

**THE NORTH LONDON COLLEGIATE SCHOOL**  
(Charity Number 1115843)  
(Company Number 2818422)

**ANNUAL REPORT & ACCOUNTS**

**YEAR ENDED 31 JULY 2020**

THE NORTH LONDON COLLEGIATE SCHOOL  
ANNUAL REPORT & ACCOUNTS  
FOR THE YEAR ENDED 31 JULY 2020

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**THE NORTH LONDON COLLEGIATE SCHOOL**  
**REPORT OF THE CHARITY TRUSTEES (INCORPORATING THE GOVERNORS' REPORT AND THE STRATEGIC REPORT)**

The Governors submit their report and the audited financial statements for the year ended 31 July 2020.

## **STRUCTURE, GOVERNANCE AND MANAGEMENT**

### **THE CHARITY AND ITS STRUCTURE**

The School is vested in a company limited by guarantee, incorporated in England (The North London Collegiate School company number 2818422), which is a registered charity (charity number 1115843). The company is constituted by its Memorandum and Articles of Association. The Memorandum sets out the objects and powers of the Company and its constitution and the Articles regulate the governance of the Company and its internal procedures.

The objects ("the objects") for which the Charity is established are to advance the education of pupils by the provision of a day and/or boarding school ("the School") in or near the London Borough of Harrow and by ancillary or incidental educational activities and other associated activities for the benefit of the community.

### **GOVERNORS**

#### **Recruitment and succession planning**

The School's Constitution provides for between 11 and 21 Governors who are eligible to serve for a maximum of ten years. There are currently 15 Governors. The Governors are the trustees of the charity and Directors of the company.

The Nominations Committee of Governors considers impending retirements, identifies the skills needed on the Governing Body, seeks suggestions for new candidates, conducts interviews, and makes recommendations to the Governing Body for the election of new Governors.

Elected Governors serve for 5 years before standing for re-election. There is normally a limit of 10 years' service for all Governors except officers (Chairman, Vice-Chairman, Treasurer and Chairman of Finance & Estates). Officers are elected for terms of 5 years.

#### **Induction**

An induction programme is followed for newly appointed Governors during which they will be invited to visit the school and be provided with key information.

The induction will include sufficient information so they can make a reasonable contribution to the school from the start. It should reduce the time spent in the initial learning curve and informs new Governors on what they need to know about in general and also specifically. This includes:

- the role of a Governor;
- the constitution and charitable status;
- the school's Development Plan and budget;
- a tour of the school;
- the school's prospectus;
- an overview of the school's operation.

A Governors' handbook is issued to each new Governor documenting the above.

#### **Training**

The ISC produces an excellent guide outlining the good practice for the Governors of Independent Schools, 'Guidelines for Governors', which is issued to each new Governor as part of the induction process. Training on Safeguarding and Safer Recruitment is made available to all Governors.

Further support and training is encouraged by:

- briefing presentations before meetings or at other convenient times;
- input from senior team members;
- specific events such as presentations by local experts to respond to needs;
- attending away-day sessions every year for strategic reviews;
- the Clerk to Governors keeping all Governors up to date on their duties and offering support and advice on procedural matters where it is required.

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**Governance**

NLCS is governed by its Articles of Association. The strategic objectives of the School are reviewed annually with the Executive team, and there is an annual full day Governors' Conference which reviews in depth specific elements of the strategy. The performance of the School against its annual objectives is reviewed at termly Governing Body meetings and Governors' sub-committees. Additionally, our subsidiary companies also have strong Boards with clear objectives, and clear reporting frameworks into the Governing Body. The School keeps its mix of Governors under constant review to ensure that we have the right skill sets to contribute to the Charity's identified goals, to provide challenge to the Executive team and to hold them to account. The School meets a substantial portion of the recommended practice in the Charity Commissioners Governance Code dated 13 July 2017. The code has been provided to and reviewed by Governors, which has resulted in a decision by the incoming Chair of Governors to hold a strategic review of Governance in February 2021. In addition, the Committees have also reviewed and updated their terms of reference.

**SUBSIDIARIES**

The School has a number of wholly owned trading subsidiaries which are incorporated in the UK. The companies donate their taxable profits to the School. Summaries of the results of the trading companies are shown in Note 13

Canons Enterprises Limited operates the Sports Centre and Swimming Pool, and generates external income from gym memberships and swimming lessons.

Canons Transport Limited operates the School minibuses on behalf of the School, and was set up to improve the recovery of VAT incurred in the operation of the minibuses.

NLCS Enterprises Limited operates the franchise relationship with the company that operates the NLCS franchise in Jeju, Korea.

NLCS International Limited was set up to act as a holding company for the franchise companies. It owns the shares of NLCSE Dubai, NLCSE Singapore, NLCSE Thailand and Canons Park Consulting.

- NLCS Enterprises Dubai Limited operates the franchise relationship with the company that operates the NLCS franchise in Dubai.
- NLCS Enterprises Singapore Limited operates the franchise relationship with the company that operates the NLCS franchise in Singapore.
- NLCS Enterprises Thailand Limited operates the franchise relationship with the company that operates the NLCS franchise in Thailand.
- Canons Park Consulting Limited offers consultancy services to overseas schools which do not use the NLCS name.

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**GOVERNORS**

<b>Chairman</b>	Mr P D Needleman	(1) (5) (Acting Chair from 26 <sup>th</sup> June 2019 to 30 <sup>th</sup> June 2020)
	Mr R C A Hingley	(1) (6) (Appointed 30 <sup>th</sup> June 2020)
<b>Vice Chairman</b>	Mrs S Carter	(1) (4) (5)
<b>Chairman Finance &amp; Estates</b>	Mr P Linthwaite	(1) (5)
	Mrs S Dar	(2) (7) (Appointed 30 <sup>th</sup> June 2020)
	Mrs E Davis	(2) (4) (5)
	Prof A Emmanuel	(3)
	Dr A Fox	(2) (4) (Resigned 30 <sup>th</sup> June 2020)
	Ms V Godfrey	(2) (6)
	Ms R Herdman-Smith	(2) (7)
	Mr J Herlihy	(6)
	Mr S Jaffe	(1) (6)
	Ms C Marten	(3) (7) (Appointed 30 <sup>th</sup> June 2020)
	Dr D Toh	(1) (3)
	Dr A Weller	(3) (6 As observer)
	Professor B Young	(3) (7)

1. Members of the Finance and Estates Committee
2. Members of the Personnel Committee
3. Members of the Academic Committee
4. Members of the Nominations Committee
5. Members of the Buildings Committee
6. Members of the NLCS Enterprises & International Boards
7. Members of the Equality, Diversity and Inclusivity Committee

The Governors, who were also Trustees of the Charity and Directors of the Company, who served during the year 2019 - 2020, and up to the date the accounts were signed, are shown above.

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**SENIOR TEAM**

(Key management personnel currently and throughout the year, except where shown)

Headmistress	Mrs E S Clark
Chief Operating Officer	Mr I A Callender
Deputy Head (Curriculum)	Mr P C Dwyer (Resigned 31 <sup>st</sup> August 2020)
	Ms C A Hitchen (Appointed 1 <sup>st</sup> August 2020)
Deputy Head (Pastoral)	Dr H Bagworth-Mann
Head of Junior School	Mrs J M Newman
Director of Studies and Administration	Mr M Burke
Director of Development & Communications	Ms K M Doyle (Resigned 21 <sup>st</sup> September 2020)
Director of Human Resources	Mrs H Kuczerska (Appointed 1 <sup>st</sup> October 2020)

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**ADVISORS**

**Bankers:**

Barclays Bank Plc  
Barnet & Hampstead Business Banking  
PO Box 12820  
1250 High Road  
Whetstone  
London  
N20 0WE

**Solicitors:**

Farrer & Co  
66 Lincoln's Inn Fields  
London  
WC2A 3LH

Veale Wasborough  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5DS

**Auditor:**

Crowe U.K. LLP  
55 Ludgate Hill  
London  
EC4M 7JW

**Investment Advisers:**

BlackRock  
Drapers' Gardens  
12 Throgmorton Avenue  
London  
EC2N 2DL

CCLA Investment Management Ltd  
Senator House  
85 Queen Victoria Street  
London  
EC4V 4ET

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## **OBJECTIVES AND ACTIVITIES**

### **AIMS AND VALUES OF THE SCHOOL**

North London Collegiate School has an extraordinary and pioneering history in women's education. The first academic girls' day school in the country to offer the same educational opportunities as those offered to boys, welcoming students from all religions and backgrounds. For over 170 years, NLCS has produced generation after generation of positive, articulate, confident and inspirational leaders in the arts, sciences, politics and business; with many alumnae making an important mark on the world.

NLCS has an outward looking, internationalist perspective that is unique in comparison to many other schools; indeed, we were the first leading girls' day school in the UK to establish an international sister school. Our global family of schools includes branches in Jeju, Dubai and Singapore, (providing outstanding opportunities for staff and students to share ideas and make connections).

Students from NLCS achieve remarkable academic results. We are consistently ranked among the top schools in the country in the UK league tables, and we are among the world's most successful International Baccalaureate Diploma schools, with an average score of 41 points. Our students gain entry to the world's top universities, with a growing number choosing to continue their studies at Ivy League and equivalent institutions in the USA.

Our strategic mission is to *'provide a pioneering and ambitious academic education to enable every individual student to thrive in a dynamic and rapidly changing world'*.

The fundamental aims and values of the School inform and guide everything the School does. They are made explicit for parents in the prospectus and are elaborated in the staff handbook. A review of the School in 1997, 2002, 2008, 2013, 2017 and 2019 inspections as well as parent and pupil surveys have confirmed that these values are widely appreciated and shared by all sections of the School community. Strategies to deliver our aims and values are included in the School's 5 Year Strategic and Annual Development Plans which are updated annually and approved by the Governors. Our values are timeless and enduring, and they define well the broad and balanced approach to education that is the hallmark of North London Collegiate School. They are as follows:

Our values reflect the principles with which we approach our work:

- To provide an ambitious academic education to enable every student to make the most of her intellect and abilities;
- To nurture a team of professional teachers who inspire their students with a love of their subjects and a spirit of scholarship;
- To enable all students to recognise excellence and realise that it is attainable ;
- To ensure that every member of the School community feels valued, supported and encouraged;
- To foster a community based on positive relationships between staff and students and between students themselves;
- To encourage students to embrace new challenges confidently, and respond to setbacks in a resilient and determined manner;
- To develop an outward looking, internationally minded community that promotes respect and compassion, service to others and active positive participation in society and the wider world.

### **PRINCIPAL ACTIVITY**

The principal activity of the Charity is the provision of an academic education to pupils between the ages of 4 and 18, who come from a range of social backgrounds and for whom entry at the age of 4, 7, 11 and 16 is by competitive examination.

The largest proportion of the fee income is expended on the salaries of well qualified staff; allocation is also made for the upkeep of premises and the provision of the equipment to maintain an environment that promotes good teaching and learning. The Governing Body is responsible for determining the aims and overall conduct of the School. Governors approve strategic plans, set overall objectives (including financial), review their implementation, and are kept informed of other associated planning issues.

Each year Governors review the plans and objectives, and these are published in the School's 'Development Plan'. The Development Plan sets out the School's objectives for the year and how it will determine its success.

The Headmistress with the support of her Senior Team (ST) is responsible for the implementation of the strategic plan and the operational management of the School, offering guidance to the Governors on the issues arising from this responsibility.



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**PUBLIC BENEFIT**

The Governors, in the course of administering the Charity, have paid due regard to the published Charity Commission guidance on the operation of the Public Benefit requirement. "The School is a Public Benefit Entity as defined by FRS102" This is demonstrated by the following activities of the Charity:

### **Bursaries**

The total value of bursaries in the year was £1,337,525 (2019: £1,400,535) representing a total of 8.5% (2019: 8.8%) of the Senior School's tuition fees, and 6.4% (2019: 6.6%) of the School's total tuition fee income. 74 pupils (2019: 77) in the Senior School received assistance with fees through means tested bursaries. 58 of these pupils (2019: 53) benefitted from a full remission of fees. The level of awards from the Bursary Fund was assessed on the basis of the parents' financial circumstances. Our medium term target is to award bursaries equivalent to 10% of Senior School tuition fees. A key challenge for us is to attract more bursary applicants from the wider community. To raise awareness of our bursaries available we have joined the London Fee Assistance Consortium.

### **COVID19 Funds**

Due to the lockdown the School had to teach all its pupils online during the summer term. In recognition of this, the School provided a 10% fee discount to all parents on the summer term fees, additionally a further 5% rebate was given in July as a result of further savings being realised. The Governors have also agreed to holding fees flat for the 2020/21 academic year. In addition, Governors approved two COVID funds, a hardship fund of £750,000, to ensure that no student had to leave the School due to their parents running into financial difficulty as a result of the pandemic. At the end of the Summer Term, the School had approved 16 awards, in respect to the summer fees, with a value of £49,994. This hardship fund will stay in place for the duration of the pandemic.

