

# Solihull School

**(A Company Limited by Guarantee)**

## CONSOLIDATED ANNUAL REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

Company Number: 6337650  
Registered Charity Number: 1120597

# SOLIHULL SCHOOL

## GOVERNORS AND GENERAL INFORMATION

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### GOVERNORS

Mr M T Hopton FCA	(Chairman)
Mr D J Kelly BA	(Chairman Strategy, Finance and Premises Committee)
	(Vice Chairman)
	(Chairman Human Resources Committee)
Mr J A Adie	
Mr A J Burtenshaw MBChB MRCP FRCA	
Mrs H Ellis BA PGCE	
Dr H M Gay BSc PhD	
Mrs C M Gilbert BA MBA	
Mr I Green	
Mrs J A Hetherington BCom (Acc) FCA	
Dr A S Houghton MB BS MRCS LRCP	
Rev J E B Kenchington MA BSc PGCE	(Resigned 19 January 2021)
Mrs A L Lavery LLB	
Mrs C D McNidder BSc	
Mrs F E M de Minckwitz	
Mr M C Morris LLB	
Mr P G Newby BSc FRICS MCI. Arb	
Mr I Ralph BSc ACA	
Mr J A Shackleton MA	(Chairman Education Committee)
Prof S P Singh MBBS MD MRCPsych DM	
Mrs G E Tillman BSc	

### 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: 0121 705 0958

# SOLIHULL SCHOOL

## GOVERNORS AND GENERAL INFORMATION

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### AUDITORS

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

### BANKERS

Lloyds Bank plc  
Solihull Business Centre  
355 Stratford Road  
Shirley  
Solihull  
West Midlands  
B90 3BW

### INVESTMENT MANAGERS

Brewin Dolphin Limited  
9, Colmore Row  
Birmingham  
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

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The Governors present their Report, including the Strategic Report, for the year ended 31 August 2021 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 and Solihull School Enterprises Limited, together known as the Group. Saint Martin's Enterprises Limited was dissolved on 3 August 2021 and did not trade in the year.

### 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.

### Impact of Covid-19

The impact of the global pandemic continued to have a significant bearing on the operational and financial information presented.

The school continued to operate, on-site, remotely and in a hybrid situation, throughout the year, closely following government guidance and its own full and regularly reviewed Covid-19 related risk assessments. Regular advisory communications were issued to pupils, staff and parents as the impact of the pandemic, testing and vaccination regimes developed over the year. The school campuses were closed to all pupils other than those in the nursery and for the children of key workers between January 6 and March 8 2021 (33 school days). When pupils were not on-site as a result of Covid-19 restrictions, a full remote learning provision, both curricular and co-curricular was provided within the limitations imposed.

The school responded to the altered public examination assessment process for 2021, providing robust teacher assessed grades (TAGs) and supporting materials to relevant examination boards for all candidates. All of the school's TAGs were upheld by the exam boards.

During the year, adjustments were made to fee charging policies, as appropriate and the school continued to offer financial support to those parents who continued to be significantly affected by the impact of Covid-19. These were arranged on the basis of enquiry into individual personal financial circumstances.

Any financial impact of Covid-19 as a whole has been regularly reviewed by the school and in turn by the Governors. This has continued to provide comfort on the school's longer term financial sustainability.



# SOLIHULL SCHOOL

## GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

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### 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 up to 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 function of the Committee is to identify the skills requirement and 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)

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### 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 and that they are 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 financial statements.

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 Headmaster and the Bursar 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)

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### 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 former pupils 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.

##### Merger with Saint Martin's School

Though the legal completion of the merger between Solihull School and Saint Martin's School took place on 6<sup>th</sup> January 2020, the operational merger and resultant launch of the fully co-educational Solihull Preparatory School took effect from the start of the Autumn Term 2020. Significant repurposing building works were completed in the summer of 2020 and have continued throughout the last 12 months. The report and financial statements reflect the full year of the expanded school's activities.

# SOLIHULL SCHOOL

## GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

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### 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 2021 there were 1,531 pupils (2020: 1,493) at the school, which was slightly ahead of the target figure.

**Public Examination Results Summer 2021.** As with all schools across the country, teacher assessed grades (TAGs) 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 with 94% at A\*/A or B, of which 71% were at A\*/A. 86 of the 135 candidates were awarded at least 3 A\*/A grades.

Of those leaving the Upper VI in 2021, nearly all pupils secured places at their chosen university in a wide range of subjects. One pupil took up a university sports scholarship in the USA whilst one other commenced an Initial Naval Training (Officer) course within the Royal Navy. All seven candidates with conditional offers for Oxbridge entrance achieved the required grades and have taken up their places.

At GCSE, 99% of all grades were at 9-5, with 77% at 9-7. 96 of the 148 candidates achieved 8 grades of 9-7, with 58 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.** Despite interruptions due to site shutdowns and the wider impact of Covid-19, pupils participated in a wide range of other academic activities.

In the Lower Fifth Form Biology Challenge, pupils were awarded 1 gold, 8 silver, and 15 bronze medals with a further 16 highly commended and 22 commended results whilst in the Lower Sixth Form Intermediate Biology Olympiad, pupils were awarded 2 golds, 6 silvers, and 6 bronze medals with a further 5 highly commended and 4 commended results.

In the UK Junior Maths Challenge and Olympiad, 171 pupils were awarded Gold, Silver and Bronze certificates. Seven pupils achieved merits in the follow-on round of the Junior Maths Olympiad whilst in the UK Intermediate Maths Challenge and Olympiad, 84 pupils were awarded Gold, Silver and Bronze certificates. In the follow-on round, the Intermediate Maths Olympiad, 5 pupils received merits and 1 was awarded a distinction, medal and book prize for achieving one of the highest scores in the UK.

