenges, but has picked up since autumn 2020. Construction started on a new Science, Technology, Engineering, Art and Mathematics (STEAM) building, which has been made possible through a generous donation by Old Greshamian Sir James Dyson. The new building will allow the School to offer world-leading facilities to pupils and re-think how it uses other buildings to support teaching and learning. Education, in its broadest sense, accessibility to that education and campus development to meet the educational and pastoral needs of pupils will all feature prominently in the new plan.

ACHIEVEMENTS, PERFORMANCE AND KEY PERFORMANCE INDICATORS

Senior School

The trials and tribulations of the summer's examinations processes were weathered well by pupils and the School, and the final results were positive for pupils but did not reflect an unrealistic increase in grades. Pupils undertaking the IB had their final scores calculated with a combination of predicted grades and coursework, and the final average result of just over 35 points reflected the cohort's strengths. The most able pupils in the A level cohort did very well, and their academic performance over the two years would have resulted in a rise in A* grades under any circumstances, and 69% A*-B was a pleasing and modest rise on previous years. A similar pattern at GCSE saw a modest rise of just over 3% A* (9/8) grades at GCSE. Access to university on Centre Assessed Grades meant that more pupils made their first choice institution, and the number of Oxbridge and Russell Group university places was pleasing. What is evident from the future study of Greshamians is how diverse their interests are, and the School supported pupils towards courses ranging from Accountancy apprenticeships to Bioscience, Civil Engineering and Film and Television.

The introduction of two more BTEC qualifications (Agriculture and Music Technology) in September 2020 are the most significant curriculum developments and these have increased flexibility within the 6th Form curriculum. Outside the examined curriculum, an increase in the offering of Computer Science related activities will help prepare the pupils for the advent of the Dyson building. A group of ten pupils in Year 11 passed the *Diplôme d'Etudes en Langue Française*, the standard required to work in France, a new course offered for those pupils who took their GCSE French early. The experience of the online teaching and learning over the summer months has enabled a significant development in the School's use of technology, and Microsoft Teams and OneNote are now substantially part of the pupils' experience even though we have returned to live lessons. Online resources and lectures online will be increasing as the School and the wider world become more confident in communicating through the use of technology.

The online experience and the absence of exams meant there were tremendous opportunities to extend pupils' learning over the Summer Term. The school moved Year 9 to their GCSE courses early, and good progress was made in these. Year 11 remained in classes throughout the summer term and were offered extension courses in their chosen 6th form subjects. The courses did not follow international baccalaureate (IB) or A-level specifications but enabled pupils to broaden their understanding and develop skills. In these, and in the Year 13 extension programme, there was a good opportunity for staff to be creative. Year 13 pupils were offered a choice of academic classes and many chose to study subjects they had not chosen for 6th Form. After half-term an optional series of "Life-Skills" classes from university study skills, to cooking to DIY were offered for the Year 13 students.

In Art and Design, despite the obvious challenges presented by the early and unplanned end to the academic year, the consistently high grades posted in previous years helped to ensure that good overall student attainment was achieved with the department being broadly on a par with historical data.

With all the new subject areas now fully bedded in we are starting to see a growing student uptake in courses and the department is therefore working hard to ensure subjects can be delivered to larger numbers without compromising quality and ambition. This will require a greater degree of planning and is central to the future success of the department. The teaching staff are gradually gaining an insight across new subject areas and within two years all staff in the department should be able to deliver lessons in any of the pathways, thus allowing a greater degree of flexibility in who can teach what.

Given the upheaval in the Summer Term there was always a chance that our students would find themselves behind where they would normally expect to be at this point in a two-year course. The reality has proven to be quite different and we have found ourselves in a situation where students are now almost a half term ahead. The online teaching was a genuine success and worked to our advantage rather than being detrimental. This provides us with the confidence that if a similar trajectory happens again we will be able to cope with a return to home schooling without momentum slowing.

ACHIEVEMENTS, PERFORMANCE AND KEY PERFORMANCE INDICATORS (continued)

Senior School (continued)

Co-Curricular participation and achievement were again high on the agenda in 2019/20 in a number of areas. Pupils at Gresham's are involved in a wide range of different activities and events.

Drama was at times challenging and admittedly sad as we said goodbye to Scruff's Studio Theatre. However, we certainly gave Scruffs a truly memorable send off with its final production being the last live event in School before lock down. During the course of the year there were also a number of other events. In October, 6th Form students performed in The Monologue Evening to an audience of parents, teachers and their peers in Scruff Shacks Studio. The programme consisted of monologues and scenes that students selected themselves in preparation to audition for the National Youth Theatre or Drama School, for their A Level performance exam, or simply for the love of performing. The audience was introduced to characters from plays such as Beckett's *Not I*, Shakespeare's *The Merchant of Venice* and Goldoni's *A Servant to Two Masters*. The range of different performances was hugely successful and it was a fantastic showcase of the talent that we have here.

Sweet Charity in November was a glorious, colourful, big-hearted show with a powerhouse set of principles and an impressively tight and energised ensemble. The company handled the challenging score of massive musical theatre hits with assurance from the direct address of *Big Spender* to the joyous company number *I Love To Cry At Weddings*, and Charity's journey as she sang and danced her way through *If My Friends Could See Me Now* and asked herself *Where Am I Going?* The acting company were supported by a crew of calm, efficient and necessarily good-humoured students. Moving into the New Year, a brave cohort of Years 9, 10 and 11 students took centre stage for the last Lower School Drama Evening to take place in Scruffs. The intimate space has always made an ideal venue for monologues, bringing the audience close to the action and the detail of the performer, showcasing the talent of the students and sharing their choices of character and the stories they have to tell. This year was a fitting final tribute to the power of a simple black box performance space, allowing for an impressive range of work and some beautifully judged performances. From the wit of Oscar Wilde to the trials of Ferris Bueller, from the heartbreak of an abandoned child to the desolation of a young man's despair, through first love, school days and coming to terms with who we really want to be, we experienced life in all its bittersweet shades.

During the Lent term, students from Years 9 and 10 worked very hard to prepare for a performance of the play *The Wolves of Willoughby Chase*. We continued to work on this online when we moved to distanced learning and were very much looking forward to being able to come back together as a company and perform this to a live audience in September. Unfortunately this has not been possible due to the restrictions of the bubbles and social distancing so reluctantly the performance has been cancelled. In the Lent term, students were invited to submit an original 10-minute Play, which were judged for their theatrical potential by local playwright James McDermott. Just as we were about to move from page to stage we were locked down. Undeterred, our playwrights have made an audio recording of their plays and await the moment when we can return to the rehearsal room. The range of work from black comedy to domestic drama once again cannot fail to impress and we look forward to seeing the work on the Auden stage. This is in progress and we are hoping that at least four of the plays will find their way to the stage – bubbles and social distancing allowing.

Finally, for two nights, a small company of Year 12 presented *The 39 Steps*. Adapted for the stage from the spy thriller by John Buchan and the Hitchcock movie this fast paced melodramatic spoof was the perfect swan song for Scruffs Studio. A hugely entertaining action packed production with train chases, plane crashes and good old fashioned romance. Not a play for the faint-hearted, our heroic cast of four and first-time sound technician student produced a memorable comedy to bring down the curtain on Scruffs Studio for the last time in true theatrical style. These students deserve a specific mention, having worked incredibly hard under pressure of time as the builders moved in and, with lockdown casting a shadow, the weekend we finished everything else was cancelled. Drama students joined the Music Department to bring the year to a celebratory close – this year in the intimate setting of everyone's own room!

ACHIEVEMENTS, PERFORMANCE AND KEY PERFORMANCE INDICATORS (continued)

Senior School (continued)

Sport remains popular and successful with lots of parental support and positive public relations coverage for the School in terms of recruitment and retention. 87% of the pupils from Years 9 to 13 performed for the School in a sporting fixture, which is a fantastic achievement considering we were not able to have any summer sports programme at all due to Covid-19 pandemic. There were some excellent performances and team achievements in the major games of rugby, hockey (boys and girls) and netball. A new Director of Rugby has been appointed and the Rugby Club has been competitive, especially as we are developing a stronger fixture card with some of our traditional rival schools, namely Oundle, Uppingham and Oakham.

The girls' hockey teams, particularly the 1st XI, had an excellent season winning 12/16 of their inter-school fixtures. Our netballers had a good season for many teams although poor weather curtailed a number of netball games in a short term. Both sports are very popular with the girls and we are still bucking the trend of girls' team sports diminishing in independent schools.

In January a new Director of Hockey was appointed. The boys' hockey term went well and we have some very promising young players coming through to 1st XI and also performing for the County and at the Regional Performance Centre.

The Rifle Club had an excellent year and the Shooting Master was very optimistic about our chances in the prestigious Ashburton Shield (national schools' event). Fourteen members of the club gained representative honours during the academic year. We also competed in inter-school fixtures or national competitions in badminton, clay-pigeon shooting, cross-country, equestrian, golf, football, squash, swimming and table-tennis. Unfortunately, the Summer Term was lost and many high profile events and matches were cancelled, perhaps most frustratingly for cricket, especially at 1st XI and Under 15 level where we had hoped to go far in the National Cup competitions as we had very strong sides full of county representatives in both teams.

The School continues to host a large number of sporting events for local primary schools and county championships in hockey, although we were unable to host our 34th Prep Schools' Under 11 and 13 Hockey Festival at Easter. We had planned to host County Cricket Age-Group matches for both boys' and girls' teams during the summer holidays. For 2020/21, our sporting programme will be constrained by Government and National Governing Body advice in relation to the Covid-19 pandemic. There is no doubt it will not be the norm this academic year although we will be flexible and adapt our sporting programme to try and give our major sports some form of competitive season. We have appointed a Director of Netball for the start of the Lent term so that we have our major sport programme led by specialists in their field, ensure that boys' and girls' sport can thrive and continue to raise our sporting profile and reputation, both regionally and nationally.

Music at Gresham's continues to be very public, through the considerable number of concerts and services throughout the year that are open to the local community as well as parents. Music and Munch is a particularly good example of a strong community event. Taking place in Tig's café on Thursdays, last year we more than doubled the number of children taking part. This included performances from Schola Cantorum throughout the Michaelmas Term every two weeks. The Chapel Choir had a number of new challenges this year and have risen to them impressively. We began on the first day back in September with a new hymn/anthem, learnt only immediately in the rehearsal prior to the service. We have continued almost every week with a new introit and hymn; rarely repeating anything in a Saturday service, and building up a large collection of new material to use on other occasions. A particularly impressive feat was the learning of Sumsion's *They that go down to the sea in ships* for the Remembrance Service. Many pupils have done solos as part of the choir's performances. The Chapel Choir's aim in the Lent Term was to perform a major fund-raising event with the Choral Society. Over sixty members of the community (the choral society) were signed up to perform with us and we were all set to raise a four-figure sum. Unfortunately, due to the start of Covid-19 pandemic in March, we had to call the concert off. We would have performed Vivaldi's *Gloria* and Schubert's *Mass in G* and raised money for a future choir tour. The School, however, were treated to many of the planned concert items in Saturday Chapel services.

