

Solihull School

(A Company Limited by Guarantee)

CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

Company Number: 6337650
Registered Charity Number: 1120597

SOLIHULL SCHOOL

GOVERNORS AND GENERAL INFORMATION

GOVERNORS

Mr M T Hopton FCA	(Chairman)
Mr J A Shackleton MA	(Chairman Strategy, Finance and Premises Committee)
Mr J A Adie	(Vice Chairman)
Mr A J Burtenshaw MBChB MRCP FRCA	(Chairman Education Committee)
Mrs H Ellis BA PGCE	(Appointed 6 January 2020)
Dr H M Gay BSc PhD	
Mrs C M Gilbert BA MBA	
Mr I Green	(Appointed 1 January 2020)
Mrs J A Hetherington BCom (Acc) FCA	
Dr A S Houghton MB BS MRCS LRCP	(Appointed 6 January 2020)
Mr D J Kelly BA	(Chairman Human Resources Committee)
Rev J E B Kenchington MA BSc PGCE	
Mrs A L Lavery LLB	
Mrs C D McNidder BSc	(Appointed 6 January 2020)
Mrs F E M de Minckwitz	(Appointed 6 January 2020)
Mr M C Morris LLB	
Mr P G Newby BSc FRICS MCI. Arb	
Mr I Ralph BSc ACA	(Appointed 6 January 2020)
Prof S P Singh MBBS MD MRCPsych DM	
Mrs G E Tillman BSc	(Appointed 6 January 2020)

BURSAR AND CLERK TO THE GOVERNORS

Mr R Bate MA ACMA

HEADMASTER

Mr D E J J Lloyd BSc

COMPANY NUMBER

6337650

REGISTERED CHARITY NUMBER

1120597

REGISTERED OFFICE OF THE SCHOOL

793 Warwick Road
Solihull
West Midlands
B91 3DJ

Tel: Bursar and Clerk's Personal Assistant:	0121 705 0883
Headmaster's Personal Assistant:	0121 705 0958

SOLIHULL SCHOOL

GOVERNORS AND GENERAL INFORMATION

AUDITORS

RSM UK Audit LLP
Rivermead House
7 Lewis Court
Grove Park
Leicester
LE19 1SD

BANKERS

Lloyds Bank
Solihull Business Centre
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West Midlands
B90 3BW

INVESTMENT MANAGERS

Brewin Dolphin Limited
9, Colmore Row
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West Midlands
B3 2BJ

SOLICITORS

Standley & Co
1612, High Street
Knowle
Solihull
West Midlands
B93 0JU

Veale Wasbrough Vizards LLP
Narrow Quay House
Narrow Quay
Bristol
BS1 4QA

PROPERTY CONSULTANTS AND SURVEYORS

Pennycuik Collins Limited
54 Hagley Road
Birmingham
West Midlands
B16 8PE

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT

The Governors present their Report, including the Strategic Report, for the year ended 31 August 2020 under the Companies Act 2006 and the Charities Act 2011, together with the audited Financial Statements for the year and confirm that these comply with the requirements of the Companies Act 2006, the Company's Memorandum and Articles of Association and the Charities SORP (FRS 102). The Report and Financial Statements cover the activities of Solihull School ('the Company'), and its subsidiaries Saint Martin's (Solihull) Limited, Solihull School Enterprises Limited and Saint Martin's Enterprises Limited, together known as the Group.

REFERENCE AND ADMINISTRATIVE INFORMATION

The Company was incorporated on 8 August 2007 and is registered in England and Wales under company number 6337650. It is also a Charity, registered with the Charity Commission under charity number 1120597. The Governors, who are also directors of Solihull School, are listed on page 1. Officers, principal addresses and professional advisers are listed on pages 1 and 2.

MAJOR DEVELOPMENTS

The last year has seen two major developments, which have played a dominant role in school life and consequently had a significant bearing on the operational and financial information presented.

Merger with Saint Martin's School

The Governors of Solihull School made an approach to the previous Board of Governors of Saint Martin's School during 2019 as a result of a thorough evaluation of strategic options. Following an extensive due diligence process, both Boards unanimously resolved that it was in the best interests for the two schools to merge.

The proposed merger was formally agreed on 9 September 2019 and announced on 12 September 2019. Legal completion occurred on 6 January 2020 with substantially all Saint Martin's educational, charitable & trading activities together with the net assets of Saint Martin's (Solihull) Limited being transferred to Solihull School by way of charitable gift on that date. Full operational integration was deferred until 1 September 2020, allowing significant site repurposing works to take place during summer 2020. The merger has created a leading co-educational day school of some 1,550 pupils aged 3-18 with the activities of the Preparatory School consolidated onto the Saint Martin's Campus and the Senior School & Sixth Form consolidated onto the Warwick Road Campus. The report and financial statements for Solihull School consequently incorporate the results of Saint Martin's (Solihull) Limited (Saint Martin's) for the period from legal completion to the 31 August 2020 and also reflect the combined net assets at that date.

Covid-19

The school continues to track the progress of the Covid-19 pandemic, developing a full and regularly reviewed Covid-19 risk assessment and issuing regular advisory communications to pupils, staff and parents as government advice develops. On 17th March 2020, the school campuses closed to all pupils other than the children of key workers. The school began to provide remote learning from that date, developing a full educational package over the Easter holidays, rolled out during the summer term. The school has returned in full for the new academic year but continues to manage and monitor the evolving situation.

The school also responded to the altered public examination assessment process for 2020, providing robust centre assessed grades to relevant examination boards for all candidates.

As an educational business with a responsibility to its customers at this incredibly difficult time, all parents were offered support through the provision of fee discounts for the summer term 2020, with those worst affected able to access additional financial support, arranged individually. This decision was made on the basis of robust financial information, including revised financial forecasts. These indicated that the resulting loss in income would have some impact on short-term issues but not put the School's long-term financial stability in jeopardy.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

The Memorandum and Articles of Association as updated and approved on 16 December 2019.

Governing Body

The Governing Body consists of not less than 5 and not more than 20 individuals comprising:

- A governor nominated by the Rector and Churchwardens of St Alphege Church, Solihull,
- Up to nineteen co-opted governors appointed by the resolution of the Governors.

Governors are appointed for a term of 3 years.

Organisational Management

All members of the Governing Body are directors and trustees of the Charity. Meetings of the Governing Body are held four times per year and at least once each term. A Strategy, Finance and Premises Committee consisting of six governors is empowered to take decisions as necessary. The day to day management of the school is vested in the Headmaster and the school leadership team. Decisions made by the Strategy, Finance and Premises Committee are reported to, and ratified by, the Main Board who are responsible for the strategic direction of the school's affairs. A Human Resources Committee, an Education Committee and a Building Sub-Committee (convened only during the currency of major in-house building projects) report directly to the Main Board. The Board has also set up Property and Investment Sub-Committees, reporting through the Strategy, Finance and Premises Committee, to ensure the safe and effective management of the Charity's investment properties and financial investments respectively.

Whilst all members of the Governing Body have collective responsibility for all the matters reserved to them, the Board consider it appropriate to designate individual governors to specifically oversee matters concerning Safeguarding & Child Protection, Special Educational Needs and Disabilities (SEND) and Health & Safety. All members of the Governing Body receive reports, presentations and appropriate training in order to understand and fulfil their obligations in these areas, whilst the designated governors meet more regularly with the relevant senior executives at the school, receive more advanced training and report back to the Governing Body as a whole.

Governor Recruitment, Induction and Training

A Nominations Committee, comprising the Chairman of the Board and members of the Strategy, Finance and Premises Committee co-ordinate the search for prospective governors. The principal functions of the Committee are to identify the skills requirement and the likely succession requirements. Before any elections all prospective governors are interviewed in order to establish eligibility, all necessary regulatory and similar compliance requirements are satisfied, the likely commitment is understood and could be discharged, and their background is such that they are likely to bring a positive contribution to the deliberations of the Board.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

STRUCTURE, GOVERNANCE AND MANAGEMENT (continued)

All new governors receive a copy of the Solihull School Governors' Handbook, which is a guide to the structure and management of the school and the key responsibilities of the trustees. New members also receive:

- A copy of the Constitutional Documents,
- Guidelines for Governors published by the Association of Governing Bodies of Independent Schools (AGBIS),
- A copy of the latest Financial Statements and other school publications,
- Charity Commission publication 'The Essential Trustee: What you need to know' (Reference CC3 reissued May 2018).

The core induction programme is supplemented by further tailored induction reflecting the particular knowledge, skills and experience of each individual.

Governors are encouraged to attend training courses and seminars organised by AGBIS and other organisations held regionally and nationally throughout the country. External experts on relevant topics are also invited to speak at meetings of the Board from time to time whilst relevant publications and articles on topical matters appearing in the educational media are circulated to all Governors.

Pay policy for senior staff

The Governors consider that the school leadership team comprise the key management personnel of the charity in charge of directing and controlling, running and operating the school on a day to day basis. All governors give their time freely and no governor received remuneration in the year. Details of governors' expenses and related party transactions are disclosed in note 5 to the accounts.

The pay of the senior staff is reviewed annually and normally benchmarked against relevant comparators and performance considerations. In view of the nature of the charity, the Governors benchmark against pay levels in other independent schools of a similar size. The Governors set the level of pay for the Headmaster, Bursar, Head of the Senior School and Head of the Preparatory School and the Bursar and the Headmaster sets the pay for the rest of the school leadership team within the overall pay settlement parameters approved by the Board.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

STRATEGIC REPORT

OBJECTS, OBJECTIVES AND BUSINESS REVIEW

Charitable Objects

The objects of the Charity are set out in the Memorandum of Association and are to advance education by maintaining an independent day school for boys and girls in Solihull which shall have a religious character in accordance with the tenets of the Church of England and provide a liberal education. Within the objects, the Charity promotes the advancement of education and religion by making donations and offering other support to local maintained primary schools and parish churches.

