

Registered company number: 06871042
Registered charity number: 1130254

**THE LADY ELEANOR HOLLES SCHOOL
(A CHARITABLE COMPANY LIMITED BY GUARANTEE)
REPORT OF THE GOVERNORS AND
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 AUGUST 2020**

CHAIRMAN'S LETTER

I am delighted to present the Directors' report and financial statements covering my first year as Chairman of the Governing Board. When I took over from Christopher Stokes on 1 August 2019 none of us could have imagined what an unprecedented year it would turn out to be. The Covid-19 pandemic, which took hold in early March 2020 and looks likely to continue well into 2021, has presented huge challenges and the education sector has been hit particularly hard, with schools closed for most of the Summer Term and GCSE and A Level examinations cancelled. Having said this, I am pleased to report that thanks to the supreme efforts of our Head Mistress, Mrs Hanbury, and her dedicated staff, as well as the understanding and cooperation of our students and parents, LEH has continued to thrive, albeit with many changes to the normal school routine.

The first half of the school year was "business as usual" and it was only after February half term that we began to feel the impact of Covid-19 creeping into school life. Not long after that it became apparent that schools were likely to have to close to help contain the virus and this is what the Government required us to do on 20 March. Our staff quickly adapted to providing remote learning in all subjects as well as many other aspects of the broader LEH curriculum. But with some minor exceptions for certain year groups towards the end of the Summer Term and to care for the children of key workers, school remained physically closed until September.

The Government's decision to cancel GCSE and A Level examinations and initially to replace them with grades based on teacher assessments as moderated by the examination boards caused significant challenges and stress for students, parents and teachers. The subsequent decision, made after the A Level results had been published, to substitute teacher assessed grades for the moderated grades, added more difficulties, particularly with respect to university admissions. Despite these challenges, the School recorded its best ever results at both A Level and GCSE and the vast majority of our A Level students achieved placement at their chosen university, with 13 going to Oxbridge colleges, seven to medical school and two to veterinary school.

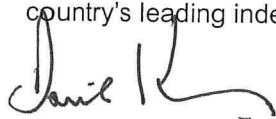
In the uncertainty that followed the Government's announcement of a nationwide lockdown at the end of March, the Governors decided to offer a discount of 15 percent off the Summer Term fees and to confirm that there would be no fee increase for the Autumn Term. The Governors also established a Hardship Fund to help those who, as a result of the pandemic, found difficulty in paying the Summer Term fees even after the discount. We are very grateful to those families who chose to pay the Summer Term fees in full, thereby donating the amount of the discount to the Hardship Fund. We also took the decision to freeze salaries for all staff and the Governors have subsequently confirmed that fees will remain at last year's level for the rest of this school year.

LEH is not a wealthy school, having no significant endowment other than its land and original buildings. Our termly income is used to meet our termly expenditure, principal amongst which is staff salaries, and to generate a modest surplus which goes to make repayments on our bank debt, to fund certain pension liabilities on a now closed scheme and to maintain our reserves held to cover unexpected events. It is this financially responsible approach that put us in the position of being able to offer a discount off the Summer Term fees and to provide further hardship support from our own resources. It also enables us to provide bursaries and other means-tested awards to about 8 percent of our Senior School students and to carry out the many public benefit activities which are set out in the Directors' report.

The School's net income (before unrealised investment losses) for the year to 31 August 2020 was £882,000, compared to £751,000 for the previous year. This increase year on year came despite a reduction in fee income as a result of the Summer Term fee discount and significantly higher pension costs following an increase in the contribution rate payable to the Teachers' Pension Scheme, which will continue in future years. These adverse factors were offset by unexpected cost savings as a result of the school being closed for several months and the receipt of furlough payments from the Government in respect of certain non-teaching staff whom we were unable to keep in work while the school was closed. For the first time in a number of years, no significant capital projects were undertaken.

With the Government's announcement of further school closures, the current school year continues to be challenging both educationally and financially. During the Summer break work was undertaken to develop further the School's hybrid learning model, which enables teaching and learning both in the classroom and at home if either students or teachers have to self-isolate, and this has required additional investment in technology and training for our staff. We have also had to make substantial changes to the way the School operates to ensure compliance with the Government's guidelines for schools during the coronavirus outbreak. Financially, our income will be impacted by maintaining tuition fees at last year's undiscounted level, which means we will need to keep costs under tight control. A number of initiatives are already underway to ensure this is the case and financial responsibility will remain a priority in all that we do.

Looking further ahead, the School is in the process of finalising its Strategic Plan for the period 2020 to 2025. Work began on this over a year ago but was interrupted by the Covid-19 pandemic, which required significant changes to the way the school operates, particularly as regards the use of technology in teaching. The updated plan will respond to these and other changes, with the aim of ensuring that LEH remains one of the country's leading independent girls' schools.