Schola Cantorum and the Music Scholars have been set their own challenges and our aim has been to bring these two groups together giving them more opportunities and their own unique platform. This began with *Schola and Scholars in candlelight* and in the warmth of a beautifully lit chapel in October each of the music scholars in turn dazzled us with some quite brilliant playing. Schola also delivered two events in London for the Fishmonger's – music for the carol service and an annual dinner. It was marvellous to be able to take a good cohort of students.

ACHIEVEMENTS, PERFORMANCE AND KEY PERFORMANCE INDICATORS (continued)

Schola Cantorum also performed in Cley at the annual Advent service for the community. The School carol service was a moving and fitting start to the Christmas season as always and featured a wider variety of music than in the past. From the introit *When he comes to reign* to *O come all ye faithful*, the hour-long service was a wonderful start to the season and a beautiful way to end the term.

A new vocal initiative has been Pop Choir and in a lunchtime slot each week a group of young singers have been exploring popular music and lighter repertoire. This has developed their performance skills and they have risen to the challenges of featuring in Music and Munch and *Songs from the Shows*. In addition the group took part in a concert at Fulmodeston church in February. Raising funds for the church's new stained glass window, we took a variety of singers to the church to perform lighthearted music and as a preview to *Songs from the Shows*.

House Music in the Michaelmas Term is always a highlight of the musical calendar and we had something in the region of 1200 in our sports hall. Gareth Green, the adjudicator, spent two days in school as our 'Musician in Residence' and after a day of working with the Grade 5 theory candidates and music scholars spent the second day of his visit adjudicating the three rounds of House Music. As usual the event brought out many 'hidden' musicians within School – those that perhaps learn away from the Britten building and in their own time, and who take to the stage on this occasion to do their bit for the House. The Instrumental was won by Howson's (*Peter Gunn/Free Bird*), the Close Harmony by Oakeley (*All about that bass – Kadish/Trainor*) and the Unison by Queens (*Salute – Little Mix*). The overall trophy was awarded to Howson's.

The main instrumental group this year has been a newly-formed Concert Band. This has continued to go from strength to strength with an exciting programme and a great repertoire. Playing music from the shows, 80's pop and even Latin-influenced genres, there has been something for all of the musicians. The Concert Band featured in *Songs from the Shows* performing with a full company of singers to a packed house. Brass Group has also been flourishing throughout the year, with a group of a dozen players across all five year groups of the Senior School. Some highlights of the year include the lead up to Christmas when they performed *Christmas Crackers* in Music and Munch, accompanied the singing in both carol services and provided some seasonal background music for the Friends of Gresham's School (FOGS) Christmas Fair. A new Year 9 horn player wrote an arrangement of some of Purcell's music and they enjoyed learning this - it is still in the repertoire for performance next year post-lockdown! Brass Ensemble were thrilled to be asked to represent the school by performing in the final concert of the orchestral weekend provided by The London Mozart Players in February. They were involved in a workshop with the principal horn from the orchestra. The weekend was held in conjunction with North Norfolk Music Hub. Our young musicians were able to meet Ben Goldscheider, the soloist for the evening concert and the finalist in the BBC Young Musician of the Year competition.

The House Instrumental competition featured just under one hundred individual items initially and after lengthy auditions these were reduced to a group of sixty two that could make up the four classes for the Sunday final. We were delighted that this event, now in its third year, is growing in the number of entries. The standard overall was impressive. Congratulations must go to everybody that entered and was auditioned by our guest adjudicator Eddie Jones. The final was adjudicated by Charlotte Hill. We continue to hear fabulous sounds from the recording studio and there is rarely a visiting family that is not drawn to and captivated by the music emerging from the control room throughout the school day. Much has been recorded and written over the year, but the flagship production has once again been the Gresham's Girls CD at Christmas. This year rather than one track they created a mini-album, sales of which went to The People's Picnic. The track listing was: *Sit Down, Bittersweet Symphony, No More I Love You's (feat. Iris Croft), Christmas Day With You, Glorious (feat. Emma Grimm), Enjoy The Silence, Christmas Time is Here, I Am the Resurrection*. With a variety of traditional Gresham's music events and band new initiatives and projects, there is something for everybody to enjoy.

ACHIEVEMENTS, PERFORMANCE AND KEY PERFORMANCE INDICATORS (continued)

Senior School (continued)

The Friday afternoon programme continues with the pupils able to join in with a number of activities. Year 9 pupils undertake an Enrichment programme which allows the pupils to explore and participate different subjects that otherwise would not be on the usual timetable ranging from psychology, debating to music technology. CCF continues to remain an impressive and strong element of School life. We said goodbye to our SSI of more than twenty years this year. CCF accounts for over 250 pupils across the RAF, Army and Royal Navy sections with the 6th Form students having the opportunity to lead as NCOs. The Duke of Edinburgh's Award continue to be a very popular scheme with over 200 pupils involved at any one time. Various expeditions had to be cancelled but the Award is still able to be achieved in these challenging circumstances.

For the School Charity, "The People's Picnic" organisation was supported with various charitable initiatives put in place. Money was raised through headline events such as House Music and the Carol Services in addition to a Home Clothes day. The Charity Committee released a Gresham's Cookbook and visited the community project to help serve food to the homeless in Norwich.

Finally, huge strides are being made in making the Woodland Adventure site more accessible for pupils and outside organisations. Training courses have been established for staff and days such as Step up to Sixth Form in September have used the facility in the woods as have sport teams and boarding house groups.

Prep and Pre Prep School

Saturday School Enrichment

A new Saturday School Enrichment programme for pupils in Years 5 to 8 and a two-day weekend for all pupils in Years 3 and 4 was introduced in September 2019. Saturdays at the Prep School begin with our weekly Chapel Service followed by a rich diet of academic studies in the morning, including: music theory, debating, ancient Greek, interview techniques, history of our planet, reasoning and semaphore – all under the umbrella of 'things to make you more brainy'. Games coaching and fixtures complete the morning session. Afternoon enrichment activities offer wide ranging activities selected by pupils and their parents each term – coastal running, mountain biking, mixed football, sea fishing, make up of stage and screen, fossil hunting, produce your own pop song, mural makers, yoga, mindfulness, Indian arts, gardening, movies, 'news-bored', asset management, drama, Tolkien circle.

Positions of Responsibility

Children across Years 3 to 7 were given the opportunity to take on leadership roles within their peer groups with the introduction of Tutor Captains. Year 8 children were invited to apply for positions of responsibility as new roles were added to traditional Head Girl & Boy, Prefect, Sports Captain and House roles to give all of our children in the top year a chance to take responsibility for an area within the Prep School. Pre-Prep Assistants, Reading Mentors, Tutor Group Mentors and Tour Guides all had the opportunity to work collaboratively with younger pupils or visitors, whilst Office, Assembly, Music, Drama, ICT, Art, Classroom, Chapel and Garden Monitors all took responsibility for particular areas.

Development of facilities

Developments included upgrades to both the junior boys' and staff changing room and shower facilities, a 'facelift' for the Prep School office, a brand new cloakroom for visitors in Kenwyn and the completion and opening of Kim Quick's memorial garden. Fundraising projects continued for the Kitchen Cabin, which was built during the lockdown period and should be ready for use early in 2021 or possibly before.

Global events from March to July meant that the Summer Term involved remote and blended learning. Teaching staff and pupils conducted distance learning in March, April and May, with essential worker children attending School throughout the lockdown period. All year groups were invited back to school in accordance with government guidelines during the second half of the Summer Term. The achievements of pupils, whether attending lessons remotely from far away or coming into School physically, were significant. This was a period of true community spirit and kindness amongst our Gresham's family. Parent surveys indicated high levels of satisfaction with the Prep School's response to the Covid-19 pandemic and gratitude to the staff across the three schools. Residential trips to Amsterdam, the Ardèche, Derbyshire, Brancaster and Kingswood had to be cancelled, but plans and risk assessments are all in place to resume the programme of educational visits when the global travel situation allows.

ACHIEVEMENTS, PERFORMANCE AND KEY PERFORMANCE INDICATORS (continued)

Prep and Pre Prep School (continued)

Four key messages underpinned the academic year 2019/20 in the Pre-Prep:

Kindness

We ensure that children thrive because they are fulfilled and know that they are supported to become the very best they can be. We focus on delivering a nurturing and creative environment where children are encouraged to 'have a go', to explore their ideas and develop their passions in many ways. Staff work hard to model this behaviour all day every day.

Family/Friendship

We ensure that our children feel loved and valued as part of the school and the wider community. We all know our happiest places are with the ones we love; this is the environment/atmosphere we work hard to create here. The children running into school, the laughter around the classrooms and corridors, the fact that children mix so brilliantly with all the other children in school and feel they are entering their second home each morning. Having small class sizes but larger year groups allow the children the opportunity to flourish academically and socially.

Creativity

Embracing each child's uniqueness, celebrating it, encouraging and supporting it. The specialist teachers, hobbies and curriculum are there to offer and support these different opportunities to unleash the children's creativity and imagination. Each child is born with creative potential, and it is known that the Pre-Prep age is where it all begins. OWLS (Outdoor Wild Learning School) has become part of the weekly offering for all Early Years children. Cooking now also takes place weekly for all children giving them important life skills and the opportunity for hands-on learning.

Resilience

Independence, problem-solving, can-do attitude, reaching for the stars: messages which are embedded in the day-to-day life of Pre-Prep.

The government enforced closure due to the Covid-19 pandemic meant that staff, children and their families had to work differently to ensure learning could continue for children at home. Online provision for the youngest children was challenging because children could not interact with each other as they would have done at School, and the on-line resources worked on and provided by staff, and personal contact with each and every child from their teacher, required parental support. Fortunately, Pre-Prep staff were lucky enough to welcome three of our four year groups back on 1 June. The final year group (Year 2) returned on Monday 15 June.