The second fund is a COVID support fund of £1.5 million - the purpose of this fund is to provide general support to parents more broadly in the form of tuition fee rebates as well as to cover unbudgeted costs the school incurs due to COVID – e.g. additional hygiene costs as a result of Government social distancing measures; increased teaching cover; unforeseen transportation costs.

### **Partnership Activities**

NLCS is involved in a range of partnership activities with schools in the maintained sector. The key areas for such activity are outlined below. In the coming years we are hoping to concentrate even further on offering comprehensive support for the development of teaching and learning in local schools.

#### **a) Subject based collaboration and symposia for students:**

- Ark Academy, London:
  - University guidance and support, including test preparation and interview support for competitive universities.
- Avanti House School:
  - Year 7 debating partnership including a Summer Term debate between our schools encouraging student participation
- Aylward School:
  - Delivery of Minimus Latin course each term (planned and delivered by our students, with assistance from NLCS teacher)
- Bentley Wood:
  - Modern Foreign Languages Symposium
- Heathland School, Hounslow:
  - Year 10 debating event
- London Academy:
  - Attendance at Life Drawing classes, organized by NLCS
  - University guidance and support for Sixth Form students
- London Academy of Excellence:
  - Hosted a day for Sixth Form Economics students to attend lectures and classes at NLCS, with a particular focus on Economics
  - A range of university support, aimed at students making competitive university applications in Law, History and Economics
  - Staff from NLCS spend two days interviewing prospective applicants
  - NLCS staff provided INSET Training
- Michaela School
  - Hosting of students at Question Time events

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- Involvement in History Society lectures for Sixth Form students
- Joint Enrichment sessions for students at NLCS and Michaela Sixth Form
- Involvement in our USA universities evening
- UCAS advice and support given to Sixth Form team
- Subject collaboration, specifically focused on Sixth Form teaching
- Park High Academy:
  - Regular Latin club for younger students, run by our Sixth Form Classics students.
- Queen Elizabeth Boys School:
  - Year 10 Symposium, led by History and English
  - Year 7 Symposium on the topic of the Environment
  - Joint INSET sessions between colleagues from both schools
  - English Conference on Irish Literature, organized by students in the Sixth Form
- Sacred Heart School:
  - Mathematics workshop for GCSE students
  - Music workshop for Year 7 students
  - English day, focused on the works of Shakespeare for Year 8 students
  - Philosophy and debating symposium for students in Year 9
- Saracens Academy
  - Support and advice regarding helping EAL students improve literacy
- Mix of 15 state and private schools invited to participate in Y5 Junior School Maths Competition, "Eureka@NLCS"- afternoon of team work, treasure hunt and problem solving, challenging the most able.

Please note that the events above are specific to the schools mentioned, and are organized alongside staff and students at the given schools by the teaching staff and Senior Team at NLCS. Not listed are the variety of speaker events and conferences to which we invite and host a number of schools in the maintained sector. Such schools include those listed above, as well as the Ark Academy London, Christ the King, Christ College, Fortesmere School, Dr Challoner's and John Lyon.

b) Tournaments and events

- Co-organised the South Eastern Schools Chamber Music Competition, which provides performance opportunities and master classes for all participants, and hosts parts of the event for participants from both state and independent sectors.
- Students from a range of local maintained schools have been invited to a range of careers talks across the last year, focused on areas such as the Arts, Medicine and Finance.
- Students from Michaela, QE Boys and the London Academy of Excellence attended our USA Universities Information evening, featuring talks by Yale, Harvard and the University of Chicago.
- Hosted a Year 6 Netball tournament for 20 local schools

c) Staff Development and Teacher training

- Relationships are being developed with local partner schools to enable stronger professional development opportunities for all involved. So far these have led to mutual teacher exchanges with colleagues at Michaela School, Brent and the London Academy, Edgware.
- In addition, the School supports the work of the Prince's teaching Institute as noted below.
- Deeper relationships have been created with a range of local schools, including JCROSS and LAET, focused on teacher training and providing placement opportunities for teachers.

**Prince's Teaching Institute, Chartered College of Teaching and other activities**

The Prince's Teaching Institute (PTI) is an independent educational charity created by the Prince of Wales and founded by the late Mrs McCabe (the School's Headmistress up to 2017). It believes that all children, irrespective of background or ability, deserve a rich subject-based experience at school - both within and beyond the examination curriculum.

Over the last few years we have seen an increase in opportunities for staff involvement in a national education policy debate through contributions to the Government's National Curriculum Review and in discussion of the development of the Chartered College of Teaching (with a number of staff now members and fellows). Members of NLCS staff, working with counterparts from schools in the maintained sector, were involved in the planning and design of subject courses for the Prince's Teaching Institute (PTI), representing Geography, Modern Languages, Latin, English, History, Art, Music, Maths and Science. The PTI now runs a specific residential course for Primary State School Head teachers providing mentors and facilitators for specific projects to be run for an academic year in the school such as compiling data to analyse the effect of Read Write Inc on the reading comprehension skills of a pupil cohort. The Head of Junior School at NLCS is a course designer of the Primary Leadership course and this year a number of zoom forums have been held to

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share good practice and ideas with leaders and teachers in primary schools across the country.

These courses re-emphasise best practice nationally and the importance of subject enrichment for teachers, and the involvement of NLCS staff has a direct impact on teaching nationally. One colleague is also an Ofqual external expert (in Geography), which further underlines NLCS' position at the forefront of national education.

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**STRATEGIC REPORT: Review of 2019-2020 Academic Year**

This Academic Year has presented a series of and in some cases unprecedented challenges to the School, whose impact will carry forward into following years notably the COVID19 pandemic and the Black Lives Matter movements. Despite this the School has continued to flourish during the lockdown benefitting from the adaptability of our staff and students, the support of parents and Governors, and the strength of the School's deep seated and long-standing educational values.

In December 2019, the School passed a full ISI inspection and was rated 'Excellent'.

### **Academic Excellence**

This has been another outstanding year for IB with students scoring an average 41.3 points placing us amongst the most successful IB schools in the World. Three students gained a maximum 45 points score, something only 200 pupils out of 160,000 worldwide achieve. At Pre-U and A level our students achieved an excellent 79% A\* or A, this is in line with our 5 year average. 50% of entries were graded at A\* (or equivalent).

These results enabled students to gain places at leading universities, and matching recent studies which found North London to be the most successful school in the UK at placing students at highly selective institutions; this year this included 30 students gaining places at Oxford, Cambridge and Ivy League universities.

At GCSE there was an outstanding set of results. 76% of entries were at Grade 9, 96% achieved grades 8/9, and all but one entries were graded 7-9.

Since September 2017, all subjects in the Sixth Form are studied in a linear fashion, culminating in final exams for students after two years. The extension opportunities afforded to students thanks to the lack of external exams in Year 12 allows for a renewed focus on the development of scholarship that will serve them well at university.

In the Lower School, teaching by subject specialists has increased in order to encourage the girls to develop a passion for, and deeper understanding of their subjects, and to prepare them well for the Senior School. Techniques to develop self-assurance as well as perseverance in their learning have been well-received by girls across the Junior School.

### **Inspiring a love of academic subjects**

The School is guided by the desire to inspire pupils with a love of academic subjects in a strong culture of scholarship and high expectations of the potential of every individual. A scholarly and vibrant atmosphere has been created, so that pupils and staff can give their best and flourish, through subject teaching that inspires and stretches, and through a rich programme of activities outside the classroom to encourage pupils to try themselves out in a variety of ways, and in doing so developing a belief in themselves and their ability to achieve their dreams.

The School has a strong commitment to building each girl's confidence so she feels happy, self-confident and valued as a person. One of the strengths of the environment at North London Collegiate is that it empowers young women to take charge of their destiny and, in the words of a recent educational inspection report to "run their own race".

The range of subjects offered within the curriculum is broad and challenging, and students have the opportunity to study International Baccalaureate Diploma as an alternative to A levels in the sixth form. All our students are expected to develop independent research skills during their school career, as well as to engage with confidence in academic debate and scholarly discussions among each other and with students from a range of partner schools.

During the course of the year, we appointed a new Director of Engineering & Design, who is modernizing our curriculum in this area, and is working with our Director of STEAM to develop cross-curricula initiatives to prepare students for careers that need individuals who are excellent at problem solving and confident in operating in a multi-disciplinary world.

### **Outstanding Pastoral Care & Well-being**

We have invested in ensuring that we are at the forefront of the well-being and mental health agenda, as well as continuing to maintain a diverse community reflective of the London population. Despite the strength of the school's pastoral care of the students, the School has to work on the development of resilience and confidence in a few students, enabling them to take the demands of preparing for and sitting examinations in their stride, helping them to see setbacks as a challenge they have the confidence and ability to overcome, and failure as something to learn from.

### **Extracurricular, Enrichment & Student Experience**

Developing students' oral confidence and critical reasoning skills remain an important focus: Girls are encouraged to learn

to speak succinctly with the minimum of notes, and use technical vocabulary without embarrassment. Our enrichment programme has a scholarly focus, encouraging students to challenge received thinking, explore concepts and theories

beyond the formal curriculum, and to develop skills and attributes that will enhance their understanding or interpretation of intellectual ideas. In addition, our students benefit from an individualised careers programme, offering advice and support in a range of areas; from preparation for UK and US university entrance, to careers fairs and advice on other, more

specialised, career pathways.

### **Attracting and retaining the best teachers**

The School is committed to attracting and retaining the most able teachers. The school aims for teaching that inspires a scholarly approach in students and develops their academic confidence and resilience. Teachers have been working to ensure girls are stretched and inspired to excel in knowledge, analysis and argument, offering an education that extends far beyond the functionality inherent in any system of public examinations.

Our teachers utilise their passionate commitment to subject knowledge and academic scholarship to inspire and engage our students and to help them in turn to develop their own interests and intense curiosity. Students are encouraged to challenge preconceived ideas, confront assumptions and fallacious arguments and to test orthodox reasoning in order to develop fresh ideas and new perspectives.

### **Preparing for a changing world**

All schools in the independent sector face issues of affordability. This means expenditure needs to be focused carefully on the essential needs of pupils, but also to directing fundraising and overseas franchising strategies in order to fund a greater number of bursaries.

The latter part of the year has been dominated by the COVID-19 pandemic, which has necessitated the School to adapt its teaching rapidly to a remote online environment. The investment in our IT infrastructure over the last 18 months played a significant part in enabling us to provide a full curriculum, coupled with our staff's ability to adapt their teaching to the new environment.

The pandemic is compounding the financial pressures on the School in the form of the uncertain impact of Brexit on fee affordability and taxation, the 43% rise in employer contributions into the Teacher's Pension Scheme and the on-going necessity to adequately manage our staffing resources, whilst investing in the quality and breadth of educational offering at the School. We have also continued to update our policies and documentation in the light of legal, data protection and Inspection demands.

## **Priorities identified in the 2019-2020 Development Plan:**

### **1. Academic Excellence**

**Objectives:** To teach with ambition and rigor to inspire all students in their pursuit of academic excellence; to ensure all students achieve exceptional results.

#### **Actions**

Our focus this year has been on departmental curriculum area reviews to ensure that students perform consistently highly in public examinations. Despite the fact that we scored extremely well in this year's examination process and ISI rating us as *excellent* in terms of students' academic and other achievements, this will remain an ongoing objective. In addition, we have spent a lot of time establishing consistency in terms of the way in which teachers use assessment to inform planning and delivery of lessons. The school adapted swiftly to the online environment during the COVID lockdown and was able to deliver a high standard of interactive lessons through the Microsoft Teams platform, also ensuring that exam years did not lose ground.

### **2. Outstanding Pastoral Care and Well-Being**

**Objectives:** To ensure that every student is well-known and cared for, and that everyone matters; to encourage students to have the confidence to aspire, along with an appropriate sense of perspective and resilience when faced with challenges or disappointments; to encourage all students to be self-disciplined, to show courtesy and kindness toward others and become more outward looking

#### **Actions**

Pastoral care has continued to be a key focus of our School development this year, and we were delighted that ISI rated us 'excellent' in our pastoral provision. We introduced the CPOMS system to enable us to record pastoral incidents more effectively, which has become all the more important as we have helped students navigate the pandemic lockdown and subsequent return to school. Significant emphasis continues to be placed on wellbeing and confidence, with an exciting programme of speakers and events to support themes such as Mindfulness, Kindness, self belief and character building, mental health, and consideration for others, which received notable impetus due to the Black Lives Matter movement. The importance of PE and physical activity to mental and physical health has also been another focus this year, with a wide range of activities on offer and in the Junior School an emphasis on the 'Daily Mile'. The Pastoral Team also continued its commitment to the individual support of students.