In the UK Senior Maths Challenge and Olympiad, 101 pupils were awarded Gold, Silver and Bronze certificates. In the British Maths Olympiad 2 pupils received merits with one Upper Fifth form pupil being awarded a distinction and receiving an invitation to a week-long British Maths Olympiad training camp for some of the most gifted young mathematicians in the UK.

In the University of Southampton Maths Challenge, a Fourth form pupil was awarded a Certificate of Distinction and a Third Form pupil awarded a Certificate of Merit.

The 2020/21 Engineering Education Scheme Team worked on two projects together in partnership with Jaguar Land Rover. One of these was looking at vehicle customisation, the second considered the use of wind tunnels in the development of new cars. Despite lockdown leading to a pause, both projects were completed in September 2021, approved by the sponsoring company, EDT, and all eleven pupils were awarded the Industrial Cadets Gold level award.

At 11+, 13 Prep School pupils were offered academic scholarships to the Senior School with 6 pupils offered co-curricular scholarships in Art, Music and Sport.

### 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. The pandemic prevented many of the usual trips and residential visits organised for pupils of all ages to support both the curriculum and co-curricular activities, though a number of virtual international visits were carried out. Though the school was rarely able to use the mountain cottage in Snowdonia, some outdoor education and academic study retreats took place. The school, when it can, also hosts overseas visitors from various countries in Europe and South America. It is hoped that at least some of these activities will restart in 2022.

In debating, the school entered multiple teams for a good number of competitions. At the Warwick University Schools competitions, the school team managed to break into the Silver Final whilst at the Birmingham University competition, the team reached the grand final, whilst a further 4 pupils reached the novice final. At the Nottingham University Debating Competition, two pupils reached the open finals and a further 4 pupils reached the novice finals. Pupils were regional finalists in the English Speaking Union Mace and Public Speaking Competition, with 1 pupil being named best chair.

Participation in the well-established Duke of Edinburgh award scheme remains popular. 17 Gold, 60 Silver and 97 Bronze medals were awarded during the year with a number of further awards ongoing and nearing completion at the start of the new school year having suffered delays due to the pandemic.

Drama co-curricular activities actually grew in numbers throughout the year. Each year group in the Lower School had their own Drama Club, with work focusing on House Drama in the Autumn Term.

In the Easter term, clubs went online with pupils rehearsing *DNA*, *Tales from Grimm* and *Charlie and the Chocolate Factory*. When back in person, rehearsals continued supported by the Theatre Design Clubs who developed props, costumes and set for the pieces. Unfortunately plans to perform these productions at the end of the Summer term had to be put on hold, but the *Tales from Grimm* are being performed at the end of the Autumn Term 2021.

2 Lower Sixth pupils produced, directed, stage managed and designed a studio production of *Heavy Weather* as part of the Arts Gold Award, a new addition to the Aspire curriculum. Three performances were given to socially distanced audiences. The school musical *Little Shop of Horrors* was moved to the Summer term with one internal performance before further performances were unable to go ahead due to illness within the cast.

RADA Shakespeare Award lessons continued in person and online during lockdown and all three exam sessions throughout the year went ahead. All pupils passed, with outstanding feedback from the examiners, including high praise for the first Platinum Award student.

In music, as in many co-curricular areas, the quantity and nature of events and activities were adapted to cope with both in school and remote working. However, as usual nearly 10,000 instrumental lessons were still given over the year, with all lessons being delivered either remotely or in person.

The nature of instrumental exams also adapted to the times, with exams boards providing an option to submit a recorded exam as opposed to live, in-person exams. Results remained strong, with the majority of pupils achieving Merits or Distinctions. A number of pupils also succeeded in Diploma exams, being a level beyond grade 8. In addition, 9 pupils, 6 of whom were in the Prep School gained places in the National Schools' Symphony Orchestra.

Ensemble work was also limited though, with creative use of technology, virtual St Cecilia, Summer and Prep School concerts were recorded and streamed to viewers. There were no Chapel services throughout the year, though year group choirs were recorded to produce virtual services for both Christmas and Easter.



# SOLIHULL SCHOOL

## GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

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### OBJECTS, OBJECTIVES AND BUSINESS REVIEW (continued)

Performing opportunities for soloists initially continued as our recorded 'Friday at 4' virtual Informal concerts for much of the year though the return to school in the Summer Term allowed for individual year group Informal Concerts on both campuses. The school participated in "virtual concert trip" initiative with the Halle Orchestra in Manchester including educational introductions to each piece.

Boys and girls participate in many different sports though inevitably, the pandemic severely interrupted the fixture and tournament schedule in all sports. There were no fixtures in the Autumn and Easter Terms though some cricket, both for boys and girls, rounders and tennis fixtures were played in the Summer Term. The main focus was on skill development, fitness and enjoyment and participation at all levels remained high. Despite the restrictions, many pupils earned selection for representative teams. Notable achievements included one pupil being selected for the Warwickshire cricket 1<sup>st</sup> XI in the Royal London Cup, six pupils joining representative squads in netball with one playing for the United States and one pupil being selected to represent England U18 in hockey.

**Facilities.** The school is committed to providing outstanding facilities in all areas of school life. Further repurposing works were completed, notably on the Prep School campus. In addition, further investments have been made in the school's ICT infrastructure both in the classroom and to the school network infrastructure. In August 2021, planning consent was granted by Solihull MBC for a major investment project to extend the parking provision and enhance the playing field provision at the Prep School. These are scheduled to be completed during 2022.

**Staff.** The pupil/teacher ratio in the school last year was 9.6, lower than in previous years reflecting the dual specification teaching at GCSE and A-Level in many subjects. At the start of September 2021, this figure stood at 10.5, which compares favourably with benchmark levels for independent day schools. There were a number of staff changes at the end of the academic year including the new appointment of a Director of Sport, Health and Fitness across the whole school. In addition, there were a number of internal promotions and re-organisations in both teaching and non-teaching organisational structures. Notable amongst these was the appointment of the school's first Anti-Discrimination Lead to spearhead the school's initiatives to ensure our community is both fair and inclusive. The school continues to acknowledge the professional and dedicated contribution of all staff, both in the classroom and outside.