Pre-Prep staff worked hard on the risk assessment following all the government guidance. We split our children into bubbles of under 15 in size, and they all returned to their classrooms with their class teachers. The emphasis was on the children's wellbeing, making sure they were fully supported both emotionally and academically. Staff were over the moon to return after delivering online teaching for half a term.

Capital Programme

The short-term financial impact of the Covid-19 pandemic led to a loss of income, because lower fees were charged for the Summer Term 2020 whilst the School site was closed and remote learning was in place. Also, more support was made available to those parents who were struggling financially. Fees were frozen for the start of the new academic year, commencing in September 2020, meaning that income the following year would be lower than expected. Also, even after some cohorts of pupils started to return to school during the second half of the Summer Term, there remained uncertainty about the potential further negative impact of the pandemic on the School's finances in 2020/21. Therefore, serious consideration was given by Governors to halt all capital development works. However, as the School's biggest project (the Dyson STEAM building) is being funded by a donation and contractual commitments had already been given to start the next two biggest projects, which could not be stopped without financial penalty, it was decided that these projects should continue. No commitments have been given to start new projects in 2020/21, which will be considered in the light of how the pandemic progresses. These could be deferred if necessary.

ACHIEVEMENTS, PERFORMANCE AND KEY PERFORMANCE INDICATORS (continued)

Pupil numbers

During the year Gresham's School averaged 815 pupils (2019: 805).

Public benefit

ISC Research (The impact of independent schools on the British Economy, October 2018) suggests that ISC Schools saved the taxpayer an estimated £3.0 billion in 2017. This equates to a per pupil sum of £6,640 per annum. Using this figure, Gresham's could be estimated to have saved the taxpayer £5.3 million over the last academic year.

Scholarships and bursaries were equivalent to 13.5% (2019: 12.5%) of the School's fee income. In total £2,785,000 (2019: £2,618,000) was made available by the School and comprised £1,261,000 (2019: £1,093,000) awarded as scholarships and £1,524,000 (2019: £1,525,000) awarded as bursaries. 129 pupils (15.8% of the total number of pupils) (2019: 119 pupils, 14.7% of total) benefited from scholarships. 123 pupils (15.1% of the total number of pupils) (2019: 104 pupils, 12.8% of total) benefited from means-tested bursaries.

Gresham's is an educational partner of Ormiston Venture Academy, Gorleston. Regular exchange visits are arranged for both staff and pupils, and a 100% 6th form Scholarship to Gresham's is made available each year.

In addition to the above, the Fishmongers' Company makes several prestigious awards available each year which, like the School's awards, are for academic excellence, music, art, drama and sport. In doing so, the Company provided funds totalling £59,000 (2019: £50,000) to the School during the year, in addition to the £212,000 (2019: £273,000) donated to the Foundation for bursaries.

Of the 123 bursary awards made, 20 were considered to be 'life-changing' awards. These awards cover between 76% and 100% of the termly fees. Great Yarmouth Charter Academy and the Ormiston Venture Academy are just two examples of schools with which Gresham's has developed strong links in recent years. Thanks to donations from The Fishmongers' Company to the Foundation, four life changing awards are made every year to pupils from these two schools. Two girls from Great Yarmouth Charter Academy gained places at Cambridge; one pupil was a Head of House in School and was the lead in the School Musical in November 2019.

The impact that a Gresham's education can have on these pupils, and the impact that the pupils themselves have on their peers and the School as a whole, is significant. They get so much out of what a Gresham's education offers, whilst the pupil body in turn is enriched by the inclusion of these young people.

In recent years, life changing award holders have gone on to study a wide range of courses at university, which include undergraduate courses at Oxbridge. Equally, some recent life changing award recipients have also gone on to become pupils who became successful in the fields of medicine, music, acting, first class cricket and professional rugby. One former pupil in particular, who graduated three years ago, was also in receipt of a rugby scholarship, became Head of their House and was also appointed as Head Chorister whilst at School.

Gresham's pupils work closely with the Ormiston Families Youth Project in their North Norfolk Young Carers Scheme. The School makes a minibus available every Wednesday to help transport the Young Carers to their evening activities. Pupils from the School's Sixth Form accompany them to help and provide assistance to the young people. There are regular visits to the School by the Young Carers Group for activities organised by the School's Director of Art, for example, the screen printing of T- Shirts and a supper is arranged by the Sixth Form pupils.

The School and the London Children's Camp provided groups of disadvantaged young people with summer camp experiences in the School's new Woodland facilities.

The School supports other organisations and causes by providing school facilities free of charge. For example, the School runs an annual Cross-Country event involving over 20 local primary schools. The School grounds and facilities are made available to enable this to take place in a safe environment. The Gresham's Prep School runs art, design and music events for local primary children as well as Latin lessons, dance and drama activities. The School also works in partnership with the National Youth Choir to provide opportunities for local children.



ACHIEVEMENTS, PERFORMANCE AND KEY PERFORMANCE INDICATORS (continued)

Public benefit (continued)

The Holt Youth Project has been using the sports hall (Michaelmas & Lent term) and the Astro pitches during the Summer Term, since 1998. For the last eleven years the School's CCF has run a Summer Camp for RM Cadets from Flegg High School (Great Yarmouth) in the school grounds. Whilst here they camp, go mountain biking, swim, use the shooting range and climb.

The School's minibus is available for the Holt Primary School every Wednesday to take them to the School's swimming pool. Local scout groups can also use the minibus for visits to the shooting range and the School woods.

All of the above activities have, sadly, been curtailed since Easter in 2020 because of the Covid-19 pandemic.

Community Links

Gresham's is a major contributor to the local economy in North Norfolk. The School is the largest employer in the town of Holt, employing some 386 (2019: 382) full and part-time teaching and support staff. A substantial proportion of the School's budget is spent locally and the School is keen to involve local contractors and tradesmen whenever possible.

Gresham's welcomes the local community to make use of its facilities. The public are invited to weekly music performances in the Britten Building or the Auden Theatre. Sports facilities, including the tennis and squash courts, the Astro pitches, the sports hall and the swimming pool are made available to clubs and individuals. The swimming pool is also used regularly by local primary schools. Where possible the School allows use of its classrooms outside of the school day to charities for their use. Again, the Covid-19 pandemic in 2020 disrupted this as the School was closed or had to restrict access for safety reasons.

A public car park was built on School grounds near the centre of Holt in 2017, providing much-needed car parking for Holt, which continues to be of benefit to shops and traders in the town.

Employee involvement and policy

The School is an equal opportunity employer and ensures that all applicants or employees are treated consistently.

Effective communication with employees is of vital importance and the School has established methods to provide information to and consult with employees on a regular basis on financial and other matters that affect them. Mechanisms include regular staff briefings in each school and an annual meeting at the start of the academic year, to which all staff are invited, which allows the Heads and Bursar to brief on highlights from the past year and plans for the coming year. At the senior school the twice-weekly briefings are now conducted via Teams and recorded so that staff who were unable to attend in person do not miss out.

A more formal mechanism for involving staff is the HR and Staff Conditions Committee, which is a formal sub-committee of the governing body, sitting twice each year, and which is attended by staff representatives. More informal arrangements include a staff wellbeing group, who consider and seek approval for smaller improvements to help staff, including arranging events and promoting services which help wellbeing, such as massage sessions and Pilates to help ease stress.

Employment of disabled people

The School is committed to securing equality and opportunity through the creation of an environment in which individuals are treated on the sole basis of their relevant merits and abilities. All members of staff and Governors share this commitment. The School regards as unacceptable attitudes held by a person or group towards an individual with any disability, which are offensive, discriminatory or hostile towards the individual. The School's policy is to recruit disabled people for those vacancies that they are able to fill, providing all the necessary assistance with initial training and ongoing career development to ensure suitable opportunities for each disabled person. Arrangements are made, wherever possible, for retraining employees who become disabled to enable them to perform work identified as appropriate to their aptitudes and abilities.

Promotion of the School

Unfortunately, the Covid-19 pandemic limited opportunities this year to promote the School at live events, such as the Norfolk Show, but excellent opportunities have been taken to promote the School through digital media, including a fantastic 'fly-through' promotional video, links to the progress of our new Dyson STEAM building, articles in national publications, including Tatler Schools Guide, and local news articles. The Speech Days this year, celebrating the collective and individual successes of pupils, were recorded and made available on the School's web site. The Headmaster has also been nominated as Best Head of a Public School in the 2020 Tatler Schools Awards.

Engagement with others

The School engages with all stakeholders in different ways. Parents, through newsletters, a house tutor system, parent meetings and forums and surveys. Our local community is engaged informally through myriad events and activities with which the School is engaged, including those summarised under the Community Links section, and more formally when required through public meetings, such as that held prior to the building of our new Dyson STEAM building. Good relations are maintained with suppliers and other stakeholders through prompt payment of invoices, the turnaround times for which are formally monitored under payment practices reporting requirements, and regular meetings with representatives from those organisations with whom we have an ongoing/contractual business relationship, such as our catering contractor.

Carbon and energy reporting and Environmental Matters

An Energy Savings Opportunity Scheme ("ESOS") 2 report was completed on the School's behalf in 2019/20 and a new report is being prepared in line with the new Streamlined Energy and Carbon Reporting ("SECR") regulations. An action plan is being developed from these reports. Measures taken by the School that are ongoing to reduce its carbon emissions and energy usage include programmes of insulation, replacing lighting with LED fittings and bulbs, introducing thermostatic radiator valves on radiators and introducing sub-metering so that we can improve energy monitoring. Opportunities are being taken with new buildings and refurbishments to improve insulation and to move away from fossil fuels as a heat source, through installation of solar photo-voltaic panels and ground source heat pumps. The School also has an active environmental committee of pupils, led by an enthusiastic member of staff, who seeks to gain formal accreditation for the School in relation to environmental issues.

RISK MANAGEMENT

On an ongoing basis the Governors assess the major risks to which the School is exposed and they are satisfied that systems are in place to manage all identified risks. The Audit & Risk Committee assess the major risks in detail and the minutes of each of its meetings are presented to the main Governing body for review and comment.

The Governors view the risks in terms of impact and probability. They have identified the three risks as most significant to the ongoing operation of the school, which are mitigated as follows:

Recruitment and retention of pupils

Through a programme of Open Days, parental visits, Taster Days, marketing, ready access to the Heads of the Schools, monitoring of reasons for joining/leaving and management of finances to control increases in fees, recruitment and retention of pupils is managed.

Safety of pupils

The School ensures that it follows proper safeguarding procedures, staff recruitment policies, makes suitable checks on contractors, maintains a Health Centre staffed 24/7, promotes the best in pastoral care and support and operates under a comprehensive health and safety policy to ensure the safety of our pupils.