Aims & Objectives

The aims of Solihull School are summarised under three themes: Ambition, Opportunity and Community.

Ambition

Staff and pupils are ambitious and seek to maximise potential in one another. We aim to engender an enduring thirst for learning and a sense of well-being, and all members of the school community are encouraged to extend themselves beyond their immediate interests and perceived capabilities. Doing one's best is uppermost and perseverance is very important in achieving our goals. Reflection is ongoing and the genuine belief that we can all be better drives us on.

Opportunity

We aim to provide breadth of opportunity and inspire depth of achievement. Learning takes place in and out of the classroom, at home and abroad, and staff and pupils are encouraged to balance over 450 years of tradition with innovation and creativity. New opportunities are welcomed and embraced and all are encouraged to take risks and learn from failure. The curriculum and co-curriculum are of equal importance and learning for learning's sake is a priority. Intelligence takes many forms and the acquisition of experience, knowledge and skills, whether academic or not and whether tested or not, is very important. Education is holistic and independent thought, exploration and fun are essential.

Community

Christian in our Foundation, we welcome pupils of all faiths into a supportive and caring environment. We aim to prepare them for adult life as happy, charitable, confident and intelligent people and all come to understand the value of a strong moral compass and global perspective. Pupils learn the importance of winning with humility and losing with dignity, and individuality and inclusivity permeate all areas of school life. Leadership skills are uncovered and developed and pupils lead with pride, compassion and integrity. Happiness and success are recognised as inextricably linked and all members of the school community are jointly responsible for pastoral care. Looking beyond the school gates, all Old Silhillians belong to a life-long community regardless of distance or the passage of time and are actively encouraged to remain engaged with the school forever.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

OBJECTS, OBJECTIVES AND BUSINESS REVIEW (continued)

Key Performance Indicators

A summary of key performance indicators is provided below.

Pupil Numbers. At the end of the Summer Term 2020 there were 1,493 pupils (2019: 1,080) across the two campuses being 13 above the combined target figure.

Public Examination Results Summer 2020. As with all schools across the country, centre assessed grades (CAGs) were used for the award of A-Level and GCSE results following the cancellation of public examinations. Once again, a 100% pass rate was achieved at A Level. For pupils at Solihull, 92% of all A level passes were at A*/A or B, with 62% of these at A*/A. 51 of the 127 candidates were awarded at least 3 A*/A grades. At Saint Martin's, the equivalent figures were 90% A*- B and 52% at A*/A with 6 of the 21 candidates being awarded at least 3 A*/A grades.

Of those leaving the Upper VI in 2020, after the government decision to use CAGs, nearly all pupils secured places at their chosen university in a wide range of subjects, including one accepting a place in Canada. Two pupils accepted highly competitive degree apprenticeships with one pupil accepting the offer of a professional rugby contract at Worcester Warriors. All candidates from both schools for Oxbridge entrance achieved the required grades of their conditional offers.

At Solihull for GCSE, 97% of all grades were at 9-5, with 73% at 9-7. 67 of the 122 candidates achieved 8 grades of 9-7, with 33 of these achieving 8 or more grades of 9-8. At Saint Martin's, the equivalent figures were 93% and 66%. 22 of the 52 candidates achieved 8 grades of 9-7, with 9 of these achieving 8 or more grades of 9-8.

All of these results compare favourably with other schools in the Midlands.

Other Academic Achievements. Pupils participated in a wide range of other academic activities. In the Upper Sixth Biology Olympiad, pupils were awarded 2 gold, 7 silver and 1 bronze medal with 8 further commendations. In the Lower Sixth Intermediate Biology Olympiad, pupils were awarded 1 gold, 4 silver and 4 bronze medals with 11 further commendations.

In the UKMT Junior, Intermediate and Senior Maths Challenges, 271 pupils were awarded Gold, Silver or Bronze certificates. Unfortunately, due to Covid-19, the follow-on Olympiad papers were all cancelled. The Senior School Maths Team won the West Midlands Regional Final of the UKMT Senior Team Maths Challenge at Warwick University going on to compete with credit in the National Final.

In the University of Southampton Maths Challenge, one pupil in the Third Form was awarded first prize in the Junior Competition and a Fourth Form pupil was awarded a Certificate of Distinction in the Senior Competition. One Lower Fifth Form pupil was invited to take part in the UKMT Senior Mentoring Scheme (extremely high level mathematics with an external tutor), due to his consistently outstanding performances in Olympiad papers.

Pupils continue to participate in Young Enterprise whilst pupils took part again in the Engineering Education Scheme, 11 Lower Sixth students completed the programme in conjunction with Jaguar Land Rover (JLR). This involved the completion of two practical projects looking at the use of wind tunnels in car design as well as different customer customisation options for JLR vehicles. This led to them being awarded the Industrial Cadets Gold Level award following the final assessment.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

OBJECTS, OBJECTIVES AND BUSINESS REVIEW (continued)

Co-Curricular Activities. All of our pupils are provided with an ever expanding range of opportunities and challenges through the co-curricular programme. These include academic enrichment including debating, as well as music, drama, dance, sport, outdoor activities, visiting other countries and community service. We aim to provide as varied a life beyond lessons as we can, so that our pupils not only have the pleasure of activity when they are young, but also find and develop skills and interests which will form part of their adult lives. Many trips and residential visits are organised for pupils of all ages to support both the curriculum and co-curricular activities. The school's mountain cottage in Snowdonia is used regularly for both outdoor education and academic study retreats, and though some trips were cancelled due to Covid-19, pupils in the Shell Form have the opportunity to climb Mount Snowdon. The school, when it can, also hosts overseas visitors from various countries in Europe and South America.

Debating at the school remains hugely popular with clubs at all age groups in the senior school. Whilst last year's debating calendar was interrupted by Covid-19, we maintained our title at the Solihull Council

Debating Competition, winning competitions at Nottingham Schools and at the Lower School Debating Competition at Trent College. Pupils were regional finalists for the English Speaking Union. Debating continued to be taught remotely through lockdown with some excellent live online debates.

Participation in the well-established Duke of Edinburgh award scheme remains popular. 23 Gold, 39 Silver and 66 Bronze medals were awarded during the year.

Many students take part in drama clubs culminating in a variety of performances. Over 100 pupils were involved, either on stage, in the orchestra or backstage in the school musical which this year were *The Wizard of Oz* at Saint Martin's and *Twelfth Night* at Solihull. Pupils of all ages directed, performed in or supported other productions including *RED*, *Nell Gwynn*, and in the Junior School, *Olivia!*. Before lockdown rehearsals were well underway for *Good Night Mr Tom* and *Breakout*. The school's partnership with the Birmingham Repertory Theatre continued to develop further during the year, whilst many pupils received RADA Shakespeare Awards and lessons were continued remotely throughout lockdown. Pupils who attended lessons during lockdown have just taken their RADA exams and all passed with excellent examiner feedback. During lockdown drama clubs continued including a Play Reading Club and Radio Drama Club.

As with so many aspects of school life, music was affected by Covid-19. However, nearly 10,000 instrumental lessons were given over the year, both "in person" and "remotely". Fewer instrumental examinations were taken in the year, though of those that did take place, 85% were rewarded with a merit or distinction. There were numerous formal and informal orchestral and vocal concerts showcasing a huge range of styles, genres and periods. In the Summer term a weekly Virtual Informal Concert – 'Friday at 4' – was broadcast with pupils having recorded themselves at home and sending in their recordings to school, where they were edited together to form the concert. The fact that the recordings were made in the pupils' homes provided a tangible way of communication and keeping in touch during the term of isolation. Sadly, we were unable to put on either the Summer Concert or the Upper Sixth Form Recital (usually in May) and so some of the Upper Sixth musicians missed their final musical performance of their school career.

In the first half of the year there were piano and voice master classes held with professional musicians and pupils travelled to London to perform in Steinway Hall as part of our participation in the Steinway Initiative. The school choirs took part in a wide range of external events including singing Evensong at St. Paul's Cathedral, London. In October our singers joined local primary schools and the Armonico Consort (directed by alumnus Christopher Monks) to sing alongside the internationally renowned King's Singers – an outstanding opportunity to have such internationally renowned artists in the Bushell Hall.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

OBJECTS, OBJECTIVES AND BUSINESS REVIEW (continued)

Individual pupils have also thrived. Various pupils performed in one of the European Piano Teachers Association (EPTA) events held in school (alongside pianists from across many parts of the Midlands and the South of England). On the back of this performance, one of our pupils was invited to perform in the Royal Albert Hall (though this has now been postponed until Spring 2021). Four pupils gained places in the CBSO Youth Orchestra, and a further five have played with either or both of the National Children's Orchestra and the National Schools' Symphony Orchestra. Once again, we had two pupils who were given the opportunity to play concerto movements with the Solihull Symphony Orchestra in their 'Rising Stars' concert. Two pupils have been studying at the Junior Departments of the Royal Northern College of Music and the Royal Academy of Music every Saturday and, as usual, many pupils were awarded prizes at local orchestral and vocal festivals.

One of our Fourth Form pupils took part in an international Virtuoso Music Competition and, having been invited to Vienna to perform in the finalists' concert, was awarded 1st prize in their age category.