In July 2021, following an extensive recruitment process, the school appointed Mr. Charles Fillingham to take up the post of Executive Headmaster with effect from 1 January 2023 to succeed Mr. David Lloyd on his retirement after 12 years' service.

The school is an equal opportunities employer and complies with the Equality Act 2010. The school is committed to providing equal opportunities in its employment practices and policies and seeks to avoid discrimination in all aspects of employment including recruitment, promotion, opportunities for training, pay and benefits, discipline and selection for redundancy.

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.

In addition to regular sharing of information with staff both in person and electronically, the Staff Engagement Forum 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 receives updates from governors and senior management on the school's operational and financial performance and debates issues raised by the staff representatives to ensure staff views can be taken into account. Meeting minutes are disseminated to all staff.

**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 whilst during the year, 12 staff were trained in Adult Mental Health First Aid. Wellbeing and personal development education is fully integrated into the curriculum and delivered by a number of teaching staff. Parents' Seminars and Resilience Training continue to be popular. These continued remotely during the last year and will be repeated in future years.

# SOLIHULL SCHOOL

## GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

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### OBJECTS, OBJECTIVES AND BUSINESS REVIEW (continued)

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 also set up a Staff Wellbeing Committee, with representatives from both the teaching and non-teaching staff on both campuses. The Committee debates specific staff wellbeing initiatives.

**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. It is envisaged that this latter subsidiary will be dissolved during 2021/22.

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 £1,337,310 (2020: net income £7,446,836). In 2020, the merger with Saint Martin's school resulted in a one-off charitable gift of £8,712,465.

Operationally, the full year impact of higher pupil numbers and consistent fee levels through the year has resulted in higher fee income for the year. Investment returns were slightly lower than in the previous year, though held up better than had initially been expected. Donations were significantly reduced as a result of a significant one-off legacy in the prior period. The school continued to utilise the government's Coronavirus Job Retention Scheme and received £147,804 (2020: £413,404) as a result of furloughing a number of non-teaching staff. Overall income totalled £20,511,694, a reduction of £6,259,828 in the year (2020: total income £26,771,522, an increase of £11,982,797).

The school's cost base is kept under close control. Staff costs increased as result of the full year impact of operating the merged school and included termination payments of £63,875 (2020: £179,893) during the year (see note 5). Higher depreciation charges were also incurred (see notes 6 and 8) as were £94,259 of specific costs of Covid-19 related mitigation measures. Operational savings were made in a range of cost centres, notably during the period when the school campuses were closed to all but nursery pupils, pupils of key workers and essential non-teaching staff. In addition, there was no repeat of the £148,864 cost incurred in 2019/20 related to the temporary kitchen facility on the Warwick Road campus.

During the year the governors re-valued the portfolio of investment properties resulting in an unrealised loss of £105,000 (2020: a net unrealised loss of £900,851).

Realised gains on the disposal of listed and other investments amounted to £38,782 (2020: £39,433). Unrealised gains on listed and other investments amounted to £786,442 (2020: loss of £220,049).

Expenditure from the restricted and endowment funds during the year amounted to £156,015 (2020: £141,742).

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

**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 during the year and the Trustees retain investment advisers and the portfolio is regularly reviewed by the Property and Investment Sub-Committees.

# SOLIHULL SCHOOL

## GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

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### 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:

- To position Solihull School as the Midlands' leading 3-18 co-educational independent day school, evidenced by an innovative and balanced curriculum with opportunities to participate and excel in all co-curricular activities,
- To maintain and improve the current high standards of academic achievement as measured by external public examinations and internally generated data,
- To promote the principles of equity, inclusion and diversity throughout the school community and all aspects of school life,
- 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, a global perspective and a strong moral compass,
- To promote consideration of the environment and sustainability and implement relevant practices, where possible across all aspects of school life and operations,
- Realise the benefits accruing from the merger with Saint Martin's School, academically, pastorally and financially,
- 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 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.

#### School Development

During the year, the school reviewed the school improvement plan, noting that the pandemic had a limiting impact on a number of the targets set for 2020/21. For 2021/22, an updated set of targets were agreed with the aim of fulfilling every individual's potential with specific focus on:

- Critically consider and refine the school brand in the light of the merged and expanded school,
- Effectively manage the public examination process for 2022 as defined by the Government,
- Define school facility requirements to meet the requirements of the merged school,
- Further embed the "Novus Curriculum", with its focus on skills acquisition and development, project based learning, increased tutor time for all pupils and additional academic enrichment opportunities, events and reporting,
- Further develop the role of the Anti-Discrimination Lead and education on equity, inclusion and diversity issues,
- Establish the methodology for measuring school sustainability objectives,
- Continue to develop an effective transition process at all key levels across the school,
- 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.



# SOLIHULL SCHOOL

## GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

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### **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, both in the short and longer term,
- 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,
- Escalating staff costs, which include 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,
- 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, and though there were many restrictions imposed during the year, our facilities are used 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:

# SOLIHULL SCHOOL

## GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

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### Grant Making Policy

This year the value of bursaries and scholarships made out of unrestricted funds totalled £1,420,612 (2020: £1,125,060). A further £128,236 was made out of restricted funds (2020: £82,524). 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 2021, bursaries awarded totalled £999,142 (2020: £899,514) and given to 123 pupils (2020: 125 pupils), which equates to 70 full fees or 5.4% of net fee income (2020: 71 full fees or 6.1% of net fee income).