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### **3. Staff Development**

**Objectives:** To recruit and retain the best staff; to ensure staff are committed to extending their academic expertise, and for communicating this in a manner that engages students and ensures achievement at the highest levels.

#### **Actions**

Staff Development has been dominated by the extraordinary changes that have been made to the IT provision in the School accelerated by the threat of COVID-19. We have continued to develop our STEAM initiatives in the School and welcomed a new Head of Engineering & Design to re-shape our traditional Design Technology curriculum in the Middle School. A new Senior School Office was developed to provide an improved level of support to teachers.

### **4. Key future developments**

**Objectives:** Maintain the School's diversity and accessibility to the brightest pupils. Provide the best resources for the School and the changing demands of the curriculum by investing in our IT architecture, our Site Masterplan and To minimize our carbon footprint and improve our sustainability

#### **Actions**

We submitted a planning application for our site masterplan and phase 1 IDEAS hub toward the end of the year, which, if approved, will provide a huge boost to our STEAM and Design Engineering curricula.

A major theme throughout the year has been the investment in our IT infrastructure, which has been a critical enabler to us being able to deliver an effective online teaching experience for our students during lockdown.

We have continued to strengthen the site security with the introduction of door access controls and CCTV upgrades

NLCS's Marketing and Development department have been working hard to launch the fundraising campaign for our building plans and has continued to push the Bernice McCabe Bursary Fund. A significant effort has been put into marketing bursaries through online media, and as part of the London Schools Consortium Bursary campaign on the tube and in the press.

Applications for places at all levels of the School remain excellent, and our independent testing arrangements at 11+ continue to be successful in attracting high numbers of able applicants. Nevertheless, the School is not complacent about attracting the brightest pupils – we have reviewed our marketing and admissions strategies placing a greater focus on social media and developing new geographical markets.

We have continued to develop our partnerships with key businesses and educational institutions. This includes support from the Bank of America Merrill Lynch for our economics and financial education curriculum, as well as the Nigel and Lucy Wray Foundation for our Elite Athlete Training Programme. This year we have welcomed students from QE Boys' School, The Michaela School, London Academy of Excellence in Tottenham and The Sacred Heart School, in addition to our partner schools in the independent sector.

NLCS International continues to provide invaluable benefits to the London school both financially, culturally and pedagogically. It is an important cornerstone of our strategy to increase the number of bursaries available at NLCS. Both NLCS Jeju and Dubai have continued to build their school rolls successfully, and NLCS Singapore opened in August 2020.

The investment in "branch" schools in the UK and overseas, culture of fundraising through the School's development team, and a strong focus on cost competitiveness, underpins the School's strategy to ensure it can generate the income to sustain its academic strength and the quality of facilities, whilst maintaining the social mix and ensuring an accessibility to those parents who cannot pay the full fees.

### **5. Review of priorities**

The School's vision and strategy, priorities and action plan are regularly reviewed at Governing Body meetings. A Governors' Conference is held annually to review specific areas of the long term School strategy. The School provides an evaluation report at the end of each academic year, which assesses progress against our priorities and KPIs. This is reviewed by Governors prior to circulation to the Parent Body. In addition, an annual parents meeting is held to present priorities and other key developments at the School and in order for parents to have a forum in which to question the School's leadership team and the Chairman of Governors.

**THE NORTH LONDON COLLEGIATE SCHOOL**  
**REPORT OF THE CHARITY TRUSTEES (INCORPORATING THE GOVERNORS' REPORT AND THE STRATEGIC REPORT)**

## **FINANCIAL REVIEW OF THE YEAR**

### **Operating Results**

The total income for the year was £25.4m (2019: £25.8m) and expenditure £23.2m (2019: £23.3m) resulting in an operating surplus of £2.2m (2019: £2.5m). Following the impact of COVID we transferred £2.25m from the General Fund to create two designated COVID funds. £750k has been designated as a COVID Hardship fund and £1.5m designated as a COVID support fund.

### **Pupils**

There were 319 pupils in the Junior School (2019: 316) and 790 in the Senior School (2019: 787), which included a Sixth Form of 234 (2019: 237). Entry to the School is by competitive examination at ages 4, 7, 11 and 16, and demand for places at all these ages remained intense.

### **Fees**

The fees for the year were £17,262 (2019: £16,923) in the Junior School and £20,430 (2019: £20,028) in the Senior School. Information on Bursaries is shown in the section above on Public Benefit.

### **Scholarships**

Academic scholarships are held by 28 pupils (2019: 34) totalling £197,490 (2019: £231,323) representing 0.92% (2019: 1.1%) of the School's tuition fees. Of these, 4 (2019: 4) also qualified for bursary support. Additionally, the School offers music scholarships.

### **RESERVES POLICY**

Unrestricted Group Reserves total £30.2m, including the Designated Funds of £8.6m. After deducting group tangible fixed assets with a value of £19.9m, free reserves have been calculated at £1.6m.

The School's investments and cash total £23.1m. A significant part is held to match the longer term liabilities of the Bursary Fund (£6.8m), the Pension Deficit (£5.3m) and Fees in Advance Scheme (£1.7m). The Governors are comfortable with the remaining balance held which is to cover any future COVID 19 risks and to support future capital plans. The Governors have adopted a policy of allowing short-term deposits as long as the amounts held in instant access accounts are forecast to exceed £1m at all times.

The School's Designated Bursary Fund of £6.8m is maintained at a level equivalent to the cost of supporting 10% of senior pupils on 100% bursaries over the rest of their time at the School. The Governors review policies on the levels of reserves and realisable assets at least annually, with the Finance & Estates Committee reporting to the main Governing Body.

### **INVESTMENTS**

The School's funds are currently invested by BlackRock and CCLA in companies or collective funds which satisfy the investment manager's suitability and ethical screening criteria without applying any restrictions imposed by the School. During the year, The School sold its funds with HSBC and re-invested them with BlackRock.

The investment policy remains one of providing long term growth of both capital and income. In particular, the aim is to invest the School's assets prudently to ensure adequate income is generated to contribute to the funding of bursaries and to do so by providing capital growth at or above inflation, thereby maintaining the capital base of the investment portfolio where possible. The portfolio continues to hold more equities than bonds and generated a total return of 3.2% (2019:10.2%) during the year. The performance of the funds is monitored by the Investment Committee who meet at least once per term.

### **SUBSIDIARIES**

Full details of the trading performance of the subsidiaries is shown in Note 13.

### **REMUNERATION POLICY**

The School conducts pay surveys on a rolling three year basis for staff, including key management personnel (Page 6). Our desired market pay position, salary structures and annual salary awards are agreed by the Governing Body. Our benchmark group is Greater London independent schools with a pupil roll in excess of 600 with less than 20% boarders.

### **FUNDRAISING**

Fundraising at NLCS makes an important contribution to the operation of the school, comprising up to 5% of the operating budget in a normal year. There is a continuing campaign to raise funds for bursaries, as well as a specific capital campaign planned for launch in the near future. The costs of the fundraising department are met by the school rather than taken from the money donated. There are no professional fundraising organisations used and thus no monitoring processes are required. The school has subscribed to the Fundraising Regulator and adheres to the Code of Fundraising Practice when undertaking fundraising activity. Each year, parents whose daughters are leaving are invited to donate their deposits to the Bursary Fund. There were no complaints received by the School in relation to fundraising activity. The school takes its responsibility to anyone who might be vulnerable very seriously and this will continue to be considered in the School's approach to fundraising activity.

**THE NORTH LONDON COLLEGIATE SCHOOL**  
**REPORT OF THE CHARITY TRUSTEES (INCORPORATING THE GOVERNORS' REPORT AND THE STRATEGIC REPORT)**

## **GOING CONCERN**

The Governors are of the opinion that the charity has adequate resources to continue to operate for the foreseeable future, being not less than one year from the date of approval of these financial statements. For this reason, the Governors believe it is appropriate to prepare the financial statements on a going concern basis.

Due to the rapid development of the COVID pandemic the Government announced all schools should close from 20<sup>th</sup> March. This coincided with the end of our Spring term, over the Easter break the teaching staff worked exceptionally hard to provide a comprehensive program of online learning, pastoral support and extra-curricular activities. Attendance and engagement have been very high, and feedback from parents has also been extremely positive.

Following the announcement we acted quickly and the following steps were undertaken:

- Put an immediate expenditure freeze in place on all but essential spend to support the online teaching.
- Placed 152 employees on furlough whilst the School was closed.
- Reviewed all annual budgets and identified £1.1m in savings mainly through the deferment of routine Estates maintenance and income from the governments job retention scheme.
- Renegotiated some of the coach and catering contracts minimum payment levels.
- Provided a 10% discount on summer term fees.
- Created a COVID support fund to support parents who had been financially impacted.

At the end of the year we provided a further 5% fee rebate against the summer term fees as we had realised the identified savings.

In 2020/21 we have reviewed all budgets and identified £440k of savings mainly through the deferment of routine Estates maintenance deferred until future years, these savings will help to offset any additional COVID costs.

We have also created two COVID funds, a Hardship fund to support parents who have been financially impacted and a Support fund to cover all additional COVID costs.

The biggest risk to our income is pupil numbers - we reviewed our three year forecasts and included scenarios which covered both a 5% and 10% drop in student role. To mitigate this risk we have a £5m overdraft facility in place. To date our pupil role has held up.

In addition to the Group's cash holding, the School's investments total £18m, sufficient to meet the obligations of the Bursary Fund, Pensions deficit and Fees in Advance totalling £13.2 million, with the balance available to contribute to future capital needs, if required.

The International Schools have all maintained or grown their rolls throughout the pandemic, which is a testament to their academic results and the work being put into grow admissions. This has enabled us to maintain income for bursaries during the pandemic. The continued strength of the Schools will be significantly influenced by how well economies weather the pandemic in the longer term.

## **PRINCIPAL RISKS AND UNCERTAINTIES: RISK ASSESSMENT FOR THE CHARITY AND ITS SUBSIDIARIES**

The Board of Governors is responsible for the management of the risks faced by the School. Detailed considerations of risk are delegated to appropriate Governing Body sub committees and a formal review of the charity's risk management processes are undertaken on an annual basis.

The Headmistress and her Senior Team are responsible to the Governors for the running of the School and provide regular reports to the Governing Body and Sub Committees. This ensures that Governors, through the appropriate sub committees, are well informed on all financial, operational and strategic matters appertaining to the School. This also enables Sub Committees to evaluate the areas of risk for which they are responsible.

The key controls used by the charity include:

- formal agendas for all Committee and Governing Body activity;
- terms of reference for all Committees;
- comprehensive strategic planning, budgeting and management accounting;
- established organisational structure and lines of reporting;
- clear authorisation and approval levels;
- criminal record checks as required by law for the protection of the vulnerable.

The principal risks facing the School are noted in the table below.