Two extra events were held this year in conjunction with the development and alumni relations office. A wonderful afternoon in which the Recital Room in the David Turnbull Music School was renamed the 'Jill Godsall Recital Room', with Jill present as guest of honour. The second was an outstanding evening of organ playing, with alumnus and international organist, David Briggs, improvising a soundtrack to an early black & white film version of The Phantom of the Opera.

Boys and girls participate in many different sports. Borough, county or regional championship victories were achieved at age groups from under 9 to under 19 in boys' and girls' hockey, netball and rugby, with many pupils earning selection for representative teams. Notable achievements included one pupil being selected for Great Britain at the European junior water polo championships with another being ranked in the country's top 10 for squash. From a team perspective, notable success was achieved by the U16 netball squad who reached the National Finals but were unable to attend due to Covid-19. No school sport took place in the Summer Term.

Facilities. The school is committed to providing outstanding facilities in all areas of school life. The summer saw the first tranche of repurposing works on both campuses following the merger. Additional specialist teaching facilities were installed on both campuses with significant conversion of former secondary school age facilities to prep school age appropriate facilities at the Saint Martin's campus. In addition, further investments have been made in the school's ICT infrastructure both "on-site" and to facilitate remote teaching and learning. Further facility investment is planned at both campuses.

Staff. The pupil/teacher ratio in the school is 10.3 which compares favourably with benchmark levels for independent day schools. There have been a number of staff changes at the end of the academic year following the merger including the appointment of a new Head of Psychology from outside of the school and a number of internal promotions and re-organisations in both teaching and non-teaching organisational structures. The school continues to acknowledge the professional and dedicated contribution of all staff, both in the classroom and outside.

The school is an equal opportunities employer and is committed to providing equal opportunities in its employment practices and policies. The school is also focused on supporting the continued professional development of all staff, both teaching and non-teaching. This is provided via a mixture of internal and external courses and workshops.

Mental Health/Wellbeing. The school continued to work with a locally based charity, Safeline to provide a wide range of counselling and mental health support services to pupils and the wider school community. Over 70 staff are trained in Youth Mental Health First Aid.

Wellbeing and personal development education is now fully integrated into the curriculum across all year groups and delivered by a number of teaching staff.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

OBJECTS, OBJECTIVES AND BUSINESS REVIEW (continued)

Parents' Seminars and Resilience Training continue to be popular, taking place throughout the year and are often well attended. These will be repeated in future years.

Staff wellbeing is continually reviewed by both senior management and Governors with a number of initiatives evidenced throughout the year, including languages and dance classes. An Employee Assistance Programme is available to all staff. The school has set up a Staff Engagement Forum, which meets twice a year, with representatives from the governing body, senior management, human resources and elected members of both the teaching and non-teaching staff. The Forum debates issues raised by the staff representatives.

Trading Subsidiaries. The Company has a trading subsidiary, Solihull School Enterprises Ltd. The principal activity of this subsidiary is the provision and hiring of facilities to third parties.

The Company has a further subsidiary, Saint Martin's (Solihull) Ltd., which until 6 January 2020, operated as Saint Martin's School. Saint Martin's (Solihull) Ltd. had its own trading subsidiary, Saint Martin's Enterprises Ltd. which has not traded since 6 January 2020.

The Company also has a 50% shareholding in Day Care at Saint Martins, which is located on the Saint Martin's campus providing childcare for pre-school aged children (0-5) over 51 weeks of the year.

Financial Report

Net income for the year amounted to £7,446,836 (2019: net income £939,242). The merger with Saint Martin's school resulted in a one-off charitable gift of £8,712,465 (see note 4), which includes a fair value uplift of £2,519,281 in respect of the property assets.

Operationally, the increase in pupil numbers both prior to and stemming from the merger resulted in higher fee income for the year despite the discounted level of fees charged for the summer term as a result of the Covid-19 pandemic. The pandemic and resultant lockdown served to depress investment returns in the year though this was offset by higher levels of donations together with the school utilising the government's Coronavirus Job Retention Scheme and receiving £413,404 as a result of furloughing a number of non-teaching staff. Overall income totalled £26,771,522, an increase of £11,982,797 in the year (2019: increase of £1,191,621).

The school's cost base is kept under close control. Staff costs increased as result of the merger and included termination payments of £179,893 during the year (see note 5). Higher depreciation charges were also incurred (see notes 6 and 8) and there was an increase in the charge for bad debts (see note 6) though a number of operational savings were made in a range of cost centres, notably during the period when the school campuses were closed to all but pupils of key workers and essential non-teaching staff.

During the year the governors re-valued the portfolio of investment properties resulting in an unrealised loss of £1,057,906 (2019: unrealised gain of £183,936). Two properties were sold during the year generating revenues of £1,064,149 and a realised gain of £157,055.

Realised gains on the disposal of listed and other investments amounted to £39,433 (2019: £38,548). Unrealised losses on listed and other investments amounted to £220,049 (2019: loss of £15,043).

Expenditure from the restricted and endowment funds during the year amounted to £141,742 (2019: £102,821).

Details of the analysis of the income and expenditure between the various fund accounts is given in notes 13 - 15 to the financial statements while details of the movement in tangible fixed assets of the school are given in note 8.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

OBJECTS, OBJECTIVES AND BUSINESS REVIEW (continued)

Internal Financial Controls. A policy is in place to record the internal controls employed to ensure the good management of the Company's financial affairs. The Policy conforms to guidelines issued by the Charity Commission in leaflet CC8 'Internal Financial Controls for Charities'.

Investment Policy. The Trustees' aim is to achieve growth in income and capital over the long term, with an emphasis on preservation of capital and reasonable liquidity. The Investment Strategy was reviewed and updated by the Trustees during the year. The Trustees retain investment advisers and the portfolio is regularly reviewed by the Property and Investment Sub-Committees.

FUTURE PLANS

Strategic Plan

A Strategic Plan is in place and the intent of the Governors is to build upon the identified key themes of school aims being Ambition, Opportunity and Community, each one underpinned by the school motto of *Perseverantia*. Specific aspects of this plan include:

- Realise the benefits accruing from the merger with Saint Martin's school, academically, pastorally and financially,
- To maintain and improve the current high standards of academic achievement as measured by external public examinations and internally generated data,
- To provide a rigorous and flexible academic curriculum that is relevant to society both today and into the future whilst also challenging pupils and facilitating their success whilst building resilience and independence,
- To position the School as the Midlands' leading 3-18 co-educational independent day school, evidenced by a balanced curriculum with opportunities to participate and excel in all co-curricular activities, regardless of gender, race, religion, belief or sexuality,
- To attract and retain high quality staff in all areas of school life and to support them in their professional development and welfare,
- To deliver and maintain an effective pastoral care system that supports the physical and mental health and wellbeing of all members of the school community,
- To ensure that pupils understand the meaning and value of a strong moral compass and global perspective,
- To ensure that the school fully supports both the local and wider community and maintains a broad social mix by widening access to the school, including the provision of means tested bursaries,
- To continue to improve and develop the facilities provided by the school in the light of expected demands.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

School Development

During the year, the school updated the school improvement plan, having completed most of the targets set for 2019-20. For 2020-21, an updated set of targets were agreed with the aim of fulfilling every individual's potential with specific focus on:

- Continued successful integration of Solihull School with Saint Martin's.
- Adapt school operations as appropriate in relation to the implications of Covid-19.
- Launch and embed the "Novus Curriculum", with a focus on skills acquisition and development, project based learning, increased tutor time for all pupils and additional academic enrichment opportunities, embedding it's principles within all areas of school life.
- Introduce and develop the role of the school Anti-Discrimination Lead.
- Continue to develop an effective transition process at all key levels across the school.
- Greater sharing of best practice and professional development of staff.
- Emphasise the significance of the "Big 6" co-curricular areas of school life.
- Continued development and implementation of the school ICT strategy.
- Further advance links with the school alumni and wider community.

Risk Management

The Board of Governors is responsible for the management of the risks faced by the Group. Risks are identified, assessed and controls established.

The key controls used by the Group include:

- A detailed risk register, reviewed regularly by the Board and School Leadership Team,
- Formal agendas and minutes for all Committee and Board meetings,
- Committee minutes circulated to all Board members,
- Detailed terms of reference for the responsibilities and powers of the Governors,
- Comprehensive strategic planning, budgeting and termly management accounting,
- An established organisational structure and lines of reporting,
- Internal financial controls,
- Formal written policies including the Health and Safety and Safeguarding and Child Protection Policies, which are regularly reviewed,
- Enhanced disclosure vetting procedures for all members of the teaching staff, non-teaching staff, visitors, volunteers and the Board of Governors.

The major risks are considered to be:

- The impact of Covid-19 on the school operation and finances, parental earnings and the local and wider economy,
- Political policy change that might lead to a loss of charitable status, removal of charitable business rates relief and/or the imposition of taxes on school fees in the independent sector,
- Impact to the reputation of the school in the event of litigation, fraud, and/or accident and resulting adverse media coverage,
- Rising staff costs, both salaries, teaching staff pensions and other related costs,
- Fee affordability and increased competition from other local schools leading to a decline in pupil numbers,
- Difficulties in recruiting and retaining appropriate staff,

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

- Loss of building(s), utilities or ICT provision,
- Failure in compliance with key school policies and/or statutory legislation.

The Governors are satisfied that the major risks identified have been adequately managed. However, it is recognised that no system can give absolute assurance against risk.