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

- The school's outreach programme was severely curtailed by the Covid-19 pandemic with many activities with local maintained primary, secondary and special schools unable to take place. It is hoped that these activities will recommence in 2021/22.
- The formal partnership with the Tile Cross Academy has continued to grow despite the pandemic. 2 pupils were successful in the bursary programme and joined the Solihull Sixth Form in September 2021. Tile Cross has also started sending pupils to join CCF sessions. Planned collaborations involving Modern Foreign Languages and the choir were not able to be realised last year due to Covid-19 restrictions but it is hoped they can be resurrected in the coming year.
- Pupils from Reynalds Cross School, Solihull, which caters for pupils with severe to profound multiple learning difficulties, would typically have visited the school to take part in specially run workshops in Art and ICT. New ways were found to collaborate with an art project, supplies and instructions being designed and sent from the Art Department. These materials were also sent to Springfield Special School. In a new venture, dance pupils prepared an instructional video which was also sent for use by Reynalds Cross.
- The school extended its Oxbridge preparation procedures to a range of local maintained schools and other independent schools. Potential candidates participate in interview practice sessions and specific application preparation seminars with sessions moving on-line over the year.
- The school hosts and chairs the Local Independent Schools Safeguarding Board which reports into the Local Children's Safeguarding Partnership.
- 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. As part of the pandemic response, a number of laptops were donated to local schools to enable on-line learning.
- A number of staff members are governors at local maintained schools.

### 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 Local Community

- The school has a group of community outreach pupil ambassadors, who help to plan and run charity events. The group also help publicise community links across the school community.
- The use of our music facilities was severely restricted this year as was a programme of community service. It is hoped that these initiatives will recommence in 2021/22.

# SOLIHULL SCHOOL

## GOVERNORS' REPORT – INCLUDING STRATEGIC REPORT (continued)

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- Our performing arts centres, 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. Funds raised in the year exceeded £80,000 which included the Cotswold Challenge for Cataract Camps, the Tommy Godwin Virtual Challenge for Marie Curie Cancer Care and a matched funding scheme to support our ongoing charity partner in Peru. Collections of household items, toiletries, easter eggs and harvest festival donations were also sent to a range of local charities. 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.
- The school has donated computer and furniture items to local charities and staff time has been given to the installation of this equipment.
- The school's Duke of Edinburgh scheme received a certificate in recognition of the 2,418 accumulated hours of volunteering carried out by pupils between April 2020 and March 2021.
- We help the Solihull Care NHS Trust with their scheme to support adults with learning difficulties into employment opportunities.
- The Chaplain is involved with many church and charity activities around Birmingham, including work in hospices, food banks and urban priority charities.
- 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 2021 at £16,964,948 (2020: £15,620,642). They are almost entirely investments in property, fixed interest bonds, cash and equities. In the year to 31 August 2021 these investments generated an income of £1,097,632 (2020: £1,190,201) 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)

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### 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 13 December 2021 and signed on their behalf by:



M T Hopton FCA  
Chairman of the Board

# SOLIHULL SCHOOL

## GOVERNORS' RESPONSIBILITIES IN THE PREPARATION OF FINANCIAL STATEMENTS

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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

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### **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 2021 which comprise the Consolidated Statement of Financial Activities (including income and expenditure account), the Consolidated and Charity Balance Sheets, the Consolidated Statement of Cash Flows and notes to the financial statements, including 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 2021 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**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or parent charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

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

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

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

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



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

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### **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 Trustees' 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 16, 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.

### **The extent to which the audit was considered capable of detecting irregularities, including fraud**

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the sector, including the legal and regulatory framework that the group and parent charitable company operates in and how the group and parent charitable company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

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

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As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, Charities SORP (FRS 102), Companies Act 2006, Charities Act 2011, the parent charitable company's governing document, tax legislation and Charities (Protection and Social Investment) Act 2016. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing the financial statements including the Trustees' Report, remaining alert to new or unusual transactions which may not be in accordance with the governing documents, inspecting correspondence with local tax authorities and evaluating advice received from internal/external advisors.

The most significant laws and regulations that have an indirect impact on the financial statements are The Education (Independent School Standards) Regulations 2014, Keeping Children Safe in Education under section 175 of the Education Act 2002, and the UK General Data Protection Regulation (UK GDPR). We performed audit procedures to inquire of management and those charged with governance whether the charitable company is in compliance with these law and regulations and inspected correspondence with regulatory authorities.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing manual journal entries and other adjustments, evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

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  
LE19 1SD

Date 12/01/2022



# Solihull School

## CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCLUDING INCOME AND EXPENDITURE ACCOUNT) for the year ended 31 August 2021

	Notes	Unrestricted funds £	Restricted funds £	Endowment funds £	Total 2021 £	Total 2020 £
<b>Income and endowments from:</b>						
<b>Donations and legacies</b>		1,000	217,740	-	218,740	965,917
<b>Charitable activities:</b>						
School fees		18,449,637	-	-	18,449,637	14,642,200
Other educational income		57,111	-	-	57,111	63,783
Other ancillary trading income		664,602	-	-	664,602	1,164,344
<b>Investments</b>	2	1,097,632	23,972	-	1,121,604	1,222,813
<b>Charitable Gift from Saint Martin's (Solihull) Limited</b>	4	-	-	-	-	8,712,465
<b>Total Income</b>		<u>20,269,982</u>	<u>241,712</u>	<u>-</u>	<u>20,511,694</u>	<u>26,771,522</u>
<b>Expenditure on:</b>						
<b>Raising funds</b>		(172,210)	(6,240)	-	(178,450)	(185,030)
<b>Charitable activities:</b>						
School operating costs		(19,559,644)	(149,775)	-	(19,709,419)	(18,058,189)
<b>Total Expenditure</b>	3	<u>(19,731,854)</u>	<u>(156,015)</u>	<u>-</u>	<u>(19,887,869)</u>	<u>(18,243,219)</u>
<b>Net gains/(losses) on investments:</b>						
Net losses on investment properties		(105,000)	-	-	(105,000)	(900,851)
Net gains/(losses) on other investments		643,858	75,382	99,245	818,485	(180,616)
<b>Total net gains/(losses) on investments</b>		<u>538,858</u>	<u>75,382</u>	<u>99,245</u>	<u>713,485</u>	<u>(1,081,467)</u>
<b>Net income and net movement in funds</b>		<u>1,076,986</u>	<u>161,079</u>	<u>99,245</u>	<u>1,337,310</u>	<u>7,446,836</u>
<b>Reconciliation of funds:</b>						
Total funds brought forward		<u>55,286,969</u>	<u>1,391,511</u>	<u>491,118</u>	<u>57,169,598</u>	<u>49,722,762</u>
<b>Total funds carried forward</b>		<u><u>56,363,955</u></u>	<u><u>1,552,590</u></u>	<u><u>590,363</u></u>	<u><u>58,506,908</u></u>	<u><u>57,169,598</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 2021