Major failure of IT systems

A dedicated team maintains the IT infrastructure with external help where appropriate. The day-to-day running and the security of the system is a priority. The building of the new Dyson STEAM building is being taken as an opportunity to enhance the resilience of the School's IT network, with more back-up capacity and uninterrupted power supplies.

RISK MANAGEMENT (continued)

Global pandemic

Pandemic was already in the School's risk register, but no one could have foreseen the unprecedented situation which unfolded in light of the global Covid-19 pandemic in 2020. The probability and impact of this risk has been increased and a new mitigation measure has been added in the form of a comprehensive and specific risk assessment relating to the operation of the School during the pandemic. This is now in place and provides an excellent basis on which to develop future risk assessments, adapted according to the nature of any future pandemic. During the enforced closure in 2020, the School's provision of remote teaching and learning was good and generally very well received, which gives cause for some comfort and provides an opportunity to develop further digital learning from a sound platform. Financially, the nature and duration of the pandemic had a big and negative impact on the school's finances through a combination of reduced fees during closure, more financial help offered and a greater risk of parents defaulting on fee payments. Although the exact size of this impact in future is not known, it can be mitigated through a combination of sound financial management to maintain cash and reserves at healthy levels (the School's finances were in good shape before the pandemic struck, which provided some headroom and aided our case for emergency support from our bank); good alternative teaching and learning provision; fair reductions in fees and availability of support where necessary, but robust pursuit of unpaid debts; cost cutting wherever possible; headroom to cease capital expenditure to preserve cash if necessary; and support from our linked charity, the Gresham's Foundation, for those parents who need it. This allows the School to weather the storm in the short term and allow time for structural changes to be made, if necessary, to recover fully in the longer term.

Pension Costs

In response to a 43% increase in the cost of teachers' pensions in 2019, the School consulted with teaching staff on changes to their pension provision, resulting in new arrangements commencing in May 2020 that provide more choice and are more sustainable. The School will continue to monitor external socio-political and economic factors that are changing the landscape in which independent schools like Gresham's operate so that it can identify and manage emerging risks. See further detail in note 25 of the financial statements.

Financial Instruments

The School has a normal level of exposure to price, credit, liquidity, and cash flow risks arising from trading activities which are largely conducted in sterling. Foreign currency transactions are so minimal that the risk of exchange rate volatility is considered negligible.

FINANCIAL REVIEW

The Consolidated Statement of Financial Activities for the year is set out on page 19 of the financial statements.

Pupil numbers in 2019/20 were very good, higher than anticipated in the School's budget and higher than the previous year. The School achieved net income before investment losses of £18,606,000 (2019: £711,000), of which £18,212,000 related to the Dyson Trust donation.

The impact of the Covid-19 pandemic was significant, as mentioned above. Lost net fee income as a result of fee discounting was £1,100,000. Fee debts have been carefully managed to ensure that parents badly affected by the pandemic received additional support and payment plans were implemented where required. Commercial income streams were also impacted, resulting in c£200,000 of lost net income. Considerable uncertainty remained into 2020/21, with a further lockdown in January 2021, and next year (2021/22) is still at a degree of risk of dislocation from national measures despite the School continually refining and adapting its response. The School, despite strong pupil number support, therefore continues to be vigilant and cautious in its financial stewardship to seek to effectively manage the impact of Covid 19.

The School was eligible to obtain government support grants to offset the impact of the pandemic. The Coronavirus Job Retention Scheme ("CJRS") allowed the School to furlough 178 members of staff for periods between 20 March and 31 August and as such claimed £845,000. It was also able to claim a Retail, Hospitality & Leisure grant of £25,000 as a result of the closure of the Auden theatre and obtain a loan of £2,500,000 as part of the Coronavirus Business Interruption Loan Scheme ("CBILS") under which the government pays the required valuation fees of £13,000. Given the great uncertainty that existed during the Summer Term about the future impact of the pandemic, and the length of time any additional facilities could potentially take to arrange, it was felt prudent by governors to apply for a CBILS loan during the Summer Term to ensure that the School had sufficient liquidity during the following financial year to be able to operate in the event of further negative financial consequences of Covid-19 pandemic.

GRESHAM'S SCHOOL

GOVERNORS' REPORT (continued)

FOR THE YEAR ENDED 31 AUGUST 2020



Closure of the school meant operational savings were made, in particular on catering costs, utilities and educational budgets, saving in the region of £578,000 compared to 2018/19.

These accounts consolidate the results of Gresham's School Enterprises Limited (GSEL) as it is a 100% owned subsidiary. During the year GSEL made a loss of £30,000 (2020: £20,000). Activities performed by GSEL would have grown in 2019/20, with new lets having been confirmed for Easter and Summer 2020. Unfortunately, these activities, along with some regular and long-standing bookings, were also casualties of the Covid-19 pandemic. However, hopes are high that the new leads will return when the pandemic allows, helping to support the School through the generation of non-fee income. Despite not being able to host many of the activities we would like to, efforts continue to work with new organisations in order to continue growing income from commercial activities.

The School received bursary donations totalling £322,000 (2019: £266,000) from the Gresham's Foundation, a connected charity, and £32,000 of small grant and capital project donations (2019: £17,000). For further details on the relationship between the School and the Foundation see note 19.

Reserves

At 31 August 2020, the School had unrestricted funds of £22,298,000 (2019: £19,303,000), wholly deployed as part of the School's premises and equipment, and with the need for day-to-day working capital being met by careful management of short-term liquid resource in the absence of free reserves. The Governors have a policy to use revenue surpluses and borrowings as appropriate to improve the facilities and the overall educational service provided by the School. It is the intention of the Governors that this policy be continued and any unrestricted surpluses will be used for this purpose. The Governors consider that free reserves of £2.0m, or two months' expenditure, would be practicable and achievable in order to cover the risks and uncertainties of operating as an independent educational establishment. The policy is therefore to continue to build up reserves out of annual operating surpluses until that level is reached, subject to the prior demands of further capital expenditure to equip the School with the up-to-date facilities needed to maintain the standard of educational services currently provided.

Principal Funding Source

The infrastructure of the School is funded from operating surpluses, donations and by agreed bank facilities.

Pupils attending the School are charged a termly fee and the income arising from these fees is utilised to meet the costs of running the School on a day-to-day basis as well as funding longer-term capital projects and the provision of scholarships and bursaries.

Investment powers, policy and performance

The School's investment powers are governed by its Memorandum and Articles of Association, which give the Governors the power to invest the monies of the charitable company, not immediately required for its purposes, in or upon such investments, securities or property as may be thought fit.

Investments are managed on a discretionary basis, on a medium risk profile, with predominately an income mandate but some capital growth. Performance over the past year was in line with expectations, allowing for the impact of the Covid-19 pandemic on the markets, but investment objectives are being reconsidered, with a view to setting a greater total return target in future.

PLANS FOR THE FUTURE

The School is currently preparing its next Strategic Plan, from which key objectives will be defined. Increasing access and growth in pupil roll and net fee income will be key objectives. The good financial health of the School is vital to enable the School to develop new opportunities, counter threats, build on its strengths and address areas in which the School could perform better. This was no more evident than the past year, where the School's sound financial position going into the Covid-19 pandemic helped it to fare better than it might have done. Educational provision will be reviewed with the aim not only of striving for the highest academic standards but also to seek opportunities to ensure the curriculum meets the needs of our market. It will continue to strive to give access to those who would not otherwise be able to afford a Gresham's education, and in this regard, the School's links with the Worshipful Company of Fishmongers, the Gresham's Foundation and Gresham's School Enterprises Ltd are vital, as they support the granting of bursaries, in respect of the first two, and help the School to raise income through means other than school fees, in the case of the third. An ambitious campus development programme is planned, at the heart of which will be the new Dyson STEAM building, which will sit at the heart of the campus. The global pandemic has delayed the production of the new Strategic Plan as efforts have focused on responding to and operating through the pandemic.

It may also slow the rate at which the campus can be developed compared to the ambitious plans which existed prior to the pandemic. However, with the knowledge that pupil numbers in September 2020 are stronger than had been forecast, the pandemic has only delayed, not changed the Governors' plans for the future. Indeed, it has allowed an opportunity to reflect on some opportunities, such as use of digital resources, to ensure these are incorporated in the new plan.

GOVERNORS' RESPONSIBILITIES

The Governors are responsible for preparing the Governors' Report and the financial statements in accordance with applicable law and regulations. Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors 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 Governors 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 year. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to assume that the charitable company will continue on that basis.

The Governors 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.

Governors, who are directors for the purpose of company law and trustees for the purpose of charity law, who served during the year and up to the date of this report, are set out on page 1.

In accordance with company law, as the charitable company's directors, we certify that:

- so far as we are aware, there is no relevant audit information of which the charitable company's auditor is unaware;
- as the directors of the charitable company we have taken all the steps that we ought to have taken in order to make ourselves aware of any relevant audit information and have established that the charitable company's auditor is aware of that information.

AUDITOR

A resolution proposing that Haysmacintyre LLP be reappointed as auditor of the Charity will be put to the Annual General Meeting.

This Governors' Report, which incorporates the Strategic Report, was approved by the Governors on 10 June 2021 and signed on their behalf by:

M L J Goff

Michael Goff
Chairman

INDEPENDENT AUDITOR'S REPORT
TO THE GOVERNORS OF GRESHAM'S SCHOOL
FOR THE YEAR ENDED 31 AUGUST 2020



Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Responsibilities of trustees for the financial statements

As explained more fully in the Governors' responsibilities statement set out in the Governors' Report, the Governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Governors 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 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 group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

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

INDEPENDENT AUDITOR'S REPORT

TO THE GOVERNORS OF GRESHAM'S SCHOOL (continued)

FOR THE YEAR ENDED 31 AUGUST 2020



Other information

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

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 Governors' Report (which incorporates 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 Governors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' 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 parent charitable company, or
- the parent charitable company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Governors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

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.

David Sewell (Senior Statutory Auditor)
for and on behalf of Haysmacintyre LLP (Statutory Auditor)

10 Queen Street Place
London
EC4R 1AG

Date: 24 June 2021

Haysmacintyre LLP is eligible to act as an auditor in terms of section 1212 of the Companies Act 2006.