The Public Benefit Delivered by Solihull School

The Governors attach great importance to providing financial assistance to individuals of ability who cannot afford the fees and also to the school's relationship and involvement with the local community. Our wider charitable obligations are well recognised. Beside financial benefits, our facilities have been used throughout the year for public benefit by outside organisations, local maintained schools and the local community. The school values and promotes the ethos of service and staff and pupils alike are active members of the local community. Any consideration of the public benefit is related to our stated objectives.

The Governors have complied with the duty in Section 17 of the Charities Act 2011, to have due regard to public benefit guidance published by the Charity Commission.

Some of the detailed activities that contribute to the public benefit are shown below:

Grant Making Policy

This year the value of bursaries and scholarships made out of unrestricted funds totalled £1,125,060 (2019: £1,102,901). A further £82,524 was made out of restricted funds (2019: £51,501). Such financial assistance helps the school maintain its ethos, academic performance and achievements. The Governors' policy, in line with that of other independent schools, is to make scholarship awards on a wide variety of abilities including academic, art, sport, music, theatre arts and design technology. Bursaries are advertised and are made to applicants on the basis of their financial circumstances. Such awards are means tested and reviewed annually. In 2020, bursaries awarded totalled £899,514 (2019: £808,852) and given to 125 pupils (2019: 115 pupils), which equates to 71 full fees or 6.1% of net fee income (2019: 62 full fees or 6.7% of net fee income).

Assistance to the Local Education Authority (LEA) and Local Maintained Schools

- The formal partnership with the Tile Cross Academy continues to grow and Solihull School has been part of joint applications for Erasmus and DfE funding. Whilst these bids have not been successful so far, the partnership has been invited to resubmit an application for a 'world choir' project via Erasmus. Many new collaborative ideas are in the pipeline but were unable to be fully realised due to Covid-19 shutdown in the second half of the year. The Modern Foreign Languages department did visit Tile Cross and took part in a languages exchange activity and planned a language project which is to involve the creation of a school visitor guide in up to 12 languages. Tentative steps to use the expertise of a Tile Cross teacher to teach gospel music to our Chapel Choir was also initiated as were talks for projects involving Birmingham City University.
- Pupils from Reynolds Cross School, Solihull, which caters for pupils with severe to profound multiple learning difficulties, have visited the school and used our art, sporting, computer science and music facilities. In addition, our pupils visit them to assist in a range of subject lessons and other projects whilst our grounds team have also helped run the gardening club at Reynolds Cross.
- As part of our outreach programme, the school arranges and hosts a variety of activities involving local maintained primary schools, including gifted and talented sessions on a variety of academic topics as well as providing sports coaching and tournaments.
- The school extended its Oxbridge preparation procedures to a range of local maintained schools. Potential candidates participate in interview practice sessions and specific application preparation seminars.
- The school hosts and chairs the Local Independent Schools Safeguarding Board which reports into the Local Children's Safeguarding Partnership
- Our Music department visits local maintained primary schools to give vocal coaching via Solihull Sings and puts on concerts for these schools in our performing arts centre.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

- Our Art Department regularly hosts staff, pupils, and displays exhibits from, many local maintained primary schools and this year, hosted the Springfield Special School Christmas art workshop. They also provided advice and exemplar materials for maintained sector school A-Level photography students.
- Our Classics Department has visited local maintained primary schools promoting the study of Latin and Greek, whilst also playing active roles in the Birmingham Classics Association and the Association for Latin Teachers.
- Our Science Department has hosted CLEAPPS Health and Safety training for many local school science technicians whilst the Physics Department ran a new initiative “FaceTime a Physicist” for local primary schools.
- Our English Society events are also attended by local maintained sector school pupils.
- Our Languages Department host local maintained primary schools to the European Day of Languages, promoting the use and study of a range of European languages.
- Our Sports Department host a range of training events for individual clubs and schools.
- Our Community Service Enrichment programme provides students to help with reading and literacy in local primary schools.
- Donations are made to St Alphege Infant and Junior Schools, Solihull, and Sharman’s Cross Junior School, Solihull to assist in the provision of facilities for education.
- Equipment and text books no longer required by the school are donated to local schools and organisations.

University & Academic Links

- The school is a member of the King Edward’s Consortium for teacher training, providing low cost training for unqualified teachers considering a career in the profession.
- Members of our teaching staff are members of national and regional educational and examination committees.
- The school has hosted Birmingham and South Warwickshire Patoss (Professional Association of Teachers of Students with Specific Learning Difficulties) training events.
- The school has hosted training events for the South Solihull Sport Partnership and the Mindfulness in Schools Project.

The Local Community

- This year saw the creation of the first community outreach ambassador group, where pupils applied and were selected to help run and plan charity events. The group also helped publicise community links across the school community.
- In response to the Covid-19 pandemic, the school produced many PPE items using the school’s laser printer and other facilities with the Design and Technology Department. In addition, through the #NHSStaffRock campaign, NHS staff received “goodie bag” donations during the peak of the first lockdown. Further donations were made to local foodbanks. As a result of these initiatives, the school was nominated for a University Hospital Birmingham Building Healthier Lives Award.
- The Solihull Youth Musicians Support Association, the Midlands Early Music Forum, Solihull Choral Society, the St Alphege Church Choir and the Solihull Symphony Orchestra are amongst organisations that use our performing arts centre and music school as their rehearsal and performance venue.
- Our performing arts centre, chapel and other facilities are made available to local societies including charities at generous concessional rates.
- Our extensive car parking facilities are made available to local churches, charities and societies when requested.
- The school as a whole is involved in a wide range of local and more widespread charity fundraising not only to benefit the community but to develop social responsibility of those engaged in such work.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

Funds raised during the Junior School Charity Week meant that the school was able to co-fund a new minibus for a primary school in Ghana. Over £20,000 was raised for international, national and local charities through the year. The school also sends text books, laboratory and other equipment, including glasses and shoes, to various countries in Asia, Africa and South America. When travel is allowed, staff and pupils volunteer abroad every year, supporting educational and other development projects.

- We help the Solihull Care NHS Trust with their scheme to support adults with learning difficulties into employment opportunities.
- We have a full programme of community service particularly working with the elderly, the local Marie Curie Hospice and other organisations such as Solihull Life Opportunities, Air Ambulance charity shops and the Solihull Volunteers Forum.
- We are the venue for many Solihull sporting activities. Borough, District and County squads train and play fixtures on our pitches and in our sports hall whilst the swimming pool is used by local swimming clubs. Many of these activities are helped by our staff who fulfil a wide range of roles within regional sport.
- The School Chaplain is involved with many church and charity activities around Birmingham, including work in hospices, food banks and urban priority charities.
- The school hosted the multi-media play "*And then they came for me*" and The Promise exhibition, followed by a Q&A session with Holocaust survivor, Eva Schloss. The performance was made available without charge to 14 schools from across the Midlands.
- The school are recipients of a community action award from the charity, Remembering Srebrenica, and continue to work with the charity to promote information regarding genocide.
- We have provided art and photographic exhibits to local offices and community centres and provide judging and exhibition space to local societies.
- The local police force uses our facilities for dog training.
- Our minibuses are used on occasion by local community groups and clubs for transport to events.
- Donations are made to the Parish Church of St Alphege, Solihull and the Salter Street and Shirley Team Ministry, Shirley for the advancement of religion.

Reserves Policy

The school maintains substantial reserves in unrestricted funds. Excluding fixed assets used for school purposes these were valued as at 31 August 2020 at £15,620,642 (2019: £18,500,915). They are almost entirely investments in property, fixed interest bonds, cash and equities. In the year to 31 August 2020 these investments generated an income of £1,190,201 (2019: £1,365,533) a significant proportion of which was used to fund scholarships and bursaries.

The Governors regularly monitor the level of reserves and the income generated. They take into account the economic factors and the variability of income generation and its impact on the levels of school expenditure.

The Governors have decided that reserves should be sustained at current levels to ensure that scholarships and bursaries are sustainable and adequately funded both in the short and long term.

AUDITORS

The Board has decided to recommend RSM UK Audit LLP for re-appointment as auditors to the Company. RSM UK Audit LLP has indicated its willingness to continue in office. A resolution re-appointing them will be submitted to the forthcoming Annual General Meeting.

SOLIHULL SCHOOL

GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

PROVISION OF INFORMATION TO AUDITORS

The Governors who were in office on the date of approval of these financial statements have confirmed, as far they are aware, that there is no relevant audit information of which the auditors are unaware. Each of the Governors have confirmed that they have taken all the steps that they ought to have taken as Governors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

The Governors' Report, including the Strategic Report, was approved by the Board on 14 December 2020 and signed on their behalf by:



M T Hopton FCA
Chairman of the Board

SOLIHULL SCHOOL

GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

The governors (who are also trustees and the directors of Solihull School for the purposes of company law) are responsible for preparing the Governors' Report including the Strategic Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the governors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable group and of the incoming resources and application of resources, including the income and expenditure, of the charitable group for that period. In preparing these financial statements, the governors are required to:

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

The governors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charitable group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the governors are aware:

- there is no relevant audit information of which the charitable group's auditor is unaware; and
- the governors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLIHULL SCHOOL

Opinion

We have audited the financial statements of Solihull School (the 'parent charitable company') and its subsidiary (the 'group') for the year ended 31 August 2020, which comprise the Consolidated Statement of Financial Activities, the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

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

Basis for opinion

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

Conclusions relating to going concern

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 parent 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 the audit:

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

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SOLIHULL SCHOOL (CONTINUED)

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent charitable company and their environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report or the Strategic Report included within the Governors' Report.