Company Registration No. 6337650

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	8	39,399,007	39,666,327
Investments	9	20,655,050	19,058,896
		<u>60,054,057</u>	<u>58,725,223</u>
<b>Current assets</b>			
Debtors	10	467,634	1,503,095
Short term deposits		377,128	376,901
Cash at bank and in hand		2,647,531	2,489,789
		<u>3,492,293</u>	<u>4,369,785</u>
<b>Creditors: Amounts falling due within one year</b>	11	(4,057,659)	(4,661,580)
		<u>(565,366)</u>	<u>(291,795)</u>
<b>Net current liabilities</b>			
<b>Total assets less current liabilities</b>		59,488,691	58,433,428
<b>Creditors: Amounts falling due after more than one year</b>	12	(981,783)	(1,263,830)
		<u>58,506,908</u>	<u>57,169,598</u>
<b>Total net assets</b>			
<b>The funds of the Group:</b>			
Endowment	13	590,363	491,118
Restricted	13	1,552,590	1,391,511
Unrestricted	13	56,363,955	55,286,969
		<u>58,506,908</u>	<u>57,169,598</u>
<b>Total Group funds</b>			
		<u>58,506,908</u>	<u>57,169,598</u>

Approved by the Board of Governors and authorised for issue on 13 December 2021.

  
Mr M T Hopton Chairman

  
Mr R Bate Bursar and Company Secretary

**Solihull School**  
**CHARITY BALANCE SHEET**  
 31 August 2021

Company Registration No. 6337650

	Notes	2021 £	2020 £
<b>Fixed assets</b>			
Tangible assets	8	39,399,007	39,666,327
Investments	9	20,655,051	19,058,897
		<u>60,054,058</u>	<u>58,725,224</u>
<b>Current assets</b>			
Debtors	10	477,247	1,516,095
Short term deposits		377,128	376,901
Cash at bank and in hand		2,597,864	2,422,497
		<u>3,452,239</u>	<u>4,315,493</u>
<b>Creditors: Amounts falling due within one year</b>	11	(4,052,515)	(4,695,024)
		<u>(600,276)</u>	<u>(379,531)</u>
<b>Net current liabilities</b>			
		<u>(600,276)</u>	<u>(379,531)</u>
<b>Total assets less current liabilities</b>		59,453,782	58,345,693
<b>Creditors: Amounts falling due after more than one year</b>	12	(981,783)	(1,263,830)
		<u>(981,783)</u>	<u>(1,263,830)</u>
<b>Total net assets</b>		58,471,999	57,081,863
		<u>58,471,999</u>	<u>57,081,863</u>
<b>The funds of the charity:</b>			
Endowment	13	590,363	491,118
Restricted	13	1,552,590	1,391,511
Unrestricted	13	56,329,046	55,199,234
		<u>58,471,999</u>	<u>57,081,863</u>
<b>Total charity funds</b>		<u>58,471,999</u>	<u>57,081,863</u>

Net movement in funds for the parent charity was an increase in funds of £1,390,136 (2020: an increase of £7,360,528). Net income for the parent charity was £1,390,136 (2020: net income of £7,360,528).

Approved by the Board of Governors and authorised for issue on 13 December 2021.

  
 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 2021

	2021 £	2020 £	
<b>Cash flows from operating activities:</b>			
Net cash used in operating activities	909,377	(367,070)	
<b>Cash flows from investing activities:</b>			
Dividends, interest and other income from investments	1,121,604	1,202,934	
Purchase of investments	(1,998,762)	(2,132,849)	
Proceeds from sales of investments	1,084,684	1,141,277	
Proceeds from sales of investment properties	-	1,064,149	
Purchase of tangible fixed assets	(990,343)	(3,580,745)	
Gift of cash from Saint Martin's (Solihull) Ltd.	-	1,780,353	
<b>Net cash used in investing activities</b>	<b>(782,817)</b>	<b>(524,881)</b>	
<b>Cash flows from financing activities</b>			
Receipts/(payments) of endowment	-	(45,637)	
<b>Change in cash and cash equivalents in the reporting period</b>	<b>126,560</b>	<b>(937,588)</b>	
<b>Cash and cash equivalents at the beginning of the reporting period</b>	<b>3,147,958</b>	<b>4,085,546</b>	
<b>Cash and cash equivalents at the end of the reporting period</b>	<b>3,274,518</b>	<b>3,147,958</b>	
<b>Reconciliation of net income/(expenditure) to net cash flow from operating activities</b>			
Net income/(expenditure) for the reporting period	1,337,310	7,446,836	
<b>Adjustments for:</b>			
Depreciation charges	1,257,663	1,083,964	
Net (incoming)/outgoing endowment resource	(99,245)	45,637	
(Gains)/losses on investments	(614,240)	1,081,467	
Dividends, interest and other income from investments	(1,121,604)	(1,190,201)	
Decrease in debtors	1,035,461	701,172	
Decrease in creditors	(885,968)	(823,480)	
Charitable gift from Saint Martin's (Solihull) Ltd.	-	(8,712,465)	
<b>Net cash used in operating activities</b>	<b>909,377</b>	<b>(367,070)</b>	
<b>Analysis of changes in cash and cash equivalents</b>	<b>b/f</b>	<b>Movements</b>	<b>c/f</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Cash at bank	2,489,789	157,742	2,647,531
Cash awaiting reinvestment	281,268	(31,409)	249,859
Short term deposits	376,901	227	377,128
<b>Total cash and cash equivalents</b>	<b>3,147,958</b>	<b>126,560</b>	<b>3,274,518</b>

# Solihull School

## ACCOUNTING POLICIES

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### 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 and Solihull 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) (effective 1 January 2019) - 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 subsidiaries. All financial statements have been drawn up to 31 August. 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 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 the joint venture is not included in the consolidation. The investment in the joint venture is stated at cost. Details are shown in note 18.