# THE NORTH LONDON COLLEGIATE SCHOOL

## REPORT OF THE CHARITY TRUSTEES (INCORPORATING THE GOVERNORS' REPORT AND THE STRATEGIC REPORT)

Through the risk management processes established for the School the Governing Body are satisfied that the major risks

identified have been adequately mitigated where necessary. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

Specific Risk	Consequence	In-place controls and actions
Inadequate safeguarding of pupils	<ul style="list-style-type: none"> <li>Harm to pupils</li> <li>Reputational damage</li> <li>Allegations against staff</li> </ul>	<ul style="list-style-type: none"> <li>Staff receive annual training</li> <li>All staff vetted with DBS checks</li> <li>Safeguarding Governor has an annual review visit</li> <li>Improve site security</li> </ul>
Deteriorating performance in academic league and value added tables	<ul style="list-style-type: none"> <li>Loss of reputation nationally and internationally</li> <li>Fewer applications at 11+ and 16+</li> </ul>	<ul style="list-style-type: none"> <li>Focus on accurate tracking of pupil attainment</li> <li>Attract &amp; retain high quality teachers</li> <li>Rigorous staff &amp; curriculum monitoring</li> </ul>
Failure of key IT systems and breaches of data protection regulations	<ul style="list-style-type: none"> <li>Loss of confidence by parents. Staff etc. in IT systems</li> <li>Loss of sensitive/key data &amp; disruption to school activities</li> <li>Legal action</li> <li>Inability to respond to disasters</li> </ul>	<ul style="list-style-type: none"> <li>Strengthened IT department and investment in systems, backup</li> <li>Review adherence to GDPR regularly</li> <li>Disaster recovery plans in place</li> <li>Network firewalls and filters kept up to date</li> </ul>
An inability to gain approval for our site masterplan from the Local Planning Authority in a timely manner	<ul style="list-style-type: none"> <li>Loss of donors and parental confidence</li> <li>An inability to develop site to meet School's educational needs</li> <li>Uncompetitive facilities</li> <li>Loss of income</li> <li>Projects become unaffordable</li> </ul>	<ul style="list-style-type: none"> <li>Thorough community, partnership, travel and sustainability plans</li> <li>Awareness of local LPA &amp; GLA concerns and policies.</li> <li>Use of planning consultants to ensure applications meet all planning criteria</li> </ul>
Changes in VAT and business rate relief and pensions contributions	<ul style="list-style-type: none"> <li>School roll impacted</li> <li>Fees increased to cope</li> <li>Reduced ability to attract &amp; retain staff</li> </ul>	<ul style="list-style-type: none"> <li>Stress test school finances</li> <li>Seek costs reductions</li> <li>Review ongoing TPS membership</li> <li>Regular Governance review</li> </ul>
A recession caused by the Coronavirus pandemic & BREXIT	<ul style="list-style-type: none"> <li>Increase in taxation and unsustainable pressure on fees</li> <li>Reduced affordability and loss of pupils</li> <li>Difficulty in getting finance to fund the masterplan</li> </ul>	<ul style="list-style-type: none"> <li>Stress testing of finances</li> <li>Tight budget controls</li> <li>Emphasis on fundraising</li> <li>Continued investment in overseas franchising</li> </ul>
Failure to recruit suitable teachers due to supply	<ul style="list-style-type: none"> <li>Deteriorating academic results</li> <li>Increased staffing costs impacts fees</li> </ul>	<ul style="list-style-type: none"> <li>Teacher training</li> <li>Salary and benefits package</li> <li>Recruiting high quality graduates</li> </ul>
BAME issues cause reputational damage	<ul style="list-style-type: none"> <li>Impact on pupil attraction and retention</li> <li>Pressure externally on the School</li> <li>Lack of diversity in staff body</li> </ul>	<ul style="list-style-type: none"> <li>Maintain diverse community</li> <li>Emphasis on staff and student training</li> <li>Student led societies</li> <li>HR policies on recruitment</li> </ul>
Revenue from our International Schools is reduced due to partner financial difficulties or declines in school roll as a result of the pandemic	<ul style="list-style-type: none"> <li>Impact on funding for bursaries in the UK School</li> </ul>	<ul style="list-style-type: none"> <li>Investment funds in place</li> <li>Governance of overseas schools</li> <li>Partnership forums</li> <li>Commercial agreements with partners</li> <li>Admissions and marketing teams in each school</li> </ul>

## **SECTION 172 STATEMENT**

The Directors confirm that in accordance with Section 172 (1) of the Companies Act they act in a way they consider would be most likely to achieve the purposes of the Company. In making this assessment the Directors have considered the following:

### **(a) The likely consequences of any decision in the long term**

The long-term sustainability of the operating model is considered by the Directors as set out in the going concern section of the Directors' Report. Specifically, the Directors consider both short- and longer-term financial projections and the key risks that could negatively impact the sustainability of NLCS. The Directors review management information, budgets, forecasts and cashflow projections on a termly basis.

### **(b) The interests of the company's employees**

Frequent communication with staff has been essential, especially during the lockdown when most staff were working remotely. This has been conducted regularly by teams briefings and staff surveys to gauge wellbeing. Staff who have been furloughed have been contacted by their own line managers. Staff have been kept informed about staffing, financial and strategic issues affecting them and the school.

The Governors receive regular reports on staff matters through the Headmistress' termly report and personnel committee. All Governors conduct visits to school where opportunity is made for direct staff engagement.

The school has a Support Staff and Teachings Staff committee where employee issues are discussed. These committees make recommendations to the senior leadership team and are charged with communicating to employees at large to canvas opinion. A staff survey in 2020 reported high levels of satisfaction. A diverse programme of well-being activities is available to all staff.

The Company has complied with the UK's Equality Act 2010 Regulations 2017 that require the publication of information on the gender pay gap for UK employees annually. The 2019 report is available on the website.

### **(c) The need to foster the company's business relationships with suppliers, customers and others**

The charity's beneficiaries (students and parents) are the focus of all the school's operations.

A robust and consistent selection policy ensures a diverse and thriving student body that is fully supported throughout their education from reception to external examinations results, enabling admission to all universities and preparing pupils for later life beyond NLCS.

Recruitment of the best teachers and valuing of staff supports the stability and high standard of education.

A clear bursary policy consistently applied to support families who may not otherwise be able to access education at the school. Further details can be found on page 9.

The parent contract forms the basis of the relationship with fee payers. This is reviewed regularly to ensure best practice and then applied fairly and consistently. Parental engagement is maintained through weekly correspondence and termly publications.

All suppliers are treated fairly and promptly with business terms adhered to.

### **(d) The impact of the company's operations on the community and the environment**

Full details are found in pages 9 -10.

The company has completed the Energy Savings Opportunity Scheme (ESOS) reporting requirements and has reported under the Streamlined Energy and Carbon Reporting (SECR), details on page 19.

### **(e) The desirability of the company maintaining a reputation for high standards of business conduct**

The Company's Bribery Policy, that has been approved by the Governing Body, it sets out the responsibilities of staff to report any incidents or suspicion of fraud, bribery or corruption arising in the course of their work and to cooperate fully with related investigations. The School takes a zero tolerance approach towards fraud, bribery and corruption. The Whistle blowing policy supports staff in this approach.

**THE NORTH LONDON COLLEGIATE SCHOOL**  
**REPORT OF THE CHARITY TRUSTEES (INCORPORATING THE GOVERNORS' REPORT AND THE STRATEGIC REPORT)**

**(f) The need to act fairly as between members of the company**

All governors and senior staff complete an annual Conflict of Interest declaration. There have been no reported incidents of unacceptable relationships.

**STREAMLINED ENERGY AND CARBON REPORT**

NLCS has made a commitment to become carbon neutral by 2030 and in 2019 undertook a baseline assessment to quantify the school's carbon footprint and is now registered with the UN's Carbon Neutral Now accreditation scheme.

The total energy use by the School during the year to 31 July 2020 for Scope 1 - Direct emissions and Scope 2 - Indirect emissions was 4,222,849 kWh - equivalent to 834 tonnes of CO<sub>2</sub>e. This represents a significant reduction on the comparative 2019 baseline, but is principally due to the School's closure from the end of March to the start of May, after which only a limited number of Junior School pupils returned until the start of July.

The School's principal activities to reduce its energy consumption during the period were to replace some of the single-glazed windows in the Richardson Building and to replace boilers and pool plant in the Canons Sports Centre.

<b>TOTAL UK ENERGY USE</b>	<b>2020</b>	<b>2019 (Comparative)</b>
<b>UK Energy Use (1)</b> kWh	<b>4,222,849</b>	<b>4,615,568</b>
<b>Associated Greenhouse gas emissions (2)</b> Tonnes CO <sub>2</sub> e	<b>834</b>	<b>941</b>
<b>Intensity Ratio (3)</b> Emissions per pupil	<b>0.758</b>	<b>0.855</b>

(1) Energy use covers the School's use of Natural Gas, Electricity and the Diesel Fuel consumed by the School's minibuses

(2) Associated greenhouse gases have been calculated using the UK Government GHG Conversion Factors for Company Reporting

(3) Based on an average of 1100 pupils over a 36-week academic year

**THE NORTH LONDON COLLEGIATE SCHOOL**  
**REPORT OF THE CHARITY TRUSTEES (INCORPORATING THE GOVERNORS' REPORT AND THE STRATEGIC REPORT)**

**STATEMENT OF GOVERNORS' RESPONSIBILITIES**

The Governors are responsible for preparing the Strategic Report, the Report of the Charity Governors and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year 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 group and charity and of the incoming resources and application of resources, including the income and expenditure, of the group for that year.

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

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

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

**GOVERNORS' STATEMENT**

Each of the Governors has confirmed that so far as they are aware, there is no relevant audit information of which the charitable company's auditor is unaware, and that they have taken all the steps that they ought to have taken as a Governor in order to make themselves aware of any relevant audit information and to establish that the charitable company's auditor is aware of that information.

**AUDITOR**

A resolution for the reappointment of Crowe U.K. LLP will be proposed at the annual meeting for the ensuing year.

The report of the Governors incorporating the Strategic Report is approved by the Board of Governors and signed on behalf of the Governors



.....Mr P Needleman

17 December 2020

**THE NORTH LONDON COLLEGIATE SCHOOL**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 JULY 2020**

## **Opinion**

We have audited the financial statements of The North London Collegiate School for the year ended 31 July 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity only Balance Sheets, the Consolidated Cash Flow 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 charitable company's affairs as at 31 July 2020 and of the group's incoming resources and application of resources 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.

## **Conclusions relating to going concern**

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

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

## **Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the trustees' report, which includes the directors' report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

**THE NORTH LONDON COLLEGIATE SCHOOL**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 JULY 2020**

**Matters on which we are required to report by exception**

In light of the knowledge and understanding of the group and charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the directors' report included within the trustees' report.

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

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

**Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 20, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

**Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

**Use of our report**

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



Nicola May  
Senior Statutory Auditor  
For and on behalf of

Crowe U.K. LLP  
Statutory Auditor  
London  
Date: 17<sup>th</sup> December 2020

**THE NORTH LONDON COLLEGIATE SCHOOL**  
**CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES INCORPORATING AN INCOME AND EXPENDITURE ACCOUNT**  
**FOR THE YEAR ENDED 31 JULY 2020**

2020							2019
Note	General Funds	Designated Funds	Restricted Funds	Restricted Building Funds	Endowment Funds	Total Funds	Prior Year Total Funds
	£	£	£	£	£	£	£
<b>Income from:</b>							
<u>Charitable activities</u>							
School Fee Income	20,984,276					<b>20,984,276</b>	21,175,592
Scholarships	(222,204)		(41,000)			<b>(263,204)</b>	(293,409)
COVID Support		(329,891)				<b>(329,891)</b>	0
COVID Hardship		(49,994)				<b>(49,994)</b>	0
Bursaries	-	<u>(980,566)</u>	<u>(347,965)</u>			<b><u>(1,328,531)</u></b>	<u>(1,400,535)</u>
Net Fee Income	20,762,072	(1,360,451)	(388,965)			<b>19,012,656</b>	19,481,648
Ancillary Trading Income (catering and coaches)	1,424,087					<b>1,424,087</b>	1,889,225
Other Income from operation of School	<u>879,498</u>					<b><u>879,498</u></b>	<u>749,835</u>
	23,065,657	(1,360,451)	(388,965)			<b>21,316,241</b>	22,120,708
<u>Other activities</u>							
Trading Income from Subsidiaries	13 2,905,301					<b>2,905,301</b>	2,463,134
Donations and Grants: Bursaries and Scholarships	9 -		401,281			<b>401,281</b>	309,290
Donations and Grants: Other	9 67,592		68,758	76,469		<b>212,819</b>	324,698
Investment Income	311,172	233,957		9,903	19,553	<b>574,585</b>	627,713
<b>Total Income</b>	<b>26,349,722</b>	<b>(1,126,494)</b>	<b>81,074</b>	<b>86,372</b>	<b>19,553</b>	<b>25,410,227</b>	<b>25,845,544</b>
<b>Expenditure on:</b>							
Charitable activities	21,214,504	51,009	59,610	-		21,325,123	21,224,316
Trading by Subsidiaries	1,603,560					1,603,560	1,718,392
Raising funds	234,886					234,886	276,198
Financing Costs	48,387					48,387	119,291
<b>Total Expenditure</b>	<b>23,101,337</b>	<b>51,009</b>	<b>59,610</b>	<b>-</b>	<b>-</b>	<b>23,211,956</b>	<b>23,338,197</b>
<b>Operating Surplus</b>	<b>3,248,385</b>	<b>(1,177,503)</b>	<b>21,464</b>	<b>86,372</b>	<b>19,553</b>	<b>2,198,271</b>	<b>2,507,347</b>
Net gains on investments	6 4,775					<b>4,775</b>	<b>1,125,988</b>
<b>Net income</b>	<b>3,253,160</b>	<b>(1,177,503)</b>	<b>21,464</b>	<b>86,372</b>	<b>19,553</b>	<b>2,203,046</b>	<b>3,633,335</b>
<b>Transfers between funds:</b>	<b>(3,166,951)</b>	<b>3,165,472</b>	<b>70,429</b>	<b>(49,397)</b>	<b>(19,553)</b>	<b>-</b>	<b>-</b>
<b>Net movement after transfers</b>	<b>86,209</b>	<b>1,987,969</b>	<b>91,893</b>	<b>36,975</b>	<b>-</b>	<b>2,203,046</b>	<b>3,633,335</b>
Actuarial gains/(losses) on defined benefit pension schemes	10 (2,097,000)					<b>(2,097,000)</b>	<b>(712,000)</b>
<b>Net movement in funds</b>	<b>(2,010,791)</b>	<b>1,987,969</b>	<b>91,893</b>	<b>36,975</b>	<b>-</b>	<b>106,046</b>	<b>2,921,335</b>
<u>Reconciliation of funds:</u>							
Total funds brought forward	23,555,705	6,684,489	129,867	333,817	588,665	<b>31,292,543</b>	28,371,208
Total funds carried forward	21,544,914	8,672,458	221,760	370,792	588,665	<b>31,398,589</b>	31,292,543

All amounts relate to continuing operations, and all gains and losses recognised in the year are included above.  
The notes on pages 26 to 43 form part of these financial statements.