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

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

Responsibilities of trustees

As explained more fully in the Statement of Trustees' responsibilities set out on page 17, 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 and parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group or parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

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

Use of our report

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

RSM UK Audit LLP

GARETH JONES (Senior Statutory Auditor)
For and on behalf of RSM UK AUDIT LLP, Statutory Auditor
Chartered Accountants
Rivermead House
7 Lewis Court
Grove Park
Leicester
Leicestershire
LE19 1SD

Date 11/01/2021

Solihull School

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT)

for the year ended 31 August 2020

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2020 £	Total 2019 £
Income and endowments from:						
Donations and legacies		32,480	933,437	-	965,917	460,925
Charitable activities:						
School fees		14,642,200	-	-	14,642,200	11,985,853
Other educational income		63,783	-	-	63,783	66,048
Other ancillary trading income		1,164,344	-	-	1,164,344	885,693
Investments	2	1,190,201	12,733	19,879	1,222,813	1,390,206
Charitable Gift from Saint Martin's (Solihull) Limited	4	8,712,465	-	-	8,712,465	-
Total Income		<u>25,805,473</u>	<u>946,170</u>	<u>19,879</u>	<u>26,771,522</u>	<u>14,788,725</u>
Expenditure on:						
Raising funds		(185,030)	-	-	(185,030)	(203,275)
Charitable activities:						
School operating costs		(17,916,447)	(128,974)	(12,768)	(18,058,189)	(13,853,649)
Total Expenditure	3,14,15	<u>(18,101,477)</u>	<u>(128,974)</u>	<u>(12,768)</u>	<u>(18,243,219)</u>	<u>(14,056,924)</u>
Net (losses)/gains on investments:						
Net (losses)/gains on investment properties		(900,851)	-	-	(900,851)	183,936
Net (losses)/gains on other Investments		(127,869)	-	(52,747)	(180,616)	23,505
Total net (losses)/gains on investments		<u>(1,028,720)</u>	<u>-</u>	<u>(52,747)</u>	<u>(1,081,467)</u>	<u>207,441</u>
Net income and net movement in funds		<u>6,675,276</u>	<u>817,196</u>	<u>(45,636)</u>	<u>7,446,836</u>	<u>939,242</u>
Reconciliation of funds:						
Total funds brought forward		<u>48,611,693</u>	<u>574,315</u>	<u>536,754</u>	<u>49,722,762</u>	<u>48,783,520</u>
Total funds carried forward		<u><u>55,286,969</u></u>	<u><u>1,391,511</u></u>	<u><u>491,118</u></u>	<u><u>57,169,598</u></u>	<u><u>49,722,762</u></u>


The Statement of Financial Activities also complies with the requirement for an Income and Expenditure Account under the Companies Act 2006.

Solihull School
CONSOLIDATED BALANCE SHEET
 31 August 2020

Company Registration No. 6337650

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	8	39,666,327	30,110,778
Investments	9	19,058,896	19,663,196
		<u>58,725,223</u>	<u>49,773,974</u>
Current assets			
Debtors	10	1,503,095	740,424
Short term deposits		376,901	1,887,222
Cash at bank and in hand		2,489,789	2,063,996
		<u>4,369,785</u>	<u>4,691,642</u>
Creditors: Amounts falling due within one year	11	(4,661,580)	(3,299,587)
Net current (liabilities)/assets		<u>(291,795)</u>	<u>1,392,055</u>
Total assets less current liabilities		58,433,428	51,166,029
Creditors: Amounts falling due after more than one year	12	(1,263,830)	(1,443,267)
Total net assets		<u>57,169,598</u>	<u>49,722,762</u>
The funds of the Group:			
Endowment	16	491,118	536,754
Restricted	15	1,391,511	574,315
Unrestricted	14	55,286,969	48,611,693
Total Group funds		<u>57,169,598</u>	<u>49,722,762</u>

Approved by the Board of Governors and authorised for issue on 14 December 2020.


 Mr M T Hopton Chairman


 Mr R Bate Bursar and Company Secretary

Solihull School
CHARITY BALANCE SHEET
31 August 2020


Company Registration No. 6337650

	Notes	2020 £	2019 £
Fixed assets			
Tangible assets	8	39,666,327	30,110,778
Investments	9	19,058,897	19,663,197
		<u>58,725,224</u>	<u>49,773,975</u>
Current assets			
Debtors	10	1,516,095	771,898
Short term deposits		376,901	1,887,222
Cash at bank and in hand		2,422,497	2,030,584
		<u>4,315,493</u>	<u>4,689,704</u>
Creditors: Amounts falling due within one year	11	(4,695,024)	(3,299,077)
		<u>(379,531)</u>	<u>1,390,627</u>
Net current (liabilities)/assets			
		58,345,693	51,164,602
Creditors: Amounts falling due after more than one year	12	(1,263,830)	(1,443,267)
		<u>57,081,863</u>	<u>49,721,335</u>
Total net assets			
The funds of the charity:			
Endowment	16	491,118	536,754
Restricted	15	1,391,511	574,315
Unrestricted	14	55,199,234	48,610,266
		<u>57,081,863</u>	<u>49,721,335</u>
Total charity funds			

Net movement in funds for the parent charity was a £7,360,528 increase in funds (2019: £939,081 increase in funds). Net income/expenditure for the parent charity was £7,360,528 net income (2019: £939,081).

Approved by the Board of Governors and authorised for issue on 14 December 2020.


Mr M T Hopton Chairman


Mr R Bate Bursar and Company Secretary

Solihull School

CONSOLIDATED STATEMENT OF CASH FLOWS for the year ended 31 August 2020

	2020 £	2019 £
Cash flows from operating activities:		
Net cash used in operating activities	(367,070)	(1,234,032)
Cash flows from investing activities:		
Dividends, interest and other income from investments	1,202,934	1,367,128
Purchase of investments	(2,132,849)	(421,404)
Purchase of investment properties	-	(861,064)
Proceeds from sales of investments	1,141,277	3,191,689
Proceeds from sales of investment properties	1,064,149	-
Purchase of tangible fixed assets	(3,580,745)	(980,710)
Gift of cash from Saint Martin's (Solihull) Ltd.	1,780,353	-
Net cash (used in)/generated by investing activities	(524,881)	2,295,639
Cash flows from financing activities		
(Payments)/receipts of endowment	(45,637)	18,681
Change in cash and cash equivalents in the reporting period	(937,588)	1,080,288
Cash and cash equivalents at the beginning of the reporting period	4,085,546	3,005,258
Cash and cash equivalents at the end of the reporting period	3,147,958	4,085,546
Reconciliation of net income/(expenditure) to net cash flow from operating activities		
Net income/(expenditure) for the reporting period	7,446,836	939,242
Adjustments for:		
Depreciation charges	1,083,964	607,358
Net (incoming)/outgoing endowment resource	45,637	(18,681)
Losses/(gains) on investments	1,081,467	(207,441)
Dividends, interest and other income from investments	(1,190,201)	(1,367,128)
Decrease/(increase) in debtors	701,172	(296,565)
Decrease in creditors	(823,480)	(890,817)
Charitable gift from Saint Martin's (Solihull) Ltd.	(8,712,465)	-
Net cash used in operating activities	(367,070)	(1,234,032)
Analysis of changes in cash and cash equivalents		
	2020 £	2019 £
Cash at bank	2,489,789	2,063,996
Cash awaiting reinvestment	281,268	134,328
Short term deposits	376,901	1,887,222
Total cash and cash equivalents	3,147,958	4,085,546

Solihull School

ACCOUNTING POLICIES (continued)

GENERAL INFORMATION

Solihull School is a charitable company incorporated in England and does not have share capital. The group consists of the charity and its subsidiaries, Saint Martin's School (Solihull) Ltd, Solihull School Enterprises Limited and Saint Martin's School Enterprises Limited. The nature of the group's operations is set out in the Governors' Report. The address of the Charity's registered office is 793 Warwick Road, Solihull, West Midlands B91 3DJ.

BASIS OF ACCOUNTING

The financial statements have been prepared in accordance with Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (issued on 16 July 2014) - Charities SORP (FRS 102), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

Solihull School meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy. In accordance with FRS 102 the parent charity has taken advantage of the exemption from the disclosure requirements of Section 7 'statement of cashflows' – Presentation of a Statement of Cashflows.

The financial statements are presented in sterling which is also the functional currency of the charity. Amounts in these financial statements are rounded to the nearest £, except where otherwise stated.

The principal accounting policies adopted, judgements and key sources of estimation uncertainty in the preparation of the financial statements are set out below:

BASIS OF CONSOLIDATION

The group accounts consolidate the financial statements of Solihull School ('the Charity') and its trading subsidiaries. All financial statements have been drawn up to 31 August 2020. The financial statements consolidate the results of the Charity and its subsidiaries on a line by line basis with all intra-group transactions and balances being eliminated on consolidation. Surpluses and deficits of organisations entering or leaving the group are included from the date of acquisition or up to the date of disposal. The results from Saint Martin's (Solihull) Limited and Saint Martin's Enterprises Limited are therefore included from the date of merger (6 January 2020). The charity has taken advantage of the exemption available under section 408 of the Companies Act 2006, to omit its profit and loss account from the statutory group accounts.

The joint venture is not material to the group therefore consolidated financial statements for the joint venture are not prepared. The investment in the joint venture is stated at cost. Details are shown in note 20.

BUSINESS COMBINATIONS

On 6 January 2020, Saint Martin's (Solihull) Limited, entered into a merger agreement with Solihull School and the assets/liabilities and operations of Saint Martin's (Solihull) Limited and Saint Martin's Enterprises Limited transferred to Solihull School at that time. This is a combination at nil consideration, which is in substance a gift, and has been accounted for as an acquisition in line with Section 19 of FRS 102.