GRESHAM'S SCHOOL

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

FOR THE YEAR ENDED 31 AUGUST 2020



		Unrestricted Funds £000	Restricted Funds £000	Endowment Fund £000	2020 £000	2019 £000
INCOME FROM:	Notes					
Charitable activities						
School fees	2	15,427	-	-	15,427	16,204
Other incoming resources	3	239	-	-	239	274
Other trading activities						
Gresham's School Enterprises		160	-	-	160	309
Lettings		12	-	-	12	143
Investment income	4	99	23	-	122	150
Donations and grant income	5	910	18,264	-	19,174	575
Other income						
Sale of fixed assets		2	-	-	2	7
Total income		<u>16,849</u>	<u>18,287</u>	<u>-</u>	<u>35,136</u>	<u>17,662</u>
EXPENDITURE						
Generating Funds		223	4	2	229	313
Charitable activities		16,194	107	-	16,301	16,638
Total expenditure	6	<u>16,417</u>	<u>111</u>	<u>2</u>	<u>16,530</u>	<u>16,951</u>
		432	18,176	(2)	18,606	711
Investment (losses)/gains	19	<u>(5)</u>	<u>(41)</u>	<u>1</u>	<u>(45)</u>	<u>-</u>
Net movement in funds before transfers	19	427	18,135	(1)	18,561	711
Transfers	19	2,568	(2,568)	-	-	-
Net movement in funds		<u>2,995</u>	<u>15,567</u>	<u>(1)</u>	<u>18,561</u>	<u>711</u>
Reconciliation of funds						
Fund balances at 1 August 2019		<u>19,303</u>	<u>945</u>	<u>2,925</u>	<u>23,173</u>	<u>22,462</u>
Fund balances at 31 August 2020		<u><u>22,298</u></u>	<u><u>16,512</u></u>	<u><u>2,924</u></u>	<u><u>41,734</u></u>	<u><u>23,173</u></u>

The consolidated statement of financial activities includes all gains and losses in the year. All incoming resources, and resources expended, derive from continuing activities. The comparative year's consolidated statement of financial activities is included in note 26.

The accompanying notes form part of these accounts.

BALANCE SHEETS

AS AT 31 AUGUST 2020



		2020		2019	
	Notes	Group £000	School £000	Group £000	School £000
FIXED ASSETS					
Tangible assets	9	27,616	27,149	24,240	23,738
Investments	10	3,841	3,841	3,808	3,808
		<u>31,457</u>	<u>30,990</u>	<u>28,048</u>	<u>27,546</u>
CURRENT ASSETS					
Stock		33	-	17	-
Debtors	11	16,517	16,598	961	1,021
Cash at bank and in hand		1,850	1,821	1,957	1,886
		<u>18,400</u>	<u>18,419</u>	<u>2,935</u>	<u>2,907</u>
CURRENT LIABILITIES					
CREDITORS: amounts falling due within one year	12	(4,417)	(4,383)	(6,301)	(6,219)
NET CURRENT LIABILITIES		<u>13,983</u>	<u>14,036</u>	<u>(3,366)</u>	<u>(3,312)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES		<u>45,440</u>	<u>45,026</u>	<u>24,682</u>	<u>24,234</u>
LONG TERM LIABILITIES					
CREDITORS: amounts falling due after more than one year	13	(3,706)	(3,321)	(1,509)	(1,120)
NET ASSETS		<u>41,734</u>	<u>41,705</u>	<u>23,173</u>	<u>23,114</u>
FUND BALANCES					
Unrestricted funds					
General funds	19	21,788	21,759	18,793	18,734
Designated funds	19	510	510	510	510
Restricted funds	19	16,512	16,512	945	945
Endowment funds	19	2,924	2,924	2,925	2,925
		<u>41,734</u>	<u>41,705</u>	<u>23,173</u>	<u>23,114</u>

The School's net movement in funds was £18,561,000 (2019: £710,000).

The financial statements were approved and authorised for issue by the Governors on 10 June 2021 and signed on their behalf by:

ML J Goff

Michael Goff, Chairman of Governors

Paul Marriage, Chair of Finance & General Purposes Committee

The accompanying notes form part of these accounts.

	2020 £000	2019 £000
Net cash inflow from operating activities		
Net income	18,606	711
Depreciation	1,100	1,084
Investment income and interest receivable	(122)	(150)
Interest payable	56	60
Surplus on sale of fixed assets	97	(7)
(Increase) in stock	(16)	(2)
Decrease/(increase) in debtors	(15,555)	(73)
(Decrease)/increase in creditors	(1,859)	270
	<u>2,307</u>	<u>1,893</u>
Cash flow from investing activities		
Investment income and interest receivable	122	150
Payments to acquire tangible fixed assets	(4,649)	(1,185)
Net proceeds from sale of fixed assets	2	7
Payments to acquire investments	(328)	(16)
Proceeds from sale of investments	247	201
	<u>(4,606)</u>	<u>(843)</u>
Cash flows from financing activities		
New loan amounts	2,500	-
Net loan repayments	(36)	(41)
Interest payable	(56)	(50)
Fee in advance scheme movements		
- Additions to the Scheme	332	501
- Payments of fees	(548)	(616)
	<u>2,192</u>	<u>(206)</u>
Net change in cash and cash equivalents in the reporting year	(107)	844
Cash and cash equivalents at the beginning of the reporting year	1,957	1,113
Cash and cash equivalents at the end of the reporting year	<u>1,850</u>	<u>1,957</u>

Analysis of Changes in Net Debt

	At 31 August 2019 £000	Cash flow £000	Other Changes £000	At 31 August 2020 £000
Cash and cash equivalents	1,957	(107)	-	1,850
Borrowings				
Debt due within one year	(49)	(4)	-	(53)
Debt due after one year	(467)	(2,460)	73	(2,854)
	<u>(516)</u>	<u>(2,464)</u>	<u>73</u>	<u>(2,907)</u>
Net Debt	<u>1,441</u>	<u>(2,571)</u>	<u>73</u>	<u>(1,057)</u>

The accompanying notes form part of these accounts.

1. ACCOUNTING POLICIES

Basis of Preparation

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of fixed assets investments at market value and the non-recognition of the value to the School of the use of land as described in note 9. The format of the financial statements has been presented to comply with the Companies Act 2006, FRS102 *The Financial Reporting Standard applicable in the UK and Ireland* and the Statement of Recommended Practice *Accounting and Reporting by Charities, second edition* ("SORP 2015"). Figures are presented in sterling and rounded to the nearest pound.

The Charity is a Public Benefit Entity as defined by FRS102.

Going concern

The Governors consider that there are no material uncertainties which would cast doubt on the School's ability to continue as a going concern. The Governors review the financial information of the School and consider whether it is a going concern for at least twelve months from the date of approval of the accounts. The Governors have assessed the major risks to which the School is exposed, including those specifically related to the Covid-19 pandemic and is satisfied that systems are in place to manage exposure to major risks. The ultimate impact of Covid-19 on the UK economy and the school community is not yet known. However, through appropriate consideration of financial forecasts and normal risk management processes and mitigating actions already taken and available to be taken the Governors consider it appropriate for the going concern basis to be adopted for these accounts.

Group accounts

Gresham's School is the sole corporate trustee of Gresham's School Trust and owns 100% of the share capital of Gresham's School Enterprises Limited. These accounts consolidate the results of Gresham's School (Charity number 1105500), Gresham's School Trust (Charity number 311268) and Gresham's School Enterprises Limited (Company Number 06577062). As permitted by Section 408 of the Companies Act 2006, the School's statement of financial activities has not been included in these financial statements.

General information

The Charity is a company limited by guarantee, incorporated in England and Wales (company number: 05196298) and a charity registered in England and Wales (charity number: 1105500).

Significant Judgements

In preparing these financial statements the Governors have had to make estimates and assumptions that affect the amounts recognised in these financial statements. Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. A key area subject to judgement and estimation is as follows:

Fixed asset depreciation. Judgement is applied when assigning anticipated average lives to the fixed assets of the school.

Fund accounting

- Unrestricted funds are available for use at the discretion of the trustees in furtherance of the general objectives of the Charity.
- Designated funds are unrestricted funds earmarked by the Governors for particular purposes.
- Restricted funds are subject to restrictions on their expenditure imposed by the donor.
- Endowment funds are permanent and represent land and other investments.
- Transfers are made to unrestricted funds to reflect capital expenditure.

1. ACCOUNTING POLICIES (continued)**Incoming resources**

All incoming resources are included in the statement of financial activities when the Charity is entitled to the income, its receipt is probable and the amount can be quantified with reasonable accuracy. The following specific policies are applied to particular categories of income:

- Voluntary income is received by way of grants and donations and is included in full in the Statement of Financial Activities when receivable. Where entitlement is conditional on the delivery of a specific performance by the Charity, income is recognised when the Charity becomes unconditionally entitled to it.
- Grant income relates to Coronavirus Job Retention Scheme grants, Retail, hospitality & leisure grant income, and the Coronavirus Business Interruption Loan Scheme grant. These are recognised when receivable.
- Investment income is included when receivable.
- School fees are accounted for in the year in which the service is provided. School fees are stated after deducting scholarships, bursaries and other allowances granted by the School, but include contributions received from Restricted Funds for funded scholarships and bursaries.

Resources expended

Expenditure is recognised on an accruals basis as a liability is incurred. The irrecoverable element of VAT is included with the item of expense to which it relates:

- Expenditure on raising funds comprise the costs associated with attracting voluntary income, the costs of trading for fundraising purposes and finance costs.
- Charitable expenditure comprises those costs incurred by the Charity in the delivery of its activities and services for its beneficiaries. It includes both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.
- Governance costs include those costs associated with meeting the constitutional and statutory requirements of the Charity and include the audit fees and costs linked to the strategic management of the Charity.
- All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity are allocated directly. Other costs are apportioned on an appropriate basis.

Tangible Fixed Assets

The freehold of the majority of the land occupied by the School is vested in Gresham's School as Trustee of the Gresham's School Trust. The other freehold land is part owned by the Fishmongers' Company's Charitable Trust and part owned by the Fishmongers' Company and is made available to the School.

The School enjoys the use of the original buildings, however, no cost can be attributed to them.

All building improvements and extensions are capitalised and carried in the balance sheet at historical cost.

Depreciation

Depreciation is calculated to write off on a straight line basis the cost, less estimated residual values, of tangible fixed assets over their estimated useful lives to School. The annual depreciation rates are as follows:

Land	Nil
Buildings	1% - 10%
Furniture and fittings	5% - 20%
Plant and machinery	5% - 20%
Educational equipment	20% - 25%
Motor vehicles	25%

The carrying values of tangible fixed assets are reviewed for impairment in accordance with the requirements of FRS102.

Stocks

Stocks comprise finished goods and are stated at the lower of cost and net realisable value.