**THE NORTH LONDON COLLEGIATE SCHOOL  
CONSOLIDATED BALANCE SHEET  
AS AT 31 JULY 2020**

	Note	Group 2020 £	Charity 2020	Group 2019 £	Charity 2019 £
<b>FIXED ASSETS</b>					
Fixed Assets	5	19,982,788	19,905,854	17,380,747	17,265,847
Investments	6	<u>18,233,472</u>	<u>18,233,674</u>	<u>18,228,697</u>	<u>18,228,900</u>
		38,216,260	38,139,528	35,609,444	35,494,747
<b>CURRENT ASSETS</b>					
Debtors	7	1,421,212	2,743,926	1,022,558	1,470,873
Cash at Bank and in hand		<u>4,912,572</u>	<u>3,369,025</u>	<u>6,693,819</u>	<u>5,804,675</u>
Current Assets		6,333,784	6,112,951	7,716,377	7,275,548
<b>Creditors</b>					
Creditors: Amounts falling due within one year	8	(6,957,770)	(6,661,007)	(7,448,645)	(6,893,920)
NET CURRENT ASSETS		<u>(623,986)</u>	<u>(548,056)</u>	<u>267,732</u>	<u>381,629</u>
<b>Total Assets less current liabilities</b>		<b>37,592,274</b>	<b>37,591,472</b>	<b>35,877,175</b>	<b>35,876,375</b>
<b>Creditors</b>					
Amounts falling due after more than one year	8	<u>(887,685)</u>	<u>(887,685)</u>	<u>(1,369,633)</u>	<u>(1,369,633)</u>
<b>NET ASSETS excluding Pension Liability</b>		<b>36,704,589</b>	<b>36,703,787</b>	<b>34,507,543</b>	<b>34,506,743</b>
Defined Benefit Pension Scheme liability	10	(5,306,000)	(5,306,000)	(3,215,000)	(3,215,000)
<b>NET ASSETS</b>		<b><u>31,398,589</u></b>	<b><u>31,397,787</u></b>	<b><u>31,292,543</u></b>	<b><u>31,291,743</u></b>
<b>FUNDS</b>	9				
Unrestricted General Funds		23,641,914	23,641,112	24,267,705	24,266,905
Unrestricted Pension Funds		(2,097,000)	(2,097,000)	(712,000)	(712,000)
Unrestricted Designated Funds		<u>8,672,458</u>	<u>8,672,458</u>	<u>6,684,490</u>	<u>6,684,490</u>
		30,217,372	30,216,570	30,240,195	30,239,394
Endowment Funds		588,665	588,665	588,665	588,665
Restricted Building Funds		370,792	370,792	333,817	333,817
Other Restricted Funds		221,760	221,760	129,867	129,867
<b>TOTAL FUNDS</b>		<b><u>31,398,589</u></b>	<b><u>31,397,787</u></b>	<b><u>31,292,543</u></b>	<b><u>31,291,743</u></b>

The notes on pages 26 to 43 form part of these financial statements.

The parent charity result for the year ended 31 July 2020 was a surplus of £2,202,387 (2019: £2,589,402) (before gains on investments and actuarial gain/loss).

Approved by the Governors and authorised for issue on 17 December 2020 and signed on their behalf

Director  
P Needleman



Director  
P Linthwaite





**THE NORTH LONDON COLLEGIATE SCHOOL  
STATEMENT OF CASH FLOWS  
FOR YEAR ENDED 31 JULY 2020**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
<b>Cash flows from operating activities:</b>		
Net income for the reporting period (as per the Statement of Financial Activities)	2,203,046	3,633,335
<u>Adjustments for:</u>		
Depreciation charges	1,209,083	984,303
(Gains)/losses on investments	(4,775)	(1,125,988)
Income from investments	(570,872)	(622,560)
Movement in Defined Benefit Pension Liability	(6,000)	68,000
(Increase)/decrease in debtors	(398,656)	(176,900)
(Increase)/decrease in Intercompany	-	-
Increase/(decrease) in creditors	<u>(490,875)</u>	<u>182,413</u>
<b>Net cash provided by operating activities</b>	<b>1,940,951</b>	<b>2,942,603</b>
<u>Cash flows from investing activities:</u>		
Income from investments	570,872	622,560
Purchase of property, plant and equipment	(3,811,123)	(1,832,466)
Proceeds from sale of plant and equipment	-	-
Proceeds from sale of investments	-	6,813,531
Purchase of investments	<u>-</u>	<u>(6,788,328)</u>
<b>Net cash provided by (used in) investing activities</b>	<b>(3,240,251)</b>	<b>(1,184,703)</b>
<u>Cash flows from financing activities:</u>		
Movement in Fees in Advance	(481,947)	(295,247)
<b>Net cash provided by (used in) financing activities</b>	<b><u>(481,947)</u></b>	<b><u>(295,247)</u></b>
 <b>Change in cash and cash equivalents in the reporting period</b>	 <b><u><u>(1,781,247)</u></u></b>	 <b><u><u>1,462,653</u></u></b>
<b>Cash and cash equivalents</b>		
Cash in hand at the start of the reporting period	6,693,819	5,231,166
Cash in hand at the end of the reporting period	<u>4,912,572</u>	<u>6,693,819</u>
<b>Change in cash and cash equivalents in the reporting period</b>	<b><u><u>(1,781,247)</u></u></b>	<b><u><u>1,462,653</u></u></b>

**THE NORTH LONDON COLLEGIATE SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 JULY 2020**

The School is vested in a company limited by guarantee (The North London Collegiate School company number 2818422), which is a registered charity (charity number 1115843). The company is constituted by its Memorandum and Articles of Association. The Memorandum sets out the objects and powers of the Company and its constitution and the Articles regulate the governance of the Company and its internal procedures.

## **1 ACCOUNTING POLICIES**

The following accounting policies have been used consistently in dealing with items which are considered material to the Group's affairs.

### **(a) Basis of preparation**

The financial statements have been prepared under the historical cost convention, as modified by the inclusion of listed investments at market value, and in accordance with applicable accounting standards.

The School meets the definition of a public benefit entity under the guidance issued by the Charity Commission. The financial statements have been prepared to comply with FRS102 and conform with the requirements of the Statement of Recommended Practice, "Accounting and Reporting by Charities" issued by the Charity Commissioners for England and Wales in 2015 (Charities SORP – FRS102) and the Companies Act 2006.

The consolidated financial statements include the results of the School and all its subsidiaries. All activities are consolidated on a line by line basis in the Statement of Financial Activities and the Balance Sheet. Accordingly, the Consolidated Statement of Financial Activities reflects the incoming resources and resources expended of the Group and not the School as an individual entity. The results of the subsidiaries are shown in Note 13.

### **(b) Going concern**

The COVID-19 pandemic has been felt globally. The impact of the pandemic on the School and all its subsidiaries has been assessed. The Governors review actual financial results on a termly basis and compare the performance against budgets and forecasts. Following the announcement of the closure of schools, immediate steps were taken to realise in year cost savings and the deferral of routine estates expenditure where appropriate.

The savings and deferment of expenditure were used to support the parents by providing an immediate 10% fee discount against the summer term fee bill and a further 5% fee rebate at the end of the summer term.

The largest risk to our income is pupil roll numbers, the role has not been impacted by the pandemic and we continue to maintain our income levels. In addition the International Schools have all maintained or grown their rolls throughout the pandemic.

Long range forecasts have been prepared for the School and all its subsidiaries and the impact of a drop in roll has been modelled. To mitigate this risk we have a £5m overdraft facility in place.

The company has adequate resources to continue its future activities through its cash and investment holdings.

Accordingly the Governors have continued to prepare the financial statement on the going concern basis.

### **(c) Income**

All income is included on an accruals basis with the exception of donations and gifts which are included when received. Grants are recognised in the year of the agreement to the extent that there is a contractual commitment from the donor, there is evidence of entitlement, receipt is probable and the amount can be measured reliably. Donations which are provided in kind are not recognised in the accounts unless they are material.

Legacies are included within the Statement of Financial Activities when the School has been notified of its entitlements to income and the value and timing of receipt of the probable legacy can be measured with sufficient reliability.

School fees are credited to income in the period for which they are receivable. Net fees receivable are stated after deducting bursaries and scholarships. Fees that are receivable in advance of the academic year to which they relate are treated as creditors and released in the year to which they relate.

Government grants are recognised on the performance model, when the School has complied with any conditions attaching to the grant and the grant will be received. The grant in connection to the job retention scheme has been recognised in the period to which the underlying furloughed staff costs relate to.

Income received in respect of set-up costs from franchising partners is recognised in line with activity of work completed. Income from royalties and charges for additional services to our franchising partners is recognised in respect of fee income for the academic year.

**THE NORTH LONDON COLLEGIATE SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 JULY 2020**

**(d) Resources expended**

Expenditure is recognised when there is a legal and constructive obligation. In accordance with the Charities SORP expenditure has been analysed between charitable activities, financing costs and the cost of raising funds. The principal activity of the organisation is the operation of the North London Collegiate School. Governance costs reflect the costs of administration and other costs necessary for the operation of the charity. Support costs comprise general management, governance, accounting and financing.

**(e) Pension contributions**

In accordance with FRS 102 the amounts charged in resources expended are the costs of providing pension benefits earned by employees in the period. The expected return on pension scheme assets less the interest on pension scheme liabilities is included as part of this charge. Actuarial gains and losses arising in the period from the difference between actual and expected returns on pension scheme assets, experience gains and losses on pension scheme liabilities and the effects of changes in demographics and actuarial assumptions are included in the statement of financial activities within other recognised gains and losses. The accumulated pension scheme deficit is recognised in full and included within the balance sheet.

Costs in respect of the Teachers Superannuation Scheme, which is a multi-employer scheme where the assets and liabilities attributable to the School cannot be identified, are charged to the Statement of Financial Activities based on the employers' contributions payable.

**(f) Value Added Tax**

The School is registered for Value Added Tax. Expenditure shown in the Statement of Financial Activities is inclusive of irrecoverable Value Added Tax as the School is unable to reclaim VAT on the majority of its expenses.

**(g) Taxation**

The company is a charity within the meaning of Para 1 Schedule 6 Finance Act 2010. Accordingly the company is potentially exempt from taxation in respect of income or capital gains tax within categories covered by Chapter 3 of Part 11 of the Corporation Tax 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. No tax charge arose in the period.

The subsidiary companies make qualifying donations of all taxable profit to The North London Collegiate School. No corporation tax liability on the subsidiaries arises in the accounts.

**(h) Fixed Assets**

Land and buildings existing at the date of the scheme setting up the charity as a separate entity in 1993 are included at their original cost less accumulated depreciation. Additions to land and buildings since that date and fixed plant are capitalised in the balance sheet. All furniture items are treated as expense items. Items bought individually which are less than £5,000 are not capitalised.

**• Buildings & Associated Plant:**

- New Buildings – depreciated over 50 years.
- Extensions to buildings – depreciated over 50 years.
- Refurbishment are not capitalized.
- Improvements are only capitalized for major projects over £100,000 and depreciated over 15 years.
- Plant room – depreciated over 15 years.
- Plant & Machinery: Depreciated over an appropriate period from 5 to 15 years
- Office equipment: Computers, Photocopiers & Other equipment – depreciated over 3 years.
- Vehicles: Minibus – depreciated over 7 years from new

**(i) Investments**

Investments are included at market value at bid-price. Realised gains or losses on disposals of investments and unrealised gains and losses on revaluation of investments at the year end are reflected in the Statement of Financial Activities. The investment in the subsidiaries, which is included in the Charity's balance sheet, is included at cost.

**(j) Operating leases**

Instalments under operating lease agreements are charged to the Statement of Financial Activities in the year in which they are incurred.

**THE NORTH LONDON COLLEGIATE SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 JULY 2020**

**(k) Funds**

General Funds are the accumulated surplus on the School income and expenditure account which is available for use at the discretion of the Governors in furtherance of the general objectives of the charity.

Designated Funds comprise funds which have been set aside at the discretion of the Governors for specific purposes.

Restricted Funds may only be spent on the charitable purpose specified by the donor and fall into three categories:

1. Endowment Funds, where only the income from the fund may be spent on the charitable purpose.
2. Building Funds comprise donations which are intended for the purchase of capital assets. A release is made to the General Fund when the expenditure is incurred where there is no ongoing restriction on the asset, or, if the expenditure has already been incurred, in the year that the donation is received.
3. Other Restricted Funds, where the whole fund is available for expenditure on the charitable purpose.

Further details are shown in Note 9.

**(l) Judgements and Estimates**

The provision for bad debts is based on a case-by-case review of amounts outstanding in respect of pupils. All other judgements or estimates which materially affect the amounts recognised in the accounts have been disclosed in these accounts. These include the treatment and calculation of depreciation, multi-year grants, the allocation of support costs, and the calculation of pension liabilities. The Charity recognises its liability to its defined benefit scheme which involves a number of estimations as disclosed in Note 10.

**(m) Financial Instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value. Financial Assets held at amortised cost comprise cash at bank and in hand, together with debtors except prepayments. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in bank accounts (with less than six months notice) and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, provisions and deferred income. Investments are held at fair value at the balance sheet date, with gains and losses being recognised within income and expenditure. Investments in subsidiary undertakings are held at cost less impairment.

**THE NORTH LONDON COLLEGIATE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2020**

## 2 COMPARATIVE SOFA

School Fee Income is shown on the Statement of Financial Activities. Details of Scholarships and Bursaries are shown in the Trustees Report. Other income includes Registration fees, trip income and rental income from staff accommodation.

	2019					2018	
	General Funds	Designated Funds	Restricted Funds	Restricted Building Funds	Endowment Funds	Total Funds	Prior Year Total Funds
	£	£	£	£	£	£	£
<b>Income from:</b>							
<u>Charitable activities</u>							
School Fee Income	21,175,592					21,175,592	20,642,370
Scholarships	(252,609)		(40,800)			(293,409)	(358,012)
Bursaries	0	(1,082,495)	(318,040)			(1,400,535)	(1,239,173)
Net Fee Income	20,922,983	(1,082,495)	(358,840)			19,481,648	19,045,186
Ancillary Trading Income (catering and coaches)	1,889,225					1,889,225	1,716,690
Other Income from operation of School	749,835					749,835	729,500
	23,562,043	(1,082,495)	(358,840)			22,120,708	21,491,376
<u>Other activities</u>							
Trading Income from Subsidiaries	2,463,134					2,463,134	2,139,069
Donations and Grants: Bursaries and Scholarships	0		309,290			309,290	343,059
Donations and Grants: Other	103,824		156,003	64,872		324,698	352,340
Investment Income	368,610	229,354		10,197	19,553	627,713	393,718
<b>Total Income</b>	26,497,610	(853,141)	106,453	75,068	19,553	25,845,544	24,719,561
<b>Expenditure on:</b>							
Charitable activities	21,067,942		131,373	25,000		21,224,316	20,615,358
Trading by Subsidiaries	1,718,392					1,718,392	1,294,017
Raising funds	276,198					276,198	279,065
Financing Costs	119,291					119,291	143,493
<b>Total Expenditure</b>	23,181,823	0	131,373	25,000	0	23,338,197	22,331,933
<b>Operating Surplus</b>	3,315,787	(853,141)	(24,920)	50,068	19,553	2,507,347	2,387,628
Net gains on investments	1,125,988					1,125,988	673,936
<b>Net income</b>	4,441,775	(853,141)	(24,920)	50,068	19,553	3,633,335	3,061,564
<b>Transfers between fund</b>	(977,083)	984,672	19,553	(7,589)	(19,553)	0	
<b>Net movement after transfers</b>	3,464,692	131,530	(5,367)	42,480	0	3,633,335	3,061,564
Actuarial gains/(losses) on defined benefit pension schemes	(712,000)					(712,000)	1,326,000
<b>Net movement in funds</b>	2,752,692	131,530	(5,367)	42,480	0	2,921,335	4,387,564
<u>Reconciliation of funds:</u>							
Total funds brought forward	20,803,013	6,552,959	135,234	291,337	588,665	28,371,208	23,983,644
Total funds carried forward	23,555,705	6,684,489	129,867	333,817	588,665	31,292,543	28,371,208

All amounts relate to continuing operations, and all gains and losses recognised in the year are included above.  
The notes on pages 22 to 38 form part of these financial statements.

**THE NORTH LONDON COLLEGIATE SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 JULY 2020**

**3 ANALYSIS OF TOTAL EXPENDITURE**

	<b>Staff Costs</b>	<b>Other Costs</b>	<b>Depreciation</b>	<b>Group 2020 Total</b>	<b>Group 2019 Total</b>
Teaching	12,487,616	580,739		13,068,355	12,505,743
Catering & Coaches	20,358	1,775,757		1,796,115	2,020,272
Premises	317,764	1,542,411	1,148,656	3,008,831	3,299,189
Governance Costs	141,545	39,606		181,151	158,937
Other Support Costs	1,963,407	1,307,264		3,270,671	3,240,175
<b>Total Charitable Activities</b>	<b>14,930,690</b>	<b>5,245,777</b>	<b>1,148,656</b>	<b>21,325,123</b>	<b>20,615,358</b>
Raising Funds	187,099	47,787		234,886	276,198
Financing Costs		48,387		48,387	93,312
Investment Management		-		-	25,979
Cost of Subsidiaries	1,034,093	509,040	60,427	1,603,560	1,718,392
<b>Total Other Activities</b>	<b>1,221,192</b>	<b>605,214</b>	<b>60,427</b>	<b>1,886,833</b>	<b>2,113,881</b>
<b>Total Expenditure</b>	<b>16,151,882</b>	<b>5,850,991</b>	<b>1,209,083</b>	<b>23,211,956</b>	<b>23,338,197</b>

Governance Costs include Audit fees, 10% of Professional Fees and 10% of Clerical & Administrative staff costs

**THE NORTH LONDON COLLEGIATE SCHOOL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEAR ENDED 31 JULY 2020**

**4a EXPENDITURE**

Staff costs charged to General Fund were	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
Wages and salaries	11,752,353	10,927,511
Social security costs	1,271,829	1,183,903
Other pension costs	2,645,389	2,084,198
Other costs of employing staff	482,311	435,190
	<u>16,151,882</u>	<u>14,630,802</u>

Termination payments, including redundancy, and ex gratia payments totalled £nil in the year (2019: £2,452). These are included in the total for staff costs above. Termination benefits are payable when employment is terminated by the School or whenever an employee accepts voluntary redundancy in exchange for these benefits. The School recognises termination benefits when a fully signed settlement agreement is in place, or when the cost has otherwise been confirmed and committed to. There were no amounts outstanding at 31st July 2020 or 2019 for any termination payments.

Remuneration and benefits for key management personnel (consisting of the Senior Team, as set out above on page 6) totalled £1,080,807 in the year (2019: £958,019).

The number of staff who received remuneration (including taxable benefits in kind but excluding employer pension costs) in excess of £60,000 were as follows:

	<u>2020</u>	<u>2019</u>
£60,000 - £69,999	27	28
£70,000 - £79,999	15	12
£80,000 - £89,999	4	1
£90,000 - £99,999	2	3
£100,000 - £109,999	2	1
£110,000 - £119,999	-	1
£130,000 - £139,999	1	-
£150,000 - £159,999	-	2
£160,000 - £169,999	3	2
	<u>54</u>	<u>48</u>

All except two of the higher paid staff shown above were accumulating benefits under the various pension schemes. This amounted to £836k (2019: 564k).

The average number of staff employed by the group during the year was as follows. The calculation of Full-time equivalent staff for Support Staff is based on the staffing complement, calculated on 40 hours per week and 52 weeks per year.

	2020 Full-time equivalent	2020 Average Headcount	2019 Full-time equivalent	2019 Average Headcount
Teaching	128.6	157.7	130.0	158
School Support Staff	65.7	123.7	67.8	124
Employed by Subsidiaries (Canons Enterprises)	8.3	59.25	8.3	43
Total	<u>202.6</u>	<u>340.7</u>	<u>206.1</u>	<u>325</u>
			<u>2020</u>	<u>2019</u>
			<u>£</u>	<u>£</u>
<b>4b Auditors' remuneration</b>			25,200	23,760
- for audit services			28,950	25,275
- for subsidiary audit services			10,800	8,770
- for tax advisory services				

**THE NORTH LONDON COLLEGIATE SCHOOL  
NOTES TO THE FINANCIAL STATEMENTS  
YEAR ENDED 31 JULY 2020**

**5 TANGIBLE FIXED ASSETS**

<b>Group</b>	<u>Freehold Land and buildings</u> £	<u>Assets Under Construction</u> £	<u>Fixed plant</u> £	<u>Equipment</u> £	<u>Vehicles</u> £	<u>Total</u> £
<u>Cost</u>						
At 1 August 2019	23,269,514	-	1,540,544	1,123,066	267,756	26,200,880
Additions	2,209,547	1,032,195	20,786	526,134	22,461	3,811,123
At 31 July 2020	25,479,061	1,032,195	1,561,330	1,649,200	290,217	30,012,003
<u>Depreciation</u>						
At 1 August 2019	7,061,652		854,470	767,313	136,697	8,820,132
Charge for the period	730,970		81,535	342,891	53,687	1,209,083
At 31 July 2020	7,792,622	-	936,005	1,110,204	190,384	10,029,215
<u>Net book values</u>						
At 31 July 2020	<b>17,686,439</b>	<b>1,032,195</b>	<b>625,325</b>	<b>538,996</b>	<b>99,833</b>	<b>19,982,788</b>
At 31 July 2019	16,207,861	-	686,074	355,753	131,059	17,380,748

  

<b>Charity</b>	<u>Freehold Land and buildings</u> £	<u>Assets Under Construction</u> £	<u>Fixed plant</u> £	<u>Equipment</u> £	<u>Vehicles</u> £	<u>Total</u> £
<u>Cost</u>						
At 1 August 2019	23,269,514	-	1,540,544	1,054,575	34,229	25,898,862
Additions	2,209,547	1,032,195	20,786	526,134		3,788,662
At 31 July 2020	25,479,061	1,032,195	1,561,330	1,580,709	34,229	29,687,524
<u>Depreciation</u>						
At 1 August 2019	7,061,652		854,470	710,452	6,440	8,633,014
Charge for the period	730,970		81,535	331,261	4,890	1,148,656
At 31 July 2020	7,792,622	-	936,005	1,041,713	11,330	9,781,670
<u>Net book values</u>						
At 31 July 2020	<b>17,686,439</b>	<b>1,032,195</b>	<b>625,325</b>	<b>538,996</b>	<b>22,899</b>	<b>19,905,854</b>
At 31 July 2019	16,207,861	-	686,074	344,123	27,789	17,265,847

At 31 July 2020 the Group had capital commitments of £602,983 (2018: £168,000) £423,391 relating to the Site Masterplan and £179,592 for the Junior School project. Assets under construction relate to the Ideas Hub, Phase 1 of the Site Masterplan.



THE NORTH LONDON COLLEGIATE SCHOOL  
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**6 INVESTMENTS**

	<u>2020</u>	<u>2019</u>
Investment in Canons Enterprises Limited, at cost	2	2
Investment in Canons Transport Limited, at cost	1	1
Investment in NLCS Enterprises Limited at cost	100	100
Investment in NLCS International Limited at cost	100	100

Further details of the subsidiaries are shown in Note 13.

	<u>Group &amp; Charity</u>	
	<u>£</u>	<u>£</u>
<b>Other investments, all of which are listed, at market value</b>	<u>2020</u>	<u>2019</u>
At 1 August 2019	18,228,697	17,127,911
Disposals (HSBC)	-	(6,790,354)
Additions (CCLA)	-	-
Additions (Black Rock)	-	6,788,328
Investment Manager Fees	-	(23,176)
Investment gains/(losses)	4,775	1,125,988
At 31 July 2020	<u>18,233,472</u>	<u>18,228,697</u>
 <b>Cost of other investments</b>		
At 31 July 2020	<u>15,538,328</u>	<u>15,538,328</u>

**7 DEBTORS**

	<u>Group</u>	<u>Charity</u>	<u>Group</u>	<u>Charity</u>
	<u>2020</u>	<u>2020</u>	<u>2019</u>	<u>2019</u>
	<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>
Fee debtors	54,523	54,523	38,230	38,230
Amounts owing by Franchise Partners	1,114,836	-	653,327	-
Amounts due from Subsidiaries	-	2,437,550	-	1,101,642
Prepayments and accrued income	251,853	251,853	331,001	331,001
	<u>1,421,212</u>	<u>2,743,926</u>	<u>1,022,558</u>	<u>1,470,873</u>

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**8 CREDITORS**

	Group 2020 £	Charity 2020 £	Group 2019 £	Charity 2019 £
<b>Amounts falling due within one year:</b>				
Fee deposits	3,140,769	3,140,769	3,386,346	3,386,346
Trade creditors	556,766	551,172	633,784	630,988
Tax and social security	337,284	337,001	548,016	545,083
Accrued Holiday Pay	908,716	908,716	831,474	831,474
Accruals and deferred income	1,116,388	825,502	967,422	418,426
Receipts in respect of Autumn Fees	198,973	198,973	277,950	277,950
Deferred Income: Fees in advance scheme	698,874	698,874	803,653	803,653
	<u>6,957,770</u>	<u>6,661,007</u>	<u>7,448,645</u>	<u>6,893,920</u>

**Amounts falling due after more than one year:**

	Group & Charity 2020	Group & Charity 2019
<u>Fees in Advance Scheme</u>		
Between 2 and 5 years	789,313	1,271,261
Over 5 years	<u>98,372</u>	<u>98,372</u>
	<u>887,685</u>	<u>1,369,633</u>
<u>Movements in Fees in Advance Scheme</u>		
At start of year	2,173,286	2,744,668
New Contracts	242,304	586,958
Repayments	-	(66,644)
Amounts used to pay fees	(855,349)	(1,130,091)
Debt Financing Cost	<u>26,318</u>	<u>38,395</u>
Balance at end of year	<u>1,586,559</u>	<u>2,173,286</u>

**9 FUNDS - GROUP**

(a) Net assets are held for the various funds as follows:

	General Funds	Designated Funds	Restricted Funds	Restricted Building Funds	Endowment Funds	Total Funds
Tangible Fixed Assets	19,952,788				30,000	19,982,788
Investments	8,631,557	8,672,458		370,792	558,665	18,233,472
Net Current assets	(845,746)		221,760		0	(623,986)
Long Term Creditors	(887,685)					(887,685)
Pension Deficit	(5,306,000)					(5,306,000)
<b>At 31<sup>st</sup> July 2020</b>	<b>21,544,914</b>	<b>8,672,458</b>	<b>221,760</b>	<b>370,792</b>	<b>588,665</b>	<b>31,398,589</b>
Tangible Fixed Assets	17,350,748				30,000	17,380,748
Investments	10,651,726	6,684,489		333,817	558,665	18,228,697
Net Current assets	137,865		129,867		0	267,732
Long Term Creditors	(1,369,634)					(1,369,634)
Pension Deficit	(3,215,000)					(3,215,000)
<b>At 31<sup>st</sup> July 2019</b>	<b>23,555,705</b>	<b>6,684,489</b>	<b>129,867</b>	<b>333,817</b>	<b>588,665</b>	<b>31,292,543</b>

**THE NORTH LONDON COLLEGIATE SCHOOL  
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**9 2020 Movements in Designated and Restricted Funds**

	Balance at 1st August 2019	Donations	Investment income	Charitable Expenditure	Transfers of Net Income	Transfers to/from General Funds	Balance at 31st July 2020
<b>Restricted Endowment Funds</b>							
Endowment Fund: Land owned by the School	30,000						30,000
Prize/Exhibitions & Scholarship Fund	284,369		9,953		(9,953)		284,369
Eleanor Lyndon Trust Fund	14,296		500		(500)		14,296
Sharland Sixth Form Bursary	250,000		8,750		(8,750)		250,000
Sharland Sixth Form Prize Fund	10,000		350		(350)		10,000
	<b>588,665</b>	<b>0</b>	<b>19,553</b>	<b>0</b>	<b>(19,553)</b>	<b>0</b>	<b>588,665</b>
<b>Restricted Building Funds</b>							
Performing Arts Centre	0	300				(300)	0
New Building (2014)	0	1				(1)	0
Capital Building Appeal (2016)	333,817	76,168	11,684	0	(50,877)		370,792
	<b>333,817</b>	<b>76,469</b>	<b>11,684</b>	<b>0</b>	<b>(50,877)</b>	<b>(301)</b>	<b>370,792</b>
<b>Other Restricted Funds</b>							
Prize/Exhibitions & Scholarship Fund Income	22,012			(325)	9,953		31,640
Eleanor Lyndon Trust Fund Income	1,148			0	500		1,648
Bernice McCabe Bursary Appeal Fund	0	339,215		(347,965)	8,750		0
Sharland Prizes	745			0	350		1,095
The Doris Gregory Trust	(0)	72,863		(72,863)			(0)
Frank Levett Memorial Prize	10,341			(100)			10,241
Parents Guild	0	0		0			0
Frances Mary Buss Scholarship Trust	15,310			0			15,310
Kay Nicholson Physics Prize	330			0			330
Kay Nicholson Economics Prize	470			0			470
Ennis Brandenburger	1,972			0			1,972
Drama Staging	0			0			0
Annual Fund	(0)	0		0			(0)
Emerald Ball	8,361	0		0			8,361
Foxton Fund - History Speakers	326			0			326
Tomsett - STEM	52,350			(5,546)			46,804
STEM - Revenue Donations	0	52,855		0	50,877		103,732
Bursary Review Fund	0	5,106		(5,106)			0
Nigel Wray Sports Fund	16,502	0		(16,671)			(169)
	<b>129,867</b>	<b>470,039</b>	<b>0</b>	<b>(448,576)</b>	<b>70,430</b>	<b>0</b>	<b>221,760</b>
<b>Designated Funds</b>							
Bernice McCabe Bursary Fund	6,684,489		233,957	(930,572)		853,406	6,841,280
COVID Hardship Fund	0	62,066		(49,994)		750,000	762,072
COVID Support Fund	0			(430,894)		1,500,000	1,069,106
<b>Grand Total</b>	<b>7,736,838</b>	<b>608,574</b>	<b>265,194</b>	<b>(1,860,036)</b>	<b>0</b>	<b>3,103,105</b>	<b>9,853,675</b>

Investment income is credited at a notional rate on the opening balance to Endowment Funds, the 2016 Capital Campaign and to the Designated Bursary Fund For 2019/20 this rate is 3.5%

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**9 2019 Movements in Designated and Restricted Funds**

	Balance at 1st August 2018	Donations	Investment income	Charitable Expenditure	Transfers of Net Income	Transfers to/from General Funds	Balance at 31st July 2019
<b>Restricted Endowment Funds</b>							
Endowment Fund: Land owned by the School	30,000						30,000
Prize/Exhibitions & Scholarship Fund	284,369		9,953		(9,953)		284,369
Eleanor Lyndon Trust Fund	14,296		500		(500)		14,296
Sharland Sixth Form Bursary	250,000		8,750		(8,750)		250,000
Sharland Sixth Form Prize Fund	10,000		350		(350)		10,000
	<b>588,665</b>	<b>0</b>	<b>19,553</b>	<b>0</b>	<b>(19,553)</b>	<b>0</b>	<b>588,665</b>
<b>Restricted Building Funds</b>							
Performing Arts Centre	0	302				(302)	0
New Building (2014)	0	7,287				(7,287)	0
Capital Building Appeal (2016)	291,337	57,283	10,197	(25,000)			333,817
	<b>291,337</b>	<b>64,872</b>	<b>10,197</b>	<b>(25,000)</b>	<b>0</b>	<b>(7,589)</b>	<b>333,817</b>
<b>Other Restricted Funds</b>							
Prize/Exhibitions & Scholarship Fund Income	13,802			(1,743)	9,953		22,012
Eleanor Lyndon Trust Fund Income	647			0	500		1,148
Bernice McCabe Bursary Appeal Fund	0	309,290		(318,040)	8,750		0
Sharland Prizes	430			(35)	350		745
The Doris Gregory Trust	0	114,444		(114,444)			(0)
Frank Levett Memorial Prize	10,341			0			10,341
Parents Guild	0	16,137		(16,137)			0
Frances Mary Buss Scholarship Trust	15,310			0			15,310
Kay Nicholson Physics Prize	355			(25)			330
Kay Nicholson Economics Prize	470						470
Ennis Brandenburger	1,972			0			1,972
Drama Staging	64			(64)			0
Annual Fund	960	400		(1,360)			(0)
Emerald Ball	8,361	0		0			8,361
Foxton Fund - History Speakers	567			(241)			326
Tomsett - STEM	62,350			(10,000)			52,350
Nigel Wray Sports Fund	19,603	25,022		(28,124)			16,502
	<b>135,234</b>	<b>465,293</b>	<b>0</b>	<b>(490,214)</b>	<b>19,553</b>	<b>0</b>	<b>129,867</b>
<b>Designated Funds</b>							
Bernice McCabe Bursary Fund	<b>6,552,959</b>		<b>229,354</b>	<b>(1,082,495)</b>		<b>984,672</b>	<b>6,684,489</b>
<b>Grand Total</b>	<b>7,568,195</b>	<b>530,165</b>	<b>259,104</b>	<b>(1,597,708)</b>	<b>0</b>	<b>977,083</b>	<b>7,736,838</b>

**THE NORTH LONDON COLLEGIATE SCHOOL  
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## **9 Details of Restricted & Designated Funds:**

Endowment Funds where only the net income is available to the School. The original capital sum is shown here and any income, expense and charitable expenditure are shown in the respective restricted fund.

- Land owned by the School. The sum of £30,000 reflects that the land occupied by the School is held as endowed property.
- Sharland Bursary Fund was set up from a legacy in 2007, the income of which will be used to fund the award of one Sixth Form Bursary per year to be named "The Sharland Bursary".
- Sharland 6th Form Geography & Economics Fund was set up in 2007 to fund the award of two named annual prizes or a travel bursary.
- Eleanor Lyndon Trust Fund is to provide a scholarship tenable at Oxford or Cambridge (preference to Oxford) for 3 years awarded annually, or a prize specifically for modern languages, to a student.
- Prize/Exhibitions & Scholarship Fund are an amalgam of funds specifically used for prizes given to pupils.

Building Funds comprise donations which are intended for the purchase of capital assets. A release is made to the General Fund when the expenditure is incurred, or, if the expenditure has already been incurred, in the year that the donation is received.

- Performing Arts Centre (completed 2008)
- New Building (completed 2014)
- Capital Building Appeal (2016 onwards)

### Other Restricted Funds

- Prize/Exhibitions & Scholarship Fund Income represents the net income of the endowment fund above
- Eleanor Lyndon Trust Fund represents the net income of the endowment fund above.
- The Bernice McCabe Bursary Appeal Fund arise from appeals started in 2000 to fund bursaries, renamed in honour of Mrs McCabe who served as Headmistress of the School from 1997 to 2017.
- The Bursary Review Fund was set up to fund the costs of external reviews of our bursary applicants, to ensure that our bursary funds are directed to the most deserving applicants.
- The Doris Gregory Trust provides grants towards music scholarships and other sundry grants, including contributions to Building Appeals.
- Frank Levett Memorial Prize Fund was set up in 2003 to provide a music scholarship or prize.
- Frances Mary Buss Scholarship Trust was set up in 2009 to fund travelling scholarships to qualified teachers.
- Kay Nicholson Physics & Economics Prize Funds were set up in 2010 to award prizes in these subjects
- Ennis Brandenburger Modern Languages Prize Fund was set up in 2013 to fund a prize for a Year 13 pupil who has shown the most passion for the study of a foreign language, and is leaving School to continue to study a foreign language at university.
- The Emerald Ball Fund was set up from the funds raised by the Ball held in July 2017 to celebrate Mrs McCabe's twenty years as Headmistress of the School.
- The STEM revenue fund was set up to fund an enriched and enhanced STEM programme.
- The Tomsett fund was set up in 2017 to fund additional support for STEM subjects – Science, Technology, Engineering and Mathematics.
- The Nigel Wray Sports Fund has been set up to promote sporting excellence at the School.

### Designated Funds

- The Bursary Fund has been set up to fund the cost of bursaries at the School. The cost of bursaries which are not funded from restricted donations are charged to the Fund. A transfer is made to or from the General Fund to maintain the total designated Bursary Fund at a level equivalent to the cost of funding 10% of the Senior School on full bursaries over their time at the School.
- The COVID Hardship fund has been set up to provide short term fee assistance to support parents whose income has been impacted by the COVID 19 pandemic.
- The COVID Support fund has been set up to cover any additional costs as a result of the COVID-19 pandemic.