SCHOOL FEES AND OTHER INCOME

School fees and other operating income comprise amounts receivable in respect of the school year.

Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school. Fees received in advance of education to be provided in future years are treated as deferred income and included within creditors.

INCOME FROM INVESTMENTS

Income from investment properties comprises amounts receivable in respect of the school year.

Income from investments, deposits and loans are credited to the statement of financial activities on a receivable basis.

Solihull School

ACCOUNTING POLICIES (continued)

DONATIONS, GIFTS AND LEGACIES

Donations, gifts and legacies are accounted for on a receivable basis. Where assets have been donated, a cash equivalent is included.

EXPENDITURE

Expenditure is accounted for on an accruals basis. Overhead and other support costs not directly attributable to functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year, either by reference to staff time or space occupied, as appropriate. The irrecoverable element of VAT is included with the item of expense to which it relates.

Investment management costs comprise the amounts incurred in managing the investment property and listed investments.

School operating costs comprise amounts incurred, other than investment management, in respect of the current school year. Expenditure incurred in advance of the following school year is carried forward in prepayments.

Governance costs comprise the costs of running the Group, including strategic planning, external audit, any legal advice for the Governors, professional indemnity insurance for Governors and officers, and all the costs of complying with constitutional and statutory requirements, such as the costs of Board and Committee meetings and of preparing statutory accounts and satisfying public accountability.

LEASED ASSETS

Rentals under operating leases are recognised on a straight-line basis over the lease term.

FUND ACCOUNTING

Funds held by the Group are:

Unrestricted general funds

These are funds which can be used in accordance with the charitable objects at the discretion of the Governors. In addition, the Governors have designated certain funds for particular purposes.

Restricted funds

These are funds that can only be used for particular restricted purposes within the objects of the Group. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

Endowment funds

These are funds held permanently by the Group, principally investments. Income arising on these investments can be used in accordance with the terms of the endowments and is unrestricted.

TANGIBLE FIXED ASSETS AND DEPRECIATION

No depreciation is provided in respect of freehold land or assets under the course of construction.

Depreciation is provided on a straight line bases to write off the cost less estimated residual value of fixed assets by equal instalments over their estimated useful economic lives. These rates are currently as follows:

Freehold buildings (standard construction)	- 100 years
Freehold buildings (other construction)	- 20 to 50 years
Car park facilities and similar surfaces (included in freehold land and buildings)	- 20 years
Artificial turf pitches (included in freehold land and buildings)	- 10 years
Long leasehold	- 50 years
Swimming pool/plant (included in furniture and equipment)	- 25 years
Chapel organ (included in furniture and equipment)	- 20 years
Furniture and equipment	- 3 to 15 years
Computer equipment	- 4 years

Solihull School

ACCOUNTING POLICIES (continued)

Fixed assets with a zero net book value at the beginning of an accounting year are treated as if they are no longer in use and written off the fixed asset records during the year.

REFURBISHMENT COSTS

All costs in respect of refurbishment of the school are charged to the statement of financial activities in the period incurred. Additionally, accruals are made for all expenditure that the school has incurred at the year end.

INVESTMENTS

Investments are carried at fair value at the year end. For listed investments, this is the market value, as advised by the investment manager. For investment properties, this is the fair value as determined by the Governors, advised by external professionals. All movements in value arising from a change in the fair value of an investment are shown in the statement of financial activities as an unrealised gain or loss. Realised gains and losses on investments are calculated as the difference between the disposal proceeds and the amount at which the investment was valued at the beginning of the year, or cost if purchased during the year.

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any impairment. An assessment for impairment is made at each reporting date.

DEBTORS

Trade and other debtors which are receivable within one year are initially recognised at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled and any impairment losses.

SHORT TERM DEPOSITS

Short term deposits represent amounts on deposit for greater than three months but less than one year.

CASH AND BANK BALANCES

Cash and bank balances includes cash and short term highly liquid investments with a short maturity of three months or less from the date of acquisition.

TRADE CREDITORS AND LIABILITIES

Trade creditors payable within one year are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Refundable parental deposits are shown as due within one year to reflect that deposits are repayable once any individual pupil has left the school and that parents need only give the school one term's notice of an intention to leave.

FINANCIAL INSTRUMENTS

The charity only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value.

TAXATION

The school is exempt from taxation on all of its charitable activities. Profits made by the subsidiary trading company are distributed to the parent charity under gift aid.

RETIREMENT BENEFITS

Retirement benefits to employees of the school are provided by the Teachers' Pension Scheme ('TPS'), the Local Government Pension Scheme ('LGPS'), a Standard Life Group Personal Pension scheme ('Standard Life') and a TPT Retirement Solutions Growth Plan ('TPT'). The first two are defined benefit schemes, are contracted out of the State Second Pension, and the assets are held separately from those of the school. The LGPS scheme closed to future accrual in October 2017 whilst the defined benefit scheme within the TPT scheme closed to future accrual in January 2009. All non-teaching staff are members of either the Standard

Solihull School

ACCOUNTING POLICIES (continued)

Life or TPT schemes which are defined contribution schemes, in accordance with pension auto-enrolment legislation.

The Government TPS is an unfunded scheme and contributions are calculated so as to spread the cost of pensions over employees' working lives with the school in such a way that the pension cost is a substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quinquennial valuations using a prospective benefit method. As stated in Note 17, the TPS is a multi-employer scheme and the school is unable to identify its share of the underlying assets and liabilities of the scheme on a consistent and reasonable basis. The TPS is therefore treated as a defined contribution scheme and the contributions recognised as they are paid each year.

The LGPS is a funded scheme and the assets are held separately from those of the school in separate trustee administered funds.

The Standard Life and TPT schemes are defined contribution schemes. Pension contributions are charged to the Statement of Financial Activities as they become payable in accordance with the rules of each scheme. Differences between contributions payable in the year and contributions actually paid are shown as either accruals or prepayments.

LIQUID RESOURCES

Liquid resources detailed in the statement of cash flows comprise short term investments which can be readily converted into cash.

GOING CONCERN

At the time of approving the financial statements, the governors have a reasonable expectation that the group and charitable company have adequate resources to continue in operational existence for the foreseeable future. Thus, the governors continue to adopt the going concern basis of accounting in preparing the financial statements.

Following the uncertainty presented by COVID-19, management has reassessed the going concern assumption and confirms that it remains appropriate based on the strong cash and net asset position which enables it to sustain its business and meet its liabilities as they fall due despite the COVID-19 situation.

The governors make this assessment in respect of a period of at least one year from the date of authorisation for issue of the financial statements and have concluded that the group and charitable company have adequate resources to continue in operational existence for the foreseeable future and there are no material uncertainties about the group's and charitable company's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing the financial statements.

CRITICAL ACCOUNTING ESTIMATES AND AREAS OF JUDGEMENT

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

The policy of the Governors is to maintain buildings and integral fixtures and fittings in good condition through regular preventative, proactive and reactive maintenance. Rates of depreciation are set based on this policy.

Investment properties are included at fair value taking into account items such as current and expected market yields, local market conditions, length of leases and covenant strength.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

1 COMPARATIVE INFORMATION – STATEMENT OF FINANCIAL ACTIVITIES

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2019 £
Income and endowments from:				
Donations and legacies	32,786	428,139	-	460,925
Charitable activities:				
School fees	11,985,853	-	-	11,985,853
Other educational income	66,048	-	-	66,048
Other ancillary trading income	885,693	-	-	885,693
Investments	1,365,533	1,595	23,078	1,390,206
Total Income	14,335,913	429,734	23,078	14,788,725
Expenditure on:				
Raising funds	(203,275)	-	-	(203,275)
Charitable activities:				
School operating costs	(13,750,828)	(81,005)	(21,816)	(13,853,649)
Total Expenditure	(13,954,103)	(81,005)	(21,816)	(14,056,924)
Net gains/(losses) on investments:				
Net (losses)/gains on investment properties	183,936	-	-	183,936
Net gains on other investments	6,086	-	17,419	23,505
Total net gains on investments	190,022	-	17,419	207,441
Net income and net movement in funds	571,832	348,729	18,681	939,242
Reconciliation of funds:				
Total funds brought forward	48,039,861	225,586	518,073	48,783,520
Total funds carried forward	48,611,693	574,315	536,754	49,722,762

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

2	INVESTMENT INCOME	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2020 £	Total 2019 £
	Investment income comprises:					
	Income from investments listed on a recognised stock exchange	219,696	12,733	19,879	252,308	290,347
	Income from investment properties	954,379	-	-	954,379	1,069,055
	Bank and other interest	16,126	-	-	16,126	30,804
		<u>1,190,201</u>	<u>12,733</u>	<u>19,879</u>	<u>1,222,813</u>	<u>1,390,206</u>
3	EXPENDITURE					
		Staff costs £	Depreciation £	Other costs £	Total 2020 £	Total 2019 £
	Raising funds:					
	Investment management	-	-	185,030	185,030	203,275
	Charitable activities:					
	School operating costs	12,199,329	1,083,964	4,563,003	17,846,296	13,602,356
	Governance costs	39,228	-	172,665	211,893	251,293
		<u>12,238,557</u>	<u>1,083,964</u>	<u>4,920,698</u>	<u>18,243,219</u>	<u>14,056,924</u>
					2020 £	2019 £
	Total support costs included in expenditure are				<u>1,603,059</u>	<u>1,191,522</u>