Financial instruments

Basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable are accounted for on the following basis:

Investments

Investments held for the long-term to generate income or capital growth are carried at fair value as fixed assets. The Statement of Financial Activities includes the net gains and losses arising on revaluations and disposals throughout the year.

Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts. Bank overdrafts, when applicable, are shown within current liabilities.

Debtors and creditors

Debtors and creditors are measured at the transaction price less any provision for impairment. Any losses arising from impairment are recognised as expenditure.

Bank borrowings

The bank loan is measured at the transaction price.

The Coronavirus Business interruption Loan (CIBL) is measured at the present value of future payments discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost using the effective interest method.

Fee in advance scheme

The Charity has an advance fees scheme whereby parents and others make advance payments, which together with the discount accruing thereon, provide for a set contribution each term towards the pupils' fees. The capital portion outstanding is recognised as a liability and the amount of discount crystallised in the year is included in the Statement of Financial Activities.

Pension schemes

- i) The School contributes to the Teachers' Pension Scheme. The scheme is a multi employer defined benefit scheme and the School contributes at rates set by the Scheme Actuary as advised to the Board by the Scheme Administrator. It is not possible to identify the assets and liabilities which are attributable to the School. In accordance with accounting standards the scheme is accounted for as a defined contribution scheme.
- ii) The School contributes to Aviva's Pension Trust for Independent Schools ("APTIS"), a defined contribution scheme for teachers offered as an alternative to the Teachers' Pension Scheme, from May 2020.
- iii) The School contributes to the Independent Schools' Pension Scheme (operated by The Pensions Trust). The scheme is a multi-employer defined benefit scheme and the School contributes at rates set by the Scheme Actuary as advised to the Board by the Scheme Administrator. The liability attributable to the School is detailed in note 25. In accordance with FRS17 the scheme is accounted for as a defined contribution scheme. On 31 August 2015, all existing members of the scheme were transferred to a Defined Contribution scheme also operated by the Pensions Trust.
- iv) The School also offers defined contribution schemes operated by AEGON and NEST for support staff. The assets of these schemes are held separately from those of the School in independently administered funds.

The charge in the Statement of Financial Activities represents the contributions payable by the School to the funds for the year.

2. SCHOOL FEES

	2020	2019
	£000	£000
The School's fee income comprised:		
Fees	18,312	19,068
Less: Scholarships and bursaries	(3,043)	(2,901)
Other reductions	(222)	(279)
	<u>15,047</u>	<u>15,888</u>
Add back: External funding - The Fishmongers' Company	59	50
Add back: External funding - Gresham's Foundation	322	266
	<u>15,427</u>	<u>16,204</u>

3. OTHER INCOMING RESOURCES

	2020	2019
	£000	£000
Registration fees	58	47
Rents receivable	17	23
Late fee interest	10	14
Forfeited fees	121	91
Other income	18	30
Activity course income	15	69
	<u>239</u>	<u>274</u>

4. INVESTMENT INCOME

	Unrestricted	Restricted	
	Funds	& Endowment	
	£000	Funds	2020
		£000	£000
Fee in Advance Scheme	47	-	47
Sir John Gresham Trust	48	-	48
Douglas Scholarship Fund income	-	9	9
Other	4	14	18
	<u>99</u>	<u>23</u>	<u>122</u>

4. INVESTMENT INCOME (continued)

Comparative Analysis:	Unrestricted Funds £000	Restricted & Endowment Funds £000	2019 £000
Fee in Advance Scheme	66	-	66
Sir John Gresham Trust	56	-	56
Douglas Scholarship Fund income	-	9	9
Other	2	17	19
	<u>124</u>	<u>26</u>	<u>150</u>

5. DONATION AND GRANT INCOME

	Unrestricted Funds £000	Restricted Funds £000	2020 £000
James & Deidre Dyson Trust donation to STEAM building	-	18,212	18,212
Foundation donation to the Eccles pavilion	-	16	16
Donations towards equipment and projects	-	36	36
Other donations	25	-	25
Government grants	885	-	885
	<u>910</u>	<u>18,264</u>	<u>19,174</u>

Comparative Analysis:

	Unrestricted Funds £000	Restricted Funds £000	2019 £000
James & Deidre Dyson Trust donation to STEAM building	-	537	537
Donations towards equipment and projects	-	19	19
Other donations	15	4	19
	<u>15</u>	<u>560</u>	<u>575</u>

6. ANALYSIS OF TOTAL RESOURCES EXPENDED

	Staff Costs £000	Depreciation £000	Other £000	Year 2020 £000
Charitable Activities:				
Teaching	7,594	-	24	7,618
Education	737	78	723	1,538
Boarding	901	-	1,009	1,910
Establishment	534	1,008	934	2,476
Maintenance	267	-	300	567
Marketing costs	173	-	167	340
Administration	1,327	69	424	1,820
Grants, awards and prizes	-	-	4	4
Governance costs	-	-	28	28
	<u>11,533</u>	<u>1,155</u>	<u>3,613</u>	<u>16,301</u>
Generating funds:				
Finance	-	-	56	56
Investment fees	-	-	22	22
Gresham's School Enterprises	-	43	108	151
	<u>-</u>	<u>43</u>	<u>186</u>	<u>229</u>
	<u>11,533</u>	<u>1,198</u>	<u>3,799</u>	<u>16,530</u>

Resources expended include:

Auditors' remuneration	
Audit services	
School	19
Gresham's School Enterprises Limited	4
Non-audit services	2
Irrecoverable VAT	4

Establishment costs include insurance, utilities and costs of running the School estate.

Administration costs include costs of staff recruitment, professional fees, OG membership subsidy, subscriptions, private medical and life insurance costs and costs associated with operating the administrative support function of the School such as postage, administrative IT and photocopying costs.

6. ANALYSIS OF TOTAL RESOURCES EXPENDED (continued)**Comparative Analysis:**

	Staff Costs £000	Depreciation £000	Other £000	Year 2019 £000
Charitable Activities:				
Teaching	7,081	-	72	7,153
Education	671	72	871	1,614
Boarding	936	-	1,362	2,298
Establishment	539	888	842	2,269
Maintenance	270	-	654	924
Marketing costs	145	-	169	314
Administration	1,325	83	632	2,040
Grants, awards and prizes	-	-	4	4
Governance costs	-	-	22	22
	<u>10,967</u>	<u>1,043</u>	<u>4,628</u>	<u>16,638</u>
Generating funds:				
Finance	-	-	60	60
Investment fees	-	-	22	22
Gresham's School Enterprises	-	41	190	231
	<u>-</u>	<u>41</u>	<u>272</u>	<u>313</u>
	<u>10,967</u>	<u>1,084</u>	<u>4,900</u>	<u>16,951</u>

Resources expended include:

Auditors' remuneration	
Audit services	
School	19
Gresham's School Enterprises Limited	4
Non-audit services	1
Irrecoverable VAT	4
	<u>28</u>

Establishment costs include insurance, utilities and costs of running the School estate.

Administration costs include costs of staff recruitment, professional fees, OG membership subsidy, subscriptions, private medical and life insurance costs and costs associated with operating the administrative support function of the School such as postage, administrative IT and photocopying costs.

7. STAFF COSTS

	2020 £000	2019 £000
Wages and salaries	9,373	9,109
Social security costs	871	862
Pension costs	1,289	996
	<u>11,533</u>	<u>10,967</u>

7. STAFF COSTS (continued)

The average number of employees and their full time equivalents (FTE) analysed by function was:

	2020		2019	
	No.	FTE	No.	FTE
Teaching, education and boarding	308	220	303	215
Establishment and maintenance	30	30	31	31
Management and administration	48	41	48	40
	<u>386</u>	<u>291</u>	<u>382</u>	<u>286</u>

The number of higher paid employees whose emoluments exceeded £60,000 fell within the following bands:

	2020 No.	2019 No.
£60,000 to £69,999	6	6
£70,000 to £79,999	1	-
£80,000 to £89,999	1	1
£90,000 to £99,999	-	1
£100,000 to £109,999	-	-
£110,000 to £119,999	-	-
£120,000 - £129,999	-	-
£130,000 - £139,999	1	-
£140,000 - £149,999	-	1
	<u>-</u>	<u>1</u>

Contributions of £85,000 (2019: £76,000) were made to the Teachers' Pensions Scheme, which is a defined benefit scheme, for six (2019: six) of the higher paid employees, whilst contributions of £28,000 (2019: £17,000) were made to defined contribution schemes for six (2019: three) higher paid employees. Note that three of the higher paid employees had contributions paid into the Teachers' Pensions Scheme and a defined contribution scheme during the year as their scheme membership changed during the year.

During the year the School made redundancy payments of £21,000 (2019: £6,000) and compensatory redundancy payments of £31,000 (2019: £23,000).

No Governor received any remuneration from the School during the year. Travel expenses to and from meetings of £37 (2019: £414) were reimbursed to one Governor (2019: three) during the year.

Key Management Personnel:

The key management roles in the School for the year were the Governors, who are not paid, the Headmaster, the Bursar, Headmaster of the Prep School, Headmistress of the Pre-Prep School and the Deputy Heads of each school. Their total emoluments, including employer's NI contributions and pensions paid, were £787,000 (2019: £859,000).

8. TAXATION

The Charity is generally exempt from corporation tax as surplus income and gains are applied for charitable purposes.

9. TANGIBLE FIXED ASSETS

Group	Buildings £000	Furniture, Fittings, Plant & Machinery £000	Educational Equipment £000	Motor Vehicles £000	Total £000	Trust Land £000	Group Total £000
Cost or valuation							
At 31 August 2019	31,561	2,372	3,069	132	37,134	1,400	38,534
Additions	4,022	441	111	-	4,574	-	4,574
Disposals	(116)	(1)	-	-	(117)	-	(117)
At 31 August 2020	35,467	2,812	3,180	132	41,591	1,400	42,991
Depreciation							
At 31 August 2019	10,244	1,541	2,405	104	14,294	-	14,294
Charge for the year	744	263	78	16	1,101	-	1,101
Disposals	(20)	-	-	-	(20)	-	(20)
At 31 August 2020	10,968	1,804	2,483	120	15,375	-	15,375
Net Book Value							
At 31 August 2020	24,499	1,008	697	12	26,216	1,400	27,616
At 31 August 2019	21,317	831	664	28	22,840	1,400	24,240

School	Buildings £000	Furniture, Fittings, Plant & Machinery £000	Educational Equipment £000	Motor Vehicles £000	Total £000	Trust Land £000	School Total £000
Cost or valuation							
At 31 August 2019	31,011	2,352	3,069	132	36,564	1,400	37,964
Additions	4,022	432	111	-	4,565	-	4,565
Disposals	(116)	(1)	-	-	(117)	-	(117)
At 31 August 2020	34,917	2,783	3,180	132	41,012	1,400	42,412
Depreciation							
At 31 August 2019	10,180	1,537	2,405	104	14,226	-	14,226
Charge for the year	708	255	78	16	1,057	-	1,057
Disposals	(20)	-	-	-	(20)	-	(20)
At 31 August 2020	10,868	1,792	2,483	120	15,263	-	15,263
Net Book Value							
At 31 August 2020	24,049	991	697	12	25,749	1,400	27,149
At 31 August 2019	20,831	815	664	28	22,338	1,400	23,738

Inalienable and historic assets

In addition to the capitalised fixed assets held for the School's own use, Gresham's School also has a number of historic buildings. These buildings have no reliable cost or value that can be attributed and accordingly these buildings have not been capitalised in the financial statements.