David King
Chairman of the Governing Board
February 2021

DIRECTORS, CHARITY TRUSTEES AND GOVERNORS

The Directors of The Lady Eleanor Holles School ("LEH" or the "School") are also the Charity Trustees and the Governors of the School. The Directors, all of whom served throughout the year ended 31 August 2020 and up to the date of this report, are as follows:

David King (Chairman)
Sister Paula Thomas (Vice
Chair from 01.09.20)
Annabel Blair
Martin George
Robert Milburn
Cathy Millis
Barbara Parson
Steven Pitchford
Richard Price
Catherine Thomas
Charlotte Thomas
Wendy Wildman (Vice Chair
until 31.08.20)

OFFICERS

Heather Hanbury
Michael Berkowitch
Sarah Whitehouse

Head Mistress
Director of Finance and Operations
Company Secretary

AUDITORS

Haysmacintyre LLP
10 Queen Street Place
London EC4R 1AG

BANKERS

Barclays Bank plc
6 Clarence Street
Kingston Upon Thames
KT1 1HD

ADDRESS AND REGISTERED OFFICE

The Lady Eleanor Holles School
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Hampton
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DIRECTORS' REPORT

The Governors present their annual report for the year ended 31 August 2020 under the Charities Act 2011 and the Companies Act 2006, including the Directors' Report and Strategic Report under the Companies Act 2006, together with the audited financial statements for the year.

STATUS AND ADMINISTRATION

The Cripplegate Schools Foundation was created in 1711 from a number of charitable gifts made for educational purposes to the Parish of St Giles without Cripplegate, in the City of London. The largest of these gifts were made by Elizabeth Palmer and later by Lady Eleanor Holles under her will of 1708. In the latter part of the nineteenth century the Vestry of the Parish ran three schools in the City of London and nearby Hackney. Today there is just the one school in Hampton, Middlesex, which is run as an independent, fee-paying, day school for girls.

The Lady Eleanor Holles School was incorporated as a charitable company, limited by guarantee, on 6 April 2009, and registered in England under company number 6871042 and charity number 1130254 and is the corporate trustee of the Cripplegate Schools Foundation.

The Foundation was originally registered with the Charity Commission under charity number 312493. Under a Charity Commission Scheme made on 1 November 2009 all unendowed assets and liabilities of the Foundation were transferred to the School and the endowed Foundation itself became a branch charity of the School with a new charity registration number (1130254-1) which is administered and accounted for by the School as its sole trustee.

On 4 April 2016, the School formed a wholly owned subsidiary, The Lady Eleanor Holles School International Limited, which is incorporated and registered in England as a limited company under company number 10099390. Its principal activity is to pursue opportunities for opening British schools outside the UK.

The Foundation's Permanent Endowment comprises the School's original land and its original buildings. The School uses the income from its other investments for the benefit of the School in the provision of scholarships, exhibitions, bursaries and prizes.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Documents

The School is governed by its Memorandum and Articles of Association, which have not been amended since incorporation in 2009.

Board of Governors

The Board is self-appointing. The term of office for each Governor is four years and Governors normally serve for two terms but may serve for a short additional period or even a third term by agreement of the Board.

Governors are appointed following a recruitment process and on the basis of recommendations from the Nominations and Governance Committee. The Governors are committed to ensuring that an open, transparent and inclusive process is followed in identifying and selecting new governors to join the Board. They regularly recruit using external agencies (e.g. Reach Volunteering) to ensure they attract independent members for the Board beyond alumnae and former parents.

Recruitment, Induction and Training of Governors

Governors are recruited from a wide variety of backgrounds, thus enhancing the standard of debate and strategic judgement. The professional background of the current Governors covers education, property, accountancy, human resources, banking, law and marketing. In terms of locality, the aim is to provide a balance of those who know the School and the local area as well as those who come from farther away but are able to provide a wider strategic view of the market in which the School operates.

Former pupils and parents of former pupils may serve as Governors provided they have the requisite experience and skills and further provided that former pupils and parents of former pupils do not, except in exceptional circumstances, constitute in the aggregate more than half of the Board. It is the Governors' policy not to recruit parents of current pupils.

New Governors are inducted into the workings of the School, including Board and School policies and procedures, and typically attend specialist external courses on the role and responsibilities of directors, governors and charity trustees.

Governors attend external trustee training and information courses to keep them informed and updated on current issues in the sector and regulatory requirements. Governors are also encouraged to attend school lessons at least once a year as well as a variety of other events during the year.