The support costs represent the management and administrative costs of the School charged directly to the School operating costs category of the Statement of Financial Activities.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

4 CHARITABLE GIFT FROM SAINT MARTIN'S (SOLIHULL) LTD.

During the year, the charity was gifted the following as a result of the merger with Saint Martin's (Solihull) Limited:

	Book value acquired £	Fair value adjustments £	Gift recognised £
Tangible fixed assets	4,550,445	2,519,281	7,069,726
Investments	401,776	-	401,776
Investments in subsidiary	500	-	500
Debtors	1,463,842	-	1,463,842
Trade Creditors	(24,163)	-	(24,163)
Other Creditors	(1,731,402)	-	(1,731,402)
Accruals	(130,149)	-	(130,149)
Pension scheme liability	(118,017)	-	(118,017)
Cash	1,780,352	-	1,780,352
Total	6,193,184	2,519,281	8,712,465

5 STAFF COSTS

	2020 Number	2019 Number
The average monthly number of persons employed by the Group during the year was:		
Academic	173	121
Non-academic	72	51
	<u>245</u>	<u>172</u>
	<u><u>245</u></u>	<u><u>172</u></u>
	2020 £	2019 £
Staff costs for above persons:		
Wages and salaries	9,579,703	6,901,121
Social security costs	944,546	703,723
Other pension costs	1,714,308	936,440
	<u>12,238,557</u>	<u>8,541,284</u>
	<u><u>12,238,557</u></u>	<u><u>8,541,284</u></u>

Pension costs are allocated to expenditure in line with staff costs and are wholly charged to unrestricted funds.

During the year, termination payments of £179,893 (2019: £nil) were made or accrued and are included in the expenditure shown above. Of these, £47,834 were outstanding at the year end.

The Governors received no remuneration during the year (2019: £nil). During the year, 1 (2019:1) Governor received reimbursement of travel expenses totalling £480 (2019: £1,056).

The Group has purchased trustee indemnity insurance. The cost is disclosed in note 6.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

5 STAFF COSTS (continued)

The number of employees who received emoluments in the following bands were:	2020 Number	2019 Number
£60,001 - £70,000	2	4
£70,001 - £80,000	4	1
£80,001 - £90,000	-	1
£90,000 - £100,000	2	1
£100,001 - £110,000	1	-
£110,001 - £120,000	1	-
£170,001 - £180,000	-	1
£190,001 - £200,000	1	-

At 31 August 2020, 9 higher paid employees were members of a defined benefit pension scheme (2019: 7) whilst 2 (2019: 1) was a member of a defined contribution pension scheme. Pension contributions paid in respect of these individuals amounted to £177,062 (2019: £102,691).

During the year the total compensation including national insurance and pension contributions payable to key management personnel of the group was £1,119,893 (2019: £859,918).

In accordance with the charities SORP (FRS 102) the benefit to the charity provided by general volunteers is not reflected in the Statement of Financial Activities.

6 MOVEMENT IN FUNDS FOR THE YEAR	2020 £	2019 £
The movement in funds for the financial year is after charging:		
Auditors' remuneration		
For audit services	52,878	21,885
Other financial services	15,480	46,740
Depreciation of tangible fixed assets		
Owned assets	1,083,964	607,358
Staff costs (see note 5)	12,238,557	8,541,284
Operating lease rentals	52,148	51,098
Bad debt charge	198,485	55,747
Trustee indemnity insurance	883	912

The School received a grant of £413,000 during the year (2019: £nil) in relation to claims made under the Coronavirus Job Retention Scheme. This is included within the other ancillary trading income category of the Statement of Financial Activities.

7 TAX PAYABLE

The School is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the School is potentially exempt from taxation in respect of income or capital gains received within categories covered by part 11, chapter 3 of the Corporation Tax Act 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.

The charitable company owns the entire issued share capital of Solihull School Enterprises Limited and taxable profits arising in that company are donated to its parent under a gift aid arrangement.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

8 TANGIBLE FIXED ASSETS (group and charity)

	<i>Freehold land and buildings</i> £	<i>Long Leasehold</i>	<i>Furniture and equipment</i> £	<i>Computer equipment</i> £	<i>Assets in course of construction</i> £	<i>Total</i> £
Cost or valuation						
1 September 2019	27,303,601	-	3,422,344	734,655	617,607	32,078,207
Additions	2,569,132	-	833,906	153,695	24,012	3,580,745
Charitable gift from Saint Martin's (Solihull) Ltd.	7,401,446	1,111,413	1,168,071	243,494	-	9,924,424
Eliminations	-	-	(118,741)	(271,934)	(10,958)	(401,633)
Transfers	606,649	-	-	-	(606,649)	-
31 August 2020	37,880,828	1,111,413	5,305,580	859,910	24,012	45,181,743
Depreciation						
1 September 2019	191,293	-	1,309,811	466,325	-	1,967,429
Charged in the year	457,788	-	449,057	177,119	-	1,083,964
Charitable gift from Saint Martin's (Solihull) Ltd.	1,378,114	434,745	895,021	146,818	-	2,854,698
Eliminations	-	-	(118,741)	(271,934)	-	(390,675)
31 August 2020	2,027,195	434,745	2,535,148	518,328	-	5,515,416
Net book value						
31 August 2020	35,853,633	676,668	2,770,432	341,582	24,012	39,666,327
31 August 2019	27,112,308	-	2,112,533	268,330	617,607	30,110,778
Gross depreciable value						
31 August 2020	33,556,524	1,111,413	5,305,580	859,910	-	40,833,427
31 August 2019	1,104,256	-	3,422,344	734,655	-	5,261,255

Freehold properties were revalued in January 1958 and are shown at that valuation together with additions at cost since that date and also the gift of freehold property from Saint Martin's (Solihull) Ltd including a fair value uplift during the year. Historical cost information is not available. All tangible fixed assets are used for direct charitable purposes.

During the current period, as explained in the accounting policies section above, there was a change of accounting estimate in respect of asset lives. Previously, aside from artificial turf pitches, freehold land and buildings were not depreciated given the condition of the buildings as a result of high standards of maintenance. The school has now commenced depreciating all freehold buildings in line with the new policy such that the only amounts not depreciated in the year related to freehold land, the value of which as at 31 August 2020 was £4,324,304 and assets in course of construction, the value of which as at 31 August 2020 was £24,012.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

9	INVESTMENTS	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
	Investment properties at fair value	11,066,000	13,031,000	11,066,000	13,031,000
	Listed and other investments at fair value	7,992,396	6,632,196	7,992,396	6,632,196
	Investment in subsidiaries and joint ventures at cost	500	-	501	1
		<u>19,058,896</u>	<u>19,663,196</u>	<u>19,058,897</u>	<u>19,663,197</u>
	Analysed as follows:			2020 £	2019 £
	Investment properties at fair value:				
	Brought forward			13,031,000	11,986,000
	Additions at cost			-	861,064
	Disposal proceeds			(1,064,149)	-
	Net (loss)/gain on investment properties			(900,851)	183,936
				<u>11,066,000</u>	<u>13,031,000</u>
	At 31 August				

Investment properties were revalued at fair value by the Governors on both 31 August 2019 and 31 August 2020. The annual valuation of investment properties is reviewed in detail by the Property Sub Committee in accordance with guidelines set out by the Royal Institute of Chartered Surveyors. Individual properties are examined in detail and the proposed valuation reviewed and discussed with professional advisors. The Governors recognise that current conditions in the property investment market are challenging with the retail and hospitality sectors under particular pressure. The diversity of the portfolio provides some protection against this pressure with valuations taking into account items such as current and expected market yields, local market conditions, length of leases and individual covenant strengths.

The cost of investment properties at 31 August 2020 was £6,842,256 (2019: £7,069,056).

	2020 £	2019 £
Listed and other investments at fair value:		
Brought forward	6,632,196	9,375,503
Additions at cost	2,133,349	421,404
Charitable Gift from Saint Martin's (Solihull) Ltd	401,776	-
Disposal proceeds	(1,141,277)	(3,191,689)
Net (loss)/gain on investments	(180,616)	23,505
Disposal proceeds awaiting reinvestment	146,968	3,473
	<u>7,992,396</u>	<u>6,632,196</u>
At 31 August		

The cost of listed and other investments at 31 August 2020 was £5,810,458 (2019: £4,817,941).

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

		2020 £	2019 £
	Listed and other investments at fair value comprise:		
	Listed investments	7,711,128	6,497,868
	Cash awaiting reinvestment	281,268	134,328
		<u>7,992,396</u>	<u>6,632,196</u>
10	DEBTORS		
		Group	Charity
		2020 £	2019 £
	Other debtors	101,726	8,654
	Amount due from Group undertakings	-	-
	Prepayments and accrued income	1,401,369	731,770
		<u>1,503,095</u>	<u>740,424</u>
		<u>1,516,095</u>	<u>771,898</u>
11	CREDITORS: Amounts falling due within one year		
		Group	Charity
		2020 £	2019 £
	Trade creditors	433,862	283,502
	Other creditors	402,580	361,272
	Refundable parent deposits	553,450	438,500
	Other tax and social security creditors	298,477	180,396
	Deferred income	1,124,635	1,495,000
	Accruals	1,590,176	307,656
	Pension scheme cessation creditor (LGPS)	238,810	233,261
	Pension scheme cessation creditor (TPT)	19,590	-
	Amount owed to Group undertakings	-	-
		<u>4,661,580</u>	<u>3,299,587</u>
		<u>4,695,024</u>	<u>3,299,077</u>

The school has provided security in respect of the LGPS pension scheme cessation creditor included above from the investment property portfolio described in Note 9.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

12	CREDITORS: Amounts falling due after more than one year	Group		Charity	
		2020 £	2019 £	2020 £	2019 £
	Deferred income	20,693	49,119	20,693	49,119
	Pension scheme cessation creditor (LGPS)	1,155,338	1,394,148	1,155,338	1,394,148
	Pension scheme cessation creditor (TPT)	87,799	-	87,799	-
		<u>1,263,830</u>	<u>1,443,267</u>	<u>1,263,830</u>	<u>1,443,267</u>

The school has provided security in respect of the LGPS pension scheme cessation creditor included above from the investment property portfolio described in Note 9. Full repayment is due to be completed in 2025. Included in the above is £Nil (2019: £404,280) falling due after 5 years. Full repayment of the TPT pension scheme is due to be completed in 2025.