10. INVESTMENTS

	Unrestricted £000	Endowed & Restricted £000	Fees in advance scheme £000	2020 £000
Market value at 31 August 2019	-	2,368	1,440	3,808
Additions	109	-	219	328
Withdrawals	-	(97)	(153)	(250)
Unrealised gains/(losses)	2	(40)	(7)	(45)
	<u>111</u>	<u>2,231</u>	<u>1,499</u>	<u>3,841</u>
Investment in Gresham's School Enterprises Ltd	-	-	-	-
School	<u>111</u>	<u>2,231</u>	<u>1,499</u>	<u>3,841</u>

Comparative Movements:

	Unrestricted £000	Endowed & Restricted £000	Fees in advance scheme £000	2019 £000
Market value at 31 August 2018	-	2,358	1,635	3,993
Additions	-	8	8	16
Disposals at market value	-	(1)	(200)	(201)
Unrealised gains/(losses)	-	3	(3)	-
	<u>-</u>	<u>2,368</u>	<u>1,440</u>	<u>3,808</u>
Market value at 31 August 2019	-	2,368	1,440	3,808
Investment in Gresham's School Enterprises Ltd	-	-	-	-
School	<u>-</u>	<u>2,368</u>	<u>1,440</u>	<u>3,808</u>

11. DEBTORS

	Group		School	
	2020 £000	2019 £000	2020 £000	2019 £000
Debtors due after one year:				
James & Deidre Dyson Trust	239	-	239	-
	<u>316</u>	<u>163</u>	<u>316</u>	<u>163</u>
School fees	316	163	316	163
Trade debtors	1	114	1	45
Staff loans	22	28	22	28
James & Deidre Dyson Trust	15,545	-	15,545	-
Other debtors	258	112	258	112
Prepayments	136	544	121	531
Gresham's School Enterprises Limited	-	-	96	142
	<u>16,278</u>	<u>961</u>	<u>16,359</u>	<u>1,021</u>
Debtors due within one year	16,278	961	16,359	1,021
	<u>16,517</u>	<u>961</u>	<u>16,598</u>	<u>1,021</u>
Total Debtors	<u>16,517</u>	<u>961</u>	<u>16,598</u>	<u>1,021</u>

The loans to staff are interest free and repayable between 2019 and 2024.

12. CREDITORS: amounts falling due within one year	Group		School	
	2020 £000	2019 £000	2020 £000	2019 £000
Bank loan and overdraft (see note 14)	36	36	36	36
Other loan	17	13	-	-
School fees in advance and deposits	2,674	3,865	2,674	3,865
Fees in advance scheme (see note 16)	490	526	490	526
Pension deficit reduction contributions (see note 25)	10	10	10	10
PAYE & NIC	232	262	232	262
Trade creditors	232	1,097	227	1,070
Other creditors and accruals	667	414	655	372
Deferred income (see below)	53	9	53	9
Provision (see note 17)	6	69	6	69
	<u>4,417</u>	<u>6,301</u>	<u>4,383</u>	<u>6,219</u>

Deferred income comprises box office ticket income, commercial let income and external funding for school fees all due in the following financial year

Group and School	2020 £000	2019 £000
Balance as at 1 September 2019	9	12
Amount released to income earned	(9)	(12)
Amount deferred in the year	53	9
Balance as at 31 August 2020	<u>53</u>	<u>9</u>

13. CREDITORS: amounts falling due after more than one year	Group		School	
	2020 £000	2019 £000	2020 £000	2019 £000
Pension deficit reduction contributions (see note 25)	94	101	94	101
Fees in advance scheme (see note 16)	758	941	758	941
Bank loan (see note 14)	2,469	78	2,469	78
Loan from London Children's Camp	385	389	-	-
	<u>3,706</u>	<u>1,509</u>	<u>3,321</u>	<u>1,120</u>

14. BANK LOAN AND OVERDRAFT	2020	2019
	£000	£000
Group and School		
Bank loan	78	114
CBIL loan	2,427	-
Bank overdraft	-	-
	<hr/>	<hr/>
Due within one year (see note 12)	36	36
Due in one to two years	580	36
Due in two to five years	1,460	42
Due over five years	429	-
	<hr/>	<hr/>
	2,505	114
	<hr/>	<hr/>

Bank borrowings were secured by way of a fixed charge on designated school assets. Interest on the term loan was charged at varying rates determined at the time the loan was made; overdraft interest is linked to the base rate. The bank loan was repayable by instalments.

The School obtained a Coronavirus Business Interruption Loan (CBIL) to provide financial support as a result of the COVID-19 outbreak. This is repayable over 5 years from September 2021.

15. OTHER LOANS	2020	2019
	£000	£000
Group		
Within one year	17	13
Within one to two years	13	13
Within two to five years	54	54
After five years	318	322
	<hr/>	<hr/>
	402	402
	<hr/>	<hr/>

The London Children's Camp has loaned monies to Gresham's School Enterprises Ltd in order to construct a high ropes course, climbing tower, assault course and woodland cabin. Interest on the loan is accrued at 2.25% per annum and is repayable quarterly over 50 years from the date of the final draw down. The loan is not secured against any of the Group's assets.

16. FEES IN ADVANCE SCHEME**Group and School**

Parents have the option of paying school fees in advance for either part of or the whole time that the pupil is at the School. The money is returned if the child is withdrawn from the School, after any outstanding fees are deducted and amounts owing are added.

Assuming pupils will remain in the School, advanced fees will be applied as follows:

	2020 £000	2019 £000
Within one year	490	526
Within one to two years	324	375
Within two to five years	396	408
After five years	38	158
	<u>758</u>	<u>941</u>
	<u>1,248</u>	<u>1,467</u>
The movements during the year were:		
Balance brought forward	1,467	1,582
Additions to the Scheme	331	501
Withdrawals from the Scheme	(2)	-
Payments of fees	(548)	(616)
	<u>1,248</u>	<u>1,467</u>

The investments held to fund the liability are disclosed in note 10.

17. PROVISIONS

A member of staff was advised of redundancy prior to the year end and as such the costs associated with that redundancy (£6,000) were provided for at year end and included within the staff costs note.

In 2019 a provision of £69,000 was held at year end against the obligation to pay costs associated with consultation with teachers regarding the proposal to amend contracts such that teachers have a choice whether to stay in TPS and take a pay cut to offset the increase in employer costs or opt out of TPS and be opted into a qualifying defined contribution scheme set up for this purpose, which would allow them to take a pay rise and have 10% employer contributions made into the scheme on their behalf. The consultation concluded during the year and all costs settled and as such this provision has been cleared.

18. CONNECTED AND SUBSIDIARY CHARITIES

Connected Charities

The Gresham's Foundation, Charity Number 1109441, was registered as a Charity on 16 May 2005 with the object of advancing and promoting charitable purposes connected with Gresham's School and advancing and promoting education in general by the provision of grants, scholarships and bursaries.

The London Children's Camp, Charity Number 303323, was registered with the object of providing organised holidays for needy children and young people throughout the UK to improve their social welfare and to do this whilst fostering greater links with Gresham's School. Several of the charity's trustees are either Governors, or senior members of staff at Gresham's School.

Subsidiary Charity

Gresham's School Trust (Charity number: 311268) is considered a subsidiary as Gresham's School (Charity Number: 1105500) is the sole corporate trustee and the Charity's purpose is supporting the School from a permanent endowment fund of £1,400,000 which is represented by the land from which the School operates.

19. FUNDS	Group	Balance 31 August 2019 £000	Incoming Resources £000	Resources Expended £000	Transfers Gains/ (Losses) £000	Balance 31 August 2020 £000
	General Funds	18,734	16,699	(16,237)	2,563	21,759
	Designated Funds					
	Pension Liability Fund (note 25)	510	-	-	-	510
	General fund – Gresham's School Enterprises Ltd	59	150	(180)	-	29
	Total Unrestricted Funds	19,303	16,849	(16,417)	2,563	22,298
	Restricted Funds					
	Lumsden Handwriting Prize Fund	4	-	-	(1)	3
	Emil Schwarz Scholarship	42	2	(30)	(3)	11
	Swatland-Ucelli Scholarship	81	4	(20)	(5)	60
	Douglas Scholarship	477	9	(2)	(20)	464
	Prize Funds	256	8	(5)	(12)	247
	James & Deidre Dyson Trust donation	-	18,212		(2,568)	15,644
	Other donations	85	52	(54)	-	83
		945	18,287	(111)	(2,609)	16,512
	Endowment Fund					
	Estate Trustees of the Sir John Gresham Trust	2,925	-	(2)	1	2,924
	Group Total Funds	23,173	35,136	(16,530)	(45)	41,734
	General fund: Gresham's School Enterprises Ltd	(59)	(150)	180	-	(29)
	School Total Funds	23,114	34,986	(16,350)	(45)	41,705

19. FUNDS (continued)	Balance 31 August 2018 £000	Incoming Resources £000	Resources Expended £000	Transfers Gains/ (Losses) £000	Balance 31 August 2019 £000
Comparative Analysis: Group					
General Funds	18,009	16,783	(16,592)	534	18,734
Designated Funds					
Pension Liability Fund (note 25)	510	-	-	-	510
General fund – Gresham's School Enterprises Ltd	39	293	(273)	-	59
Total Unrestricted Funds	18,558	17,076	(16,865)	534	19,303
Restricted Funds					
Lumsden Handwriting Prize Fund	4	-	-	-	4
Emil Schwarz Scholarship	62	3	(25)	2	42
Swatland-Ucelli Scholarship	97	5	(23)	2	81
Douglas Scholarship	463	9	(1)	6	477
Prize Funds	248	9	(5)	4	256
James & Deidre Dyson Foundation	-	537	-	(537)	-
Other donations	94	23	(32)	-	85
	968	586	(86)	(523)	945
Endowment Fund					
Estate Trustees of the Sir John Gresham Trust	2,936	-	-	(11)	2,925
Group Total Funds	22,462	17,662	(16,951)	-	23,173
General fund: Gresham's School Enterprises Ltd	(39)	(293)	273	-	(59)
School Total Funds	22,423	17,369	(16,678)	-	23,114

19. FUNDS (continued)

The Independent School's Pension Scheme 3 year actuarial review in September 2011 identified that Gresham's would have a liability of £614,724 if it ceased to participate in the scheme. Whilst the School has no plans to leave the scheme, the value of the designated fund was increased to £615,000 in 2015. The School's Independent Financial Adviser was asked to investigate the School's stated liability and they determined that the School had been charged the whole of one member's liability when it should have been shared between two employers. The £105,000 reduction to the fund in 2015 to £510,000 came about as a result of the investigation.