Board and Board Committees

The members of the Board, as the charity trustees, are legally responsible for the overall management and control of the School. The Board of Governors typically meets four times a year and also holds an annual strategy day. The School maintains directors & officers liability insurance for the benefit of Governors, as corporate directors, and senior management.

During the year, their activities as Governors were conducted through seven committees and the membership of each committee throughout the year was as follows:.

	(1)	(2)	(3)	(4)	(5)	(6)	(7)
David King		✓	✓	✓			
Annabel Blair		✓					
Martin George			✓				✓
Robert Milburn		✓	✓	✓			
Cathy Millis	✓		✓			✓	
Barbara Parson	✓					✓	
Steven Pitchford					✓		
Richard Price		✓	✓		✓		
Catherine Thomas					✓		✓
Charlotte Thomas				✓			
Sister Paula Thomas	✓		✓			✓	
Wendy Wildman	✓		✓			✓	

- 1 - Education Committee
- 2 - Finance Committee
- 3 - Nominations Committee
- 4 - Premises Committee
- 5 - Compliance and Risk Committee
- 6 - Staff Committee
- 7 - Development and Marketing Committee

During the year:

- The Education Committee reviewed the educational objectives of the School and the means that it uses to achieve such objectives. During 2019/20 it also had oversight of the School's approach to the cancellation of public exams in the summer of 2020 and the remote education provided to pupils whilst schools were required to be shut. The Committee was chaired by Sister Paula Thomas.
- The Finance Committee scrutinised the School's annual budget and management accounts and reviewed the audited financial statements and annual report and recommended them for approval by the Board. It also had oversight of the financial implications of the Covid-19 pandemic and the School's response to it. At the request of the Board, the Committee conducted a tender process for the appointment of auditors. Five audit firms were invited to submit proposals, from which a short list of three were interviewed before recommending to the Board that Haysmacintyre LLP be appointed. The Committee was chaired by Robert Milburn.
- The Nominations Committee reviewed the composition of the Board of Governors and interviewed a number of governor candidates, although this year none was put forward for approval by the full Board. The Committee also undertook a review of committee structures, which is discussed further below. The Committee was chaired by David King.
- The Premises Committee reviewed matters related to the land and buildings occupied by the School, including capital projects and annual maintenance budgets. The Committee was chaired by David King.
- The Compliance and Risk Committee reviewed the risks and compliance obligations faced by the School as well as the measures taken by the School to mitigate such risks and ensure compliance with applicable regulations. It had oversight of the risks presented by the coronavirus pandemic and the School's ongoing

mitigations in responding to changing guidance in this regard. The Committee was chaired by Richard Price.

- The Staff Committee reviewed matters relating to the recruitment, management and welfare of staff. The Committee was chaired by Cathy Millis.
- The Development and Marketing Committee reviewed matters related to fundraising, marketing and alumnae relations. The Committee was chaired by Martin George.

A review of the Committee structures was undertaken during 2019/20 and from the commencement of the academic year 2020/21 the detailed work of the Governors is being conducted by five committees:

- Finance and Estates: This has merged the work of the Finance and Premises committees and will meet four times a year. It is chaired by Robert Milburn.
- Education, Staff and Welfare: This has merged the work of the Staff and Education committees and will meet four times a year. The standing items will concentrate on staff and/or education according to the time of year. The merged committee also considers matters of staff and pupil welfare. It is chaired by Cathy Millis.
- Nominations and Governance: This committee has been renamed to make it clear that it deals with matters of governance as well as the identification and recruitment of new governors. The committee meets three times a year. It is chaired by David King.
- Compliance and Risk Committee: This committee also now includes oversight of Health and Safety matters, previously dealt with by the Premises Committee. The committee meets three times a year. It is chaired by Richard Price.
- Development and Marketing Committee: There are no changes to this committee, which meets twice a year. It is chaired by Martin George.

Safeguarding

Due to the importance of safeguarding and the welfare of pupils, the Governors have appointed two nominated safeguarding governors (NSGs), Wendy Wildman and Cathy Millis. The NSGs review closely the procedures followed by the School to comply with applicable safeguarding regulations and visit the School at least three times a year in order to meet with the Designated Safeguarding Lead (DSL) and her team and to undertake some oversight of safeguarding and HR records. All Governors receive safeguarding training to ensure they remain up to date in their understanding of the constantly evolving regulatory requirements. They also receive three safeguarding reports per annum so they have a good understanding of the nature of safeguarding issues that are arising in School and the pastoral/welfare support measures provided by the DSL and her team.

Operational Management

The day to day running of the School is delegated to the Head Mistress and Director of Finance and Operations, who in turn are supported by an additional nine senior leaders within the School (collectively "SMT"). During the year, there was a Deputy Head