Deferred income included in notes 11 & 12 represents fees received in advance.

	2020 £	2019 £
At 1 September	1,544,119	1,351,778
Funds received in year	1,094,609	1,465,018
Amounts released	(1,493,400)	(1,272,677)
	<u>1,145,328</u>	<u>1,544,119</u>
At 31 August		

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

13 MOVEMENT ON UNRESTRICTED FUNDS (group)

	Designated Foundation Fund £	Revenue account £	Total £
Balance at the start of the year	48,591,693	20,000	48,611,693
Income	1,180,847	24,624,626	25,805,473
Expenditure	(253,302)	(17,848,175)	(18,101,477)
Net income before transfers	49,519,238	6,796,451	56,315,689
Transfer between funds	7,772,315	(7,772,315)	-
Transfer re bursaries/scholarships	(995,864)	995,864	-
Net income before revaluations and investment asset disposals	56,295,689	20,000	56,315,689
Net losses on investments	(1,028,720)	-	(1,028,720)
Balance at the end of the year	55,266,969	20,000	55,286,969

MOVEMENT ON UNRESTRICTED FUNDS (charity)

	Designated Foundation Fund £	Revenue account £	Total £
Balance at the start of the year	48,590,266	20,000	48,610,266
Income	1,180,847	24,515,820	25,696,667
Expenditure	(253,302)	(17,825,677)	(18,078,979)
Net income before transfers	49,517,811	6,710,143	56,227,954
Transfer between funds	7,686,007	(7,686,007)	-
Transfer re bursaries/scholarships	(995,864)	995,864	-
Net income before revaluations and investment asset disposals	56,207,954	20,000	56,227,954
Net losses on investments	(1,028,720)	-	(1,028,720)
Balance at the end of the year	55,179,234	20,000	55,199,234

Solihull School

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2020

13 MOVEMENT ON UNRESTRICTED FUNDS (charity) (continued)

DESIGNATED FUND

Foundation Fund

The Foundation Fund holds the investments of the School, which are used to fund scholarships, bursaries and to facilitate improvements to school buildings and property. There are no restrictions as to expenditure through the Fund. Transfers are made from this Fund to the revenue account for the provision of scholarships and bursaries during the year.

Revenue account

All income and expenditure generated by the principal activity of the School is charged through the revenue account. Any surplus income for the year is transferred into the Foundation Fund.

During the year, the School provided scholarships and bursaries to pupils from unrestricted funds of £995,864 (2019: £1,102,901).

14 MOVEMENT ON RESTRICTED FUNDS (charity and group)

	E.G. Wilcox Fund £	Silhillian Fund £	Other Restricted £	Total £
Balance at start of year	103,758	459,553	11,004	574,315
Total income	45,000	899,970	1,200	946,170
Total expenditure	(45,000)	(82,524)	(1,450)	(128,974)
	<hr/>	<hr/>	<hr/>	<hr/>
Balance at end of year	<u>103,758</u>	<u>1,276,999</u>	<u>10,754</u>	<u>1,391,511</u>

The E G Wilcox Fund provides funds for Sixth Form scholarships (£10,726) and sports facilities (£34,274).

The Silhillian Fund provides funds for bursaries.

Other Restricted Funds represent donations where the donor has specified that they should be used for a specific purpose.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

15 MOVEMENTS ON ENDOWMENTS (charity and group)

	<i>Endowments for Educational purposes £</i>
Balance at the start of the year	536,754
Income	19,879
Expenditure	(12,768)
Net income	7,111
Net loss on investments	(52,747)
Balance at the end of the year	491,118

Major endowments within the portfolio include:

- The Trevor Blundell Scholarship and OSA Bushell Funds which contribute to sixth form scholarship awards.
- The Leonard Stevens Fund which provides prizes and bursaries to school leavers studying science at University.
- The Ahlefeldt Pierson and W F Bushell Funds which provides funds for pupils to undertake educational projects overseas.

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS (group)

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 August 2020 were:				
Tangible fixed assets	39,666,327	-	-	39,666,327
Investments	18,567,778	-	491,118	19,058,896
Net current liabilities	(1,683,306)	1,391,511	-	(291,795)
Liabilities: amounts falling due after more than one year	(1,263,830)	-	-	(1,263,830)
	55,286,969	1,391,511	491,118	57,169,598

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

16 ANALYSIS OF NET ASSETS BETWEEN FUNDS (charity)

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 August 2020 were:				
Tangible fixed assets	39,666,327	-	-	39,666,327
Investments	18,567,779	-	491,118	19,058,897
Net current liabilities	(1,771,042)	1,391,511	-	(379,531)
Liabilities: amounts falling due after more than one year	(1,263,830)	-	-	(1,263,830)
	<u>55,199,234</u>	<u>1,391,511</u>	<u>491,118</u>	<u>57,081,863</u>

17 TEACHERS' PENSION SCHEME

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. A consultation was launched by the government on 16 July 2020, and closed to responses on 11 October 2020.

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NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

17 TEACHERS' PENSION SCHEME (continued)

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020 and the government is preparing to complete the cost control element of the 2016 valuations, which is expected to be completed in 2021.

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.

Under the definitions set out in FRS 102, the TPS is a multi-employer pension scheme. The School is unable to identify its share of the underlying assets and liabilities of the scheme.

Accordingly, the School has taken the exemption in FRS 102 and has accounted for its contributions to the scheme as if it were a defined contribution scheme. The School has set out above the information available on the scheme and the implications for the School in terms of the anticipated rates.

	2020 £	2019 £
Teacher's Pension Scheme contribution cost	1,508,246	771,722

There were £198,170 accrued contributions, relating to the final month of the year, included within other creditors as at 31 August 2020 (2019: £103,950).

18 STANDARD LIFE/THE PENSIONS TRUST PENSION SCHEME

Following the merger with Saint Martin's (Solihull) Limited, the school operated two defined contribution schemes for non-teaching staff, one with Standard Life and one with The Pensions Trust.

	2020 £	2019 £
Standard Life/The Pensions Trust Pension Scheme contribution cost	206,062	164,718

There were outstanding contributions of £32,699 relating to the final month of the year included within other creditors as at 31 August 2020 (2019: £21,518). £26,207 was due to Standard Life with £6,492 due to The Pensions Trust.

Solihull School

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2020

19 COMMITMENTS

Capital commitments at the end of the financial year for which no provision has been made, are as follows:

	2020	2019
	£	£
Contracted	-	854,930

At 31 August the school had total future commitments under non-cancellable operating leases as follows:

	2020	2019
	£	£
Amounts payable within 1 year	90,320	46,119
Amounts payable within 2 – 5 years	71,640	112,179
	<u>161,960</u>	<u>158,298</u>

20 SUBSIDIARY COMPANIES & JOINT VENTURE

The Charity owns the entire issued share capital of Solihull School Enterprises Limited (company number 11150476). The principal activity of Solihull School Enterprises Limited is that of providing facilities for external use. The results of Solihull School Enterprises Limited are consolidated into these accounts. For the year ended 31 August 2020, Solihull School Enterprises Limited recorded turnover of £76,722 (2019: £88,588), cost of sales and expenses of £22,497 (2019: £32,162) and corporation tax of £nil (2019: £nil) giving rise to a retained profit of £54,225 (2019: £56,426). The taxable profits arising in Solihull School Enterprises Limited are donated to the charitable company under a gift aid arrangement.

Net assets at 31 August 2020 were £54,226 (2019: £1,427).

During the year, the Charity were gifted a 50% shareholding in a joint venture company, Day care at Saint Martins Limited (company number 07558046). The Charity received no dividend, donation and rental income from the joint venture company in the year. In the year, the joint venture recorded turnover of £694,027 (2019: £802,116), cost of sales and expenses of £575,960 (2019: £668,691) and corporation tax of £24,061 (2019: £25,726) giving rise to a profit for the year of £94,006 (2019: £107,699) of which £47,003 is attributable to the Group.

Net assets at 31 August 2020 were £61,121, £30,061 of which were attributable to the Group.

Through the Charity's ownership of Saint Martin's (Solihull) Limited (company number 00772557, charity number 528967), the charity owns the entire issued share capital of Saint Martin's Enterprises Limited (company number 10271978). The principal activity of Saint Martin's Enterprises Limited was to provide facilities for external use. The company has not traded since the 6 January 2020.

21 RELATED PARTY TRANSACTIONS

During the year, the Charity charged Solihull School Enterprises Limited £13,034 (2019: £27,024) in respect of staff and facilities costs. At the year end, the Charity was owed £14,796 (2019: £31,474) by Solihull School Enterprises Limited.

Details of governors' expenses and related party transactions are disclosed in note 5 to the accounts.