### 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 was a combination at nil consideration, which was in substance a gift, and was 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.

### GOVERNMENT GRANTS

Government grants are recognised at the fair value of the asset received or receivable when there is reasonable assurance that the grant conditions will be met and the grants will be received.

# Solihull School

## ACCOUNTING POLICIES (continued)

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A grant that specifies performance conditions is recognised in income when the performance conditions are met. Where a grant does not specify performance conditions it is recognised in income when the proceeds are received or receivable. A grant received before the recognition criteria are satisfied is recognised as a liability.

### 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.

### 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.

# Solihull School

## ACCOUNTING POLICIES (continued)

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### 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

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.



# Solihull School

## ACCOUNTING POLICIES (continued)

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### 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 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 15, 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.

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 2021

### 1 COMPARATIVE INFORMATION – STATEMENT OF FINANCIAL ACTIVITIES

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

# Solihull School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2021

2	INVESTMENT INCOME	Unrestricted Funds £	Restricted Funds £	Total 2021 £	Total 2020 £	
	Investment income comprises:					
	Income from investments listed on a recognised stock exchange	232,645	23,972	256,617	252,308	
	Income from investment properties	864,358	-	864,358	954,379	
	Bank and other interest	629	-	629	16,126	
		<u>1,097,632</u>	<u>23,972</u>	<u>1,121,604</u>	<u>1,222,813</u>	
3	EXPENDITURE					
		Staff costs £	Depreciation £	Other costs £	Total 2021 £	Total 2020 £
	Raising funds:					
	Investment management	-	-	178,450	178,450	185,030
	Charitable activities:					
	School operating costs	13,033,823	1,257,663	5,272,342	19,563,828	17,846,296
	Governance costs	42,198	-	103,393	145,591	211,893
		<u>13,076,021</u>	<u>1,257,663</u>	<u>5,554,185</u>	<u>19,887,869</u>	<u>18,243,219</u>
					2021 £	2020 £
	Total support costs included in expenditure are				1,695,847	1,603,059

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 2021

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

During the prior year (2019/20), the charity was gifted £8,712,465, including a fair value adjustment of £2,519,281, as a result of the merger with Saint Martin's (Solihull) Limited:

	2021 Gift recognised £	2020 Gift recognised £
Tangible fixed assets	-	7,069,726
Investments	-	401,776
Investments in subsidiary	-	500
Debtors	-	1,463,842
Trade Creditors	-	(24,163)
Other Creditors	-	(1,731,402)
Accruals	-	(130,149)
Pension scheme liability	-	(118,017)
Cash	-	1,780,352
<b>Total</b>	<b>-</b>	<b>8,712,465</b>

### 5 STAFF COSTS

The average monthly number of persons employed by the Group during the year was:

	2021 Number	2020 Number
Academic	180	173
Non-academic	81	72

261 245

	2021 £	2020 £
Staff costs for above persons:		
Wages and salaries	10,169,447	9,579,703
Social security costs	1,030,442	944,546
Other pension costs	1,876,132	1,714,308
	13,076,021	12,238,557

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

During the year, termination payments of £63,875 (2020: £179,893) were made or accrued and are included in the expenditure shown above. Of these, £Nil (2020: £47,834) were outstanding at the year end.

The Governors received no remuneration during the year (2020: £nil). During the year, no (2020:1) Governor received reimbursement of travel expenses (2020: £480).

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 2021

### 5 STAFF COSTS (continued)

The number of employees who received emoluments in the following bands were:	2021 Number	2020 Number
£60,001 - £70,000	3	2
£70,001 - £80,000	2	4
£80,001 - £90,000	-	-
£90,000 - £100,000	1	2
£100,001 - £110,000	1	1
£110,001 - £120,000	1	1
£190,001 - £200,000	-	1
£200,001 - £210,000	1	-

At 31 August 2021, 8 higher paid employees were members of a defined benefit pension scheme (2020: 9) whilst 1 (2020: 2) was a member of a defined contribution pension scheme. Pension contributions paid in respect of these individuals amounted to £176,872 (2020: £177,062).

During the year the total compensation including employer national insurance and pension contributions payable to key management personnel of the group was £1,197,591 (2020: £1,119,893).

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	2021 £	2020 £
The movement in funds for the financial year is after charging:		
Auditors' remuneration		
For audit services	34,128	52,878
Other financial services	-	15,480
Depreciation of tangible fixed assets		
Owned assets	1,257,663	1,083,964
Staff costs (see note 5)	13,076,021	12,238,557
Operating lease rentals	82,710	52,148
Bad debt charge	167,215	198,485
Trustee indemnity insurance	1,014	883

The School received a grant of £147,804 during the year (2020: £413,404) 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 2021

### 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 2020	37,880,828	1,111,413	5,305,580	859,910	24,012	45,181,743
Additions	146,631	-	429,580	286,900	127,232	990,343
Eliminations	(496,916)	-	(86,054)	(206,746)	-	(789,716)
31 August 2021	37,530,543	1,111,413	5,649,106	940,064	151,244	45,382,370
Depreciation						
1 September 2020	2,027,195	434,745	2,535,148	518,328	-	5,515,416
Charged in the year	476,240	22,228	536,268	222,927	-	1,257,663
Eliminations	(496,916)	-	(86,054)	(206,746)	-	(789,716)
31 August 2021	2,006,519	456,973	2,985,362	534,509	-	5,983,363
Net book value						
31 August 2021	35,524,024	654,440	2,663,744	405,555	151,244	39,399,007
31 August 2020	35,853,633	676,668	2,770,432	341,582	24,012	39,666,327

The cost/value of freehold land included in the above, which is not depreciated, is £4,324,304 (2020: £4,324,304)

Freehold properties were revalued in January 1958 and are shown at that valuation together with additions at cost since that date and the gift of freehold property from Saint Martin's (Solihull) Ltd in January 2020. Historical cost information is not available. All tangible fixed assets are used for direct charitable purposes.

# Solihull School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2021

9	INVESTMENTS	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
	Investment properties at fair value	10,961,000	11,066,000	10,961,000	11,066,000
	Listed and other investments at fair value	9,693,550	7,992,396	9,693,550	7,992,396
	Investment in subsidiaries and joint ventures at cost	500	500	501	501
		<u>20,655,050</u>	<u>19,058,896</u>	<u>20,655,051</u>	<u>19,058,897</u>
	Analysed as follows:			2021 £	2020 £
	Investment properties at fair value:				
	Brought forward			11,066,000	13,031,000
	Disposal proceeds			-	(1,064,149)
	Net loss on investment properties			(105,000)	(900,851)
				<u>10,961,000</u>	<u>11,066,000</u>
	At 31 August				

Investment properties were revalued at fair value by the Governors on both 31 August 2020 and 31 August 2021. 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 conditions in the property investment market remain challenging with the retail and hospitality sectors remaining 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 2021 was £6,842,256 (2020: £6,842,256).

	2021 £	2020 £
Listed and other investments at fair value:		
Brought forward	7,992,396	6,632,196
Additions at cost	1,998,762	2,133,349
Charitable Gift from Saint Martin's (Solihull) Ltd	-	401,776
Disposal proceeds	(1,084,684)	(1,141,277)
Net gain/(loss) on investments	818,485	(180,616)
(Reduction)/increase in cash awaiting reinvestment	(31,409)	146,968
At 31 August	<u>9,693,550</u>	<u>7,992,396</u>

The cost of listed and other investments at 31 August 2021 was £6,633,787 (2020: £5,810,458).

# Solihull School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2021

### 9 INVESTMENTS (continued)

	2021 £	2020 £
Listed and other investments at fair value comprise:		
Listed investments	9,443,691	7,711,128
Cash awaiting reinvestment	249,859	281,268
	<u>9,693,550</u>	<u>7,992,396</u>

### 10 DEBTORS

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade debtors	5,110	1,595	-	-
Other debtors	42,735	100,131	42,735	100,130
Amount due from Group undertakings	-	-	14,723	14,796
Prepayments and accrued income	419,789	1,401,369	419,789	1,401,169
	<u>467,634</u>	<u>1,503,095</u>	<u>477,247</u>	<u>1,516,095</u>

### 11 CREDITORS: Amounts falling due within one year

	Group		Charity	
	2021 £	2020 £	2021 £	2020 £
Trade creditors	384,107	433,862	384,107	433,862
Other creditors	314,180	402,580	314,180	402,580
Refundable parent deposits	556,900	553,450	556,900	553,450
Other tax and social security creditors	296,516	298,477	294,924	298,477
Deferred income	1,822,405	1,124,635	1,822,405	1,124,569
Accruals	362,087	1,590,176	358,535	1,590,176
Pension scheme cessation creditor (LGPS)	304,721	238,810	304,721	238,810
Defined benefit pension scheme liability (TPT)	16,743	19,590	16,743	19,590
Amount due to Group undertakings	-	-	-	33,510
	<u>4,057,659</u>	<u>4,661,580</u>	<u>4,052,515</u>	<u>4,695,024</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 2021

12	CREDITORS: Amounts falling due after more than one year	Group		Charity	
		2021 £	2020 £	2021 £	2020 £
	Deferred income	14,670	20,693	14,670	20,693
	Pension scheme cessation creditor (LGPS)	910,846	1,155,338	910,846	1,155,338
	Defined benefit pension scheme liability (TPT)	56,267	87,799	56,267	87,799
		<u>981,783</u>	<u>1,263,830</u>	<u>981,783</u>	<u>1,263,830</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 within 5 years.

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

	2021 £	2020 £
At 1 September	1,145,328	1,544,119
Funds received in year	1,826,376	1,094,609
Amounts released	(1,134,629)	(1,493,400)
	<u>1,837,075</u>	<u>1,145,328</u>
At 31 August		

# Solihull School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2021

### 13 MOVEMENT ON FUNDS (group)

	Fund balance at 31 August 2020 £	Income £	Expenditure £	Net gains on investments £	Funds balance at 31 August 2021 £
Unrestricted Funds	55,286,969	20,269,982	19,738,593	545,597	56,363,955
Restricted Funds:					
Silhillian Fund	1,276,999	126,744	110,074	75,382	1,369,051
EG Wilcox Fund	103,758	32,000	32,000	-	103,758
Other	10,754	82,968	13,941	-	79,781
Total Restricted	1,391,511	241,712	156,015	75,382	1,552,590
Endowment Fund	491,118	-	-	99,245	590,363
Total	<u>57,169,598</u>	<u>20,511,694</u>	<u>19,894,608</u>	<u>720,224</u>	<u>58,506,908</u>

### 13 MOVEMENT ON FUNDS (charity)

	Fund balance at 31 August 2020 £	Income £	Expenditure £	Net gains on investments £	Funds balance at 31 August 2021 £
Unrestricted Funds	55,199,234	20,283,589	19,699,374	545,597	56,329,046
Restricted Funds:					
Silhillian Fund	1,276,999	126,744	110,074	75,382	1,369,051
EG Wilcox Fund	103,758	32,000	32,000	-	103,758
Other	10,754	82,968	13,941	-	79,781
Total Restricted	1,391,511	241,712	156,015	75,382	1,552,590
Endowment Fund	491,118	-	-	99,245	590,363
Total	<u>57,081,863</u>	<u>20,525,301</u>	<u>19,855,389</u>	<u>720,224</u>	<u>58,471,999</u>

#### Restricted Funds notes

The Silhillian Fund provides funds for bursaries.

The E G Wilcox Fund provides funds for Sixth Form scholarships (£21,492) and sports facilities (£10,508).

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 2021

### Endowment Funds notes

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.

### 14 ANALYSIS OF NET ASSETS BETWEEN FUNDS (group)

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 August 2021 were:				
Tangible fixed assets	39,399,007	-	-	39,399,007
Investments	18,847,434	1,217,253	590,363	20,655,050
Net current liabilities	(900,703)	335,337	-	(565,366)
Liabilities: amounts falling due after more than one year	(981,783)	-	-	(981,783)
	<u>56,363,955</u>	<u>1,552,590</u>	<u>590,363</u>	<u>58,506,908</u>
	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)
	<u>55,286,969</u>	<u>1,391,511</u>	<u>491,118</u>	<u>57,169,598</u>

# Solihull School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2021

### 14 ANALYSIS OF NET ASSETS BETWEEN FUNDS (charity)

	Unrestricted funds £	Restricted funds £	Endowment funds £	Total £
Fund balances at 31 August 2021 were:				
Tangible fixed assets	39,399,007	-	-	39,399,007
Investments	18,847,435	1,217,253	590,363	20,655,051
Net current liabilities	(935,613)	335,337	-	(600,276)
Liabilities: amounts falling due after more than one year	(981,783)	-	-	(981,783)
	<u>56,329,046</u>	<u>1,552,590</u>	<u>590,363</u>	<u>58,471,999</u>
	<u><u>56,329,046</u></u>	<u><u>1,552,590</u></u>	<u><u>590,363</u></u>	<u><u>58,471,999</u></u>
	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>
	<u><u>55,199,234</u></u>	<u><u>1,391,511</u></u>	<u><u>491,118</u></u>	<u><u>57,081,863</u></u>

# Solihull School

## NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 August 2021

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### 15 TEACHERS' PENSION SCHEME

Solihull 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. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June 2021 on proposed changes to the cost control mechanism following a review by the Government Actuary. Following a public consultation, the Government have accepted three key proposals recommended by the Government Actuary, and are aiming to implement these changes in time for the 2020 valuations.

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

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

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.

# Solihull School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2021

### 15 TEACHERS' PENSION SCHEME (continued)

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.

	2021 £	2020 £
Teacher's Pension Scheme contribution cost	1,625,446	1,508,246

There were £198,201 accrued contributions, relating to the final month of the year, included within other creditors as at 31 August 2021 (2020: £198,170).

### 16 STANDARD LIFE/THE PENSIONS TRUST PENSION SCHEME

The school operates two defined contribution schemes for non-teaching staff, one with Standard Life and one with The Pensions Trust.

	2021 £	2020 £
Standard Life/The Pensions Trust Pension Scheme contribution cost	250,686	206,062

There were outstanding contributions of £16,032 relating to the final month of the year included within other creditors as at 31 August 2021 (2020: £32,699). £13,035 was due to Standard Life with £2,997 due to The Pensions Trust.

### 17 COMMITMENTS

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

	2021 £	2020 £
Contracted	-	-

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

	2021 £	2020 £
Amounts payable within 1 year	55,214	90,320
Amounts payable within 2 – 5 years	50,340	71,640
	105,554	161,960

# Solihull School

## NOTES TO THE FINANCIAL STATEMENTS

for the year ended 31 August 2021

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### 18 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 2021, Solihull School Enterprises Limited recorded turnover of £55,341 (2020: £76,722), cost of sales and expenses of £20,433 (2020: £22,497) and corporation tax of £Nil (2020: £Nil) giving rise to a retained profit of £34,908 (2020: £54,225). 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 2021 were £34,909 (2020: £54,226).

Following the merger with Saint Martin's School, the Charity owns a subsidiary, Saint Martin's (Solihull) Limited (company number 00772557, charity number 528967) and through this, the charity previously owned 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 had not traded since the 6 January 2020 and was dissolved on 3 August 2021.

Saint Martin's (Solihull) Limited has not traded as a school during the year. The resolution of a number of inter-company balances and write off of the investment associated with Saint Martin's Enterprises Limited resulted in net expenditure of £33,511 in the year.

Net assets at 31 August 2021 were £Nil (2020: £33,511)

The Charity also owns a 50% shareholding in a joint venture company, Day Care at Saint Martins Limited (company number 07558046). During the year, the Charity received dividend income of £66,558 (2020: £Nil) and also rental/other recharge income of £69,231 (2020: £Nil). For the year ended 31 August 2021, the joint venture recorded turnover of £998,043 (2020: £694,027), cost of sales and expenses of £708,357 (2020: £575,960) and corporation tax of £54,954 (2020: £24,061) giving rise to a profit for the year of £234,732 (2020: £94,006) of which £117,366 (2020: £47,003) is attributable to the Group.

Net assets at 31 August 2021 were £167,694 (2020: £61,121), £83,847 (2020: £30,561) of which were attributable to the Group.

### 19 RELATED PARTY TRANSACTIONS

During the year, the Charity charged Solihull School Enterprises Limited £14,724 (2020: £13,034) in respect of staff and facilities costs. At the year end, the Charity was owed £14,723 (2020: £14,796) by Solihull School Enterprises Limited.

During the year, the Charity charged Saint Martin's (Solihull) Limited £22,860 (2020: £Nil) in respect of audit and professional fees. Saint Martin's (Solihull) Limited wrote off the remaining inter-company balance of £10,651 (2020: £Nil) to leave the inter-company balance as £Nil (2020: £33,511).

Details of governors' expenses are disclosed in note 5 to the accounts.