**THE NORTH LONDON COLLEGIATE SCHOOL  
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**10 PENSION COSTS**

**London Borough of Harrow Superannuation Fund**

The School contributes to the London Borough of Harrow Superannuation Fund which is a multi employer defined benefit scheme, the assets and liabilities of which can be disaggregated. This scheme is now closed to new entrants. The pension cost for the London Borough of Harrow Superannuation Fund is assessed in accordance with the advice of a qualified actuary on the basis of triennial valuations. The pension charge for the scheme was £608,000 (2019: £659,000) which were the contributions due for the year. A formal valuation of the Scheme was carried out as at 31 March 2013 by a qualified independent actuary. This statement has been updated to 31 July 2020 by the actuary for the purpose of the disclosures required by Financial Reporting Standard 102 based on that valuation, using the following major assumptions:

	<b>31 July 2020</b>	31 July 2019	31 July 2018	2017
Pension increase rate	<b>2.2%</b>	2.4%	2.4%	2.5%
Salary increases	<b>2.9%</b>	2.7%	2.7%	2.8%
Expected return on assets	<b>1.4%</b>	2.1%	2.8%	2.7%
Discount rate	<b>1.6%</b>	2.1%	2.8%	2.7%

The mortality assumptions adopted at 31 July 2020 imply the following life expectancies at age 65:

	<u>Male</u>	<u>Female</u>
Current pensioners	22.0 years	24.3 years
Future pensioners	23.1 years	26.3 years

The major categories of School's share of the plan assets are as follows:

	<b>% at 31<sup>st</sup> July 2020</b>	% at 31 <sup>st</sup> July 2019
Equities	<b>74</b>	80
Bonds	<b>15</b>	13
Property	<b>8</b>	7
Cash	<b>3</b>	-
<b>Total</b>	<b>100</b>	100

The approximate fair values of assets and liabilities, and the net pension liability attributable to the School at 31 July 2020 was:

	<b>31 July 2020 £000's</b>	31 July 2019 £000's	31 July 2018 £000's	31 July 2017 £000's
Fair value of assets	<b>11,394</b>	11,563	10,045	8,400
Present value of liabilities	<b>(16,700)</b>	(14,778)	(12,480)	(12,045)
	<b>(5,306)</b>	(3,215)	(2,435)	(3,645)

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**10 PENSION COSTS (continued)**

<b>Changes in the Defined Benefit Obligation</b>	<b><u>2020</u> £000's</b>	<b><u>2019</u> £000's</b>
Opening defined benefit obligation	<b>14,778</b>	12,480
Current service cost	<b>608</b>	619
Past service cost		40
Interest cost on defined benefit obligation	<b>316</b>	357
Contributions by members	<b>108</b>	120
Changes in	<b>648</b>	(791)
Changes in financial assumptions	<b>1,629</b>	2,152
Losses on Curtailments	-	-
Other experience	<b>(1,131)</b>	
Benefits Paid	<b>(256)</b>	(199)
	<hr/>	<hr/>
Closing Defined Benefit Obligation	<b>16,700</b>	14,778
	<hr/>	<hr/>
<b>Changes in fair value of plan assets</b>	<b><u>2020</u> £000's</b>	<b><u>2019</u> £000's</b>
Opening fair value of plan assets	<b>11,563</b>	10,045
Return on assets	<b>(951)</b>	649
Contributions by members	<b>108</b>	120
Contributions by the employer	<b>681</b>	659
Interest income	<b>249</b>	289
Estimated benefits paid	<b>(256)</b>	(199)
	<hr/>	<hr/>
Closing fair value of employer assets	<b>11,394</b>	11,563
	<hr/>	<hr/>

The total cost for this Scheme recognised in the Statement of Financial Activities is £675k (2019: £727k).

Amounts for the current and previous accounting periods

	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>	<b>£000's</b>
Fair value of employers assets	<b>11,394</b>	11,563	10,045	8,400
Present value of defined benefit obligation	<b>(16,700)</b>	(14,778)	(12,480)	(12,045)
Surplus/(Deficit)	<b>(5,306)</b>	(3,215)	(2,435)	(3,645)
Experience gains/ (losses) on assets	-	-	-	-
Experience gains/ (losses) on liabilities	-	-	-	881

Contributions for the year to 31 July 2021 will be approximately £689,000 (2020: £662,000).

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**10 PENSION COSTS (Continued)**

**Teachers' Superannuation 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 £1,857,596 (2019: £1,269,853) and at the year-end £nil (2019: £176,634) 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 2020, confirmed that the employer contribution rate for the TPS would increase from 16.4% to 23.6% from 1 September 2020. 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.

**Defined Contribution Scheme**

The School has offered a Defined Contribution Scheme with Standard Life for Non-Teaching Staff who joined after 1<sup>st</sup> August 2016. The total costs in the year of £68,448 (2019: £61,248) have been allocated to activities in unrestricted funds, on the same basis as the respective employees salaries.



**THE NORTH LONDON COLLEGIATE SCHOOL  
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**11 RELATED PARTY TRANSACTIONS**

None of the Governors received remuneration or had any interest in transactions during the period other than as disclosed in this note. The School has purchased indemnity insurance for the Governors, which cost £1,468 (2019: £1,468).

No Governors were reimbursed for travel and other expenses in the period (2019: £nil).

Mrs Elaine Davis, a Governor of the School, is the Director of The 10 Group, a limited company registered in England and Wales. During the year ended 31 July 2020, the School paid a sum of £nil (2019: £7,440) for filming services provided by The 10 Group. In addition, NLCS Enterprises paid £nil (2019: £30,000) for filming services provided by The 10 Group to the franchising subsidiaries.

Ms R Herdman-Smith is a Governor of NLCS, is a partner of Mishcon De Reya LLP. During the year ended 31 July 2020, the School paid a sum of £7,326 (2019:£nil) for legal advice.

Mr J Herlihy is a Governor of NLCS, a director of NLCS Enterprises and a Governor of NLCS-Jeju School. He received an honorarium of £nil (2019: £10,000) from NLCS-Jeju for serving as a Governor of NLCS-Jeju School.

Ms H Stone is Chair of Governors for NLCS Jeju. She received an honorarium of £5,000 for serving as Chair of Governors.

Trustees made donations totalling £5,200 in the year (2019: £4,650) of which £1,200 (2019: £1,200) was in kind.

Details of the School's transactions with its subsidiaries are shown in Note 13.

**12 FINANCIAL INSTRUMENTS**

	Group 2020	Charity 2020	Group 2019	Charity 2019
Financial Assets measured at fair value	18,233,472	18,233,674	18,228,697	18,228,900

Financial assets held at fair value comprise assets held as investments.

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**13 Trading Companies**

	2020										2019									
	Canons Enterprises Limited	Canons Transport Limited	NLCS Internationa I Limited	NLCS Enterprises Limited	NLCS Enterprises (Dubai) Limited	NLCS Enterprises (Thailand) Limited	NLCS Enterprises (Singapore) Limited	Canons Park Consulting Limited			Canons Enterprises Limited	Canons Transport Limited	NLCS Internationa I Limited	NLCS Enterprises Limited	NLCS Enterprises (Dubai) Limited	NLCS Enterprises (Thailand) Limited	NLCS Enterprises (Singapore) Limited	Canons Park Consulting Limited		
Company Reg Numbers	2713749	10868243	09921328	6832562	09506840	11187640	9982315	11187224			2713749	10868243	09921328	6832562	09506840	11187640	9982315	11187224		
Turnover	383,189	249,833	-	1,198,455	355,441	-	222,707	495,677			479,054	322,670	-	1,239,599	260,575	29,603	69,249	385,054		
Operating expenses	(371,209)	(282,465)	-	(722,811)	(44,120)	(8,701)	(109,998)	(63,851)			(442,191)	(292,524)	-	(528,818)	(69,860)	(111,658)	(69,249)	(204,093)		
Operating profit	11,980	(32,632)	-	475,644	311,321	(8,701)	112,709	431,826			36,863	30,146	-	710,781	190,715	(82,055)	-	180,961		
Interest receivable	876	-	-	2,837	-	-	-	-			806	-	-	3,388	960	-	-	-		
Profit for the year	12,856	(32,632)	-	478,480	311,321	(8,701)	112,709	431,826			37,669	30,146	-	714,170	191,675	(82,055)	-	180,961		
Group Tax relief	(12,856)	32,632	-	(19,776)	(8,701)	8,701	-	-			-	-	-	(5,908)	186,869	-	-	(180,961)		
Gift aid	-	-	-	(458,704)	(302,620)	-	(112,709)	(431,826)			(37,669)	(30,146)	-	(714,170)	(185,767)	-	-	(0)		
Brought Forward	800	-	-	-	-	-	-	-			800	-	-	-	-	(104,814)	-	-		
Retained in subsidiary	800	0	-	0	0	(0)	-	-			800	-	-	-	-	0	-	-		
Fixed Assets	-	76,933	202	-	-	-	-	-			11,631	103,269	202	-	-	-	-	-		
Cash at Bank	124,001	31,482	780,646	572,138	34,430	-	-	852			255,074	55,630	450,912	62,025	65,252	-	-	251		
Other Assets	20,894	7,501	-	473,461	378,789	-	87,678	146,514			7,608	8,090	-	422,016	151	-	215,462	-		
Gift Aid Liability	-	-	-	(458,704)	(302,620)	-	(112,709)	(431,826)			(37,669)	(30,146)	-	(714,170)	(185,767)	-	-	-		
Due to Parent	(83,465)	(141,812)	(321,753)	(540,992)	(43,669)	-	-	-			(125,575)	(134,313)	(155,121)	266,341	14,777	-	-	-		
Due from Intercompany	-	32,632	-	-	-	8,701	29,681	434,721			-	-	(295,894)	-	124,092	-	155,583	-		
Due to Intercompany	(12,856)	-	(458,994)	(15,226)	(14,509)	(4,150)	-	-			(2,935)	-	-	-	-	4,499	11,720	-		
Tax and Social Security	(282)	-	-	-	-	-	-	-			(265)	(2,530)	-	-	-	-	-	-		
Trade Creditors	(3,410)	(2,185)	-	-	-	-	-	-			-	-	-	-	-	-	-	-		
Accruals & Deferred Income	(44,080)	(4,550)	-	(30,577)	(52,320)	(4,550)	(4,550)	(150,260)			(107,067)	-	-	(36,111)	(18,405)	(4,498)	(227,082)	(155,833)		
Net Assets	802	1	100	100	100	1	100	1			802	1	100	100	100	1	100	1		
Share Capital	2	(1)	100	100	100	1	100	1			2	1	100	100	100	1	100	1		
Retained Funds	800	0	-	0	0	0	(0)	(0)			800	-	-	-	-	0	-	-		
Shareholders Funds	802	(1)	100	100	100	1	100	1			802	1	100	100	100	1	100	1		

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**14 Related Party Transactions between the School and Subsidiaries**

**Canons Enterprises Ltd (CEL)**

The School shares the running costs of the Sports Centre with CEL, which is used by the School for School purposes and used by CEL to generate revenue from third parties when it is not used by the School. In addition, the School makes a charge for accounting functions performed by School Staff. The Sports Centre was closed due to COVID between 21 March through to 31 July 2020, as only eight months were reharged.

	2020	2019
	£	£
Recharges of running costs paid by the School	<b>76,667</b>	115,000
Accounting functions	<b>5,000</b>	5,000

**International Franchising Subsidiaries**

The School maintains the payroll for all staff who work for the International Franchising subsidiaries, the costs of which are fully reflected in the subsidiaries' accounts. In addition, the School makes a charge for accounting functions performed by School Staff, and for the office space occupied by these companies. As part of the service provided to overseas franchise schools, the School also charges the subsidiaries for teaching staff provided to assist with monitoring and inspection visits, the cost of which is recovered from the franchise schools.

	NLCSE	Dubai	Thailand	Singapore	CPC
	2020	2020	2020	2020	2020
	£	£	£	£	£
Salaries paid by the School	<b>324,579</b>	<b>33,939</b>	-	<b>95,269</b>	<b>55,451</b>
Office facilities and insurance	<b>26,370</b>				
Accounting functions	<b>21,000</b>				
Teaching Staff reimbursed by overseas franchise	<b>2,217</b>	<b>5,125</b>	-	<b>10,176</b>	-
	2019	2019	2019	2019	2019
	£	£	£	£	£
Salaries paid by the School	307,113	47,066	26,136	57,177	113,101
Office facilities and insurance	23,575				
Accounting functions	21,000				
Teaching Staff reimbursed by overseas franchise	17,269	20,085	3,467	4,559	29,833

**Canons Transport Ltd (CTL)**

Canons Transport Ltd operates minibuses on behalf of the School to provide passenger transport services for the School's pupils. Charges are made by the School for accounting services and for interest on a loan to CTL.

	2020	2019
	£	£
Charges made by CTL to the School	<b>249,832</b>	322,670

**Charges made by the School to CTL**

Accounting functions	<b>5,000</b>	5,000
Interest on loan	<b>3,000</b>	3,000

All related party transactions have been carried out at arms length.