Lumsden Handwriting Prize Fund

Donated by Mr P J S Lumsden, former School Governor, to fund handwriting prizes awarded at the Prep School.

Emil Schwarz Scholarship

Donated by the late Martin Scott in memory of his father Emil Schwarz to allow funds to be allocated to an academically able French national or German national or British national pupil.

Swatland-Uccelli Scholarship

Donated by the family to provide scholarships to pupils who are studying one of the sciences.

Douglas Scholarship

Donated by Old Greshamians in memory of a former Housemaster, Bruce Douglas. The scholarship award is made by the Old Greshamian Club, on the recommendation of the Headmaster, to the best mathematician entering the lower sixth form.

Prize Funds

Prize funds are restricted funds arising out of generous donations for the purpose of providing prizes for outstanding academic and other achievements.

Estate Trustees of the Sir John Gresham Trust

This fund is a permanent endowment fund of the land which the School occupies, and certain investments transferred by the Estate Trustees of the Sir John Gresham Trust to Gresham's School as Trustee of the Gresham's School Trust.

20. FINANCIAL INSTRUMENTS

	Group		School	
	2020	2019	2020	2019
	£000	£000	£000	£000
Financial assets measured at fair value	3,841	3,808	3,841	3,808
Financial assets measured by amortised cost	16,381	417	16,238	491
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Financial liabilities measured by amortised cost	4,683	3,113	4,267	2,655
	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Financial assets measured at fair value comprise listed investments.

Financial assets measured at amortised cost comprise school fee, trade and other debtors and loans.

Financial liabilities measured at amortised cost comprise the Coronavirus Business Interruption Loan Scheme (CBILS) loan, other bank loans, pupil deposits, trade and other creditors.

21. SUBSIDIARY COMPANY

Gresham's School Enterprises Limited (Company Number 06577062) was incorporated on 25 April 2008 and is a subsidiary of Gresham's School (Charity Number: 1105500). The company operates a facilities and hirings business. Its trading results for the year, as extracted from the audited financial statements, are summarised below:

	2020 £000	2019 £000
Turnover	295	478
Cost of sales	(83)	(139)
Gross profit	212	339
Administrative expenses	(230)	(306)
Interest payable	(18)	33
(Loss)/profit before Gift Aid payment	(12)	(13)
Retained (loss)/profit for the year	(30)	20
Total share capital and reserves	(30)	20
Tangible fixed assets	29	59
Current assets	467	502
Creditors	78	169
Net assets	(516)	(612)
	29	59

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS

	Unrestricted General Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	2020 School Total £000	Subsidiary's Funds £000	2020 Group Total £000
Tangible fixed assets	25,749	-	-	1,400	27,149	467	27,616
Investments	1,610	-	711	1,520	3,841	-	3,841
Current assets	2,104	510	15,801	4	18,419	(19)	18,400
Current liabilities	(4,383)	-	-	-	(4,383)	(34)	(4,417)
Long term liabilities	(3,321)	-	-	-	(3,321)	(385)	(3,706)
	21,759	510	16,512	2,924	41,705	29	41,734

22. ANALYSIS OF NET ASSETS BETWEEN FUNDS (continued)

Comparative Analysis:	Unrestricted General Funds £000	Designated Funds £000	Restricted Funds £000	Endowment Funds £000	2019 School Total £000	Subsidiary's Funds £000	2019 Group Total £000
Tangible fixed assets	22,338	-	-	1,400	23,738	502	24,240
Investments	1,440	-	844	1,524	3,808	-	3,808
Current assets	2,295	510	101	1	2,907	28	2,935
Current liabilities	(6,219)	-	-	-	(6,219)	(82)	(6,301)
Long term liabilities	(1,120)	-	-	-	(1,120)	(389)	(1,509)
	<u>18,734</u>	<u>510</u>	<u>945</u>	<u>2,925</u>	<u>23,114</u>	<u>59</u>	<u>23,173</u>

23. CAPITAL COMMITMENTS

The group had the following capital commitments authorised but not committed at the year-end:

	2020 £000	2019 £000
Dyson STEAM building	14,345	-
Reith learning support department	155	-
Facilities building	433	-
Oakeley boarding house	-	83
	<u>14,933</u>	<u>83</u>

24. OPERATING LEASES

At 31 August 2019 the Group and School had future minimum lease payments under non-cancellable operating leases for equipment and motor vehicles as follows:

	2020 £000	2019 £000
Due within one year	128	96
Due in one to five years	165	251
Due over five years	-	121
	<u>293</u>	<u>468</u>

Total costs incurred in the year in respect of rental charges for assets held under operating lease were £106,000 (2019: £102,000).

25. PENSION SCHEMES

The School participates in two multi-employer pension schemes, the Government's Teachers Pension Defined Benefit Scheme and the Pensions Trust Defined Benefit Scheme. The School also offers defined contribution schemes for support staff with AEGON and NEST and for teachers with Aviva's Pension Trust for Independent Schools ("APTIS").

Defined Contribution Scheme

The assets of the scheme are held separately from those of the School in funds independently administered by AEGON, ISPS, NEST and APTIS. Contributions into defined contribution schemes totalled £249,000 (2019: £157,000).

The Teachers' Pension Scheme

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 £1,037,000 (2019: £850,000) and at the year end £nil (2019: £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 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.

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 a remedy to the discrimination conclusion has been determined by the Employment Tribunal 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.

25. PENSION SCHEMES (continued)**Independent Schools' Pension Scheme (operated by the Pensions Trust)**

Non-teaching staff were eligible to contribute to The Pensions Trust's Growth Plan. The scheme is a multi-employer money purchase scheme with guaranteed benefits. The School contributed at a rate of 15.7% of gross pensionable salary. The School would have a liability if it ceased to participate in the scheme which at 30 September 2013 was calculated as £509,796. As the School currently has no plans to leave the scheme, this contingent liability has not been provided for in these accounts.

It is not possible for the School to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore it accounts for the scheme as a defined contribution scheme. The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupational pension schemes in the UK.

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the Trustee asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 September 2019 to 30 April 2030: £2,387,000 per annum
(payable monthly and increasing by 3% each on 1st September)

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

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

	2020 £000	2019 £000
Reconciliation of opening and closing provisions:		
Provision at start of year	111	121
Unwinding of discount factor (interest expense)	1	2
Deficit contribution paid	(10)	(11)
Re-measurements – impact of any change in assumptions	2	(1)
	<u>104</u>	<u>111</u>
Split as follows:		
Due within one year	10	10
Due after one year	94	101
	<u>104</u>	<u>111</u>

ASSUMPTIONS	31 August 2020	31 August 2019	31 August 2018
Rate of discount per annum	0.9%	1.1%	1.96%

25. PENSION SCHEMES (continued)

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

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the year in which it arises. It is these contributions that have been used to derive the company's balance sheet liability.

26. COMPARATIVE CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES

		Unrestricted Funds £000	Restricted Funds £000	Endowment Fund £000	2019 £000
INCOMING FROM					
Charitable activities					
School fees	2	16,204	-	-	16,204
Other incoming resources	3	274	-	-	274
Other trading activities					
Gresham's School Enterprises		309	-	-	309
Lettings		143	-	-	143
Investment income	4	124	26	-	150
Donations	5	15	560	-	575
Other Income					
Sale of fixed assets		7	-	-	7
Total Income		<u>17,076</u>	<u>586</u>	<u>-</u>	<u>17,662</u>
EXPENDITURE					
Generating Funds		309	4	-	313
Charitable activities		16,556	82	-	16,638
Total expenditure	6	<u>16,865</u>	<u>86</u>	<u>-</u>	<u>16,951</u>
		211	500	-	711
Investment (losses)/gains		(3)	14	(11)	-
Net movement in funds before transfers		<u>208</u>	<u>514</u>	<u>(11)</u>	<u>711</u>
Transfers		<u>537</u>	<u>(537)</u>	<u>-</u>	<u>-</u>
Net movement in funds		<u>745</u>	<u>(23)</u>	<u>(11)</u>	<u>711</u>
Reconciliation of funds					
Fund balances at 1 August 2018		<u>18,558</u>	<u>968</u>	<u>2,936</u>	<u>22,462</u>
Fund balances at 31 August 2019		<u><u>19,303</u></u>	<u><u>945</u></u>	<u><u>2,925</u></u>	<u><u>23,173</u></u>



27. RELATED PARTIES

A Governor, through trust, has generously committed to donating £18.75m to the School to build a Science, Technology, Engineering, Art and Maths building. During the year, the donation received was £2,568,000 (2019: £537,000).

A Governor was a director of a company that supplied the school with £58,000 (2019: £73,000) of fuel during the year.

A Governor was a trustee of a charitable foundation that made donations valuing £12,000 to the School during the year (2019: £5,000).

A Governor is a director of a company that was appointed with a contract in 2019 worth £182,000.

Two Governors have children in School and pay fees in full (2019: one).

A Director of Gresham's School Enterprises is a director of Hopkins Homes, which purchased land from Gresham's School for £1,700,000 in 2017. The sale agreements were made before the directorship appointment was made.

London Children's Camp (LCC), which has in its objects to foster links with Gresham's School, has an outstanding loan amounting to £402,000 (2019: £402,000) with Gresham's School Enterprises Ltd. The loan was made for the construction of a high ropes course, climbing tower, assault course and bunk house on the School grounds. LCC is considered to be a related party as three of its trustees are Governors of Gresham's School, of which one is also a director of Gresham's School Enterprises Ltd, three are members of the School's senior team and one is a current parent and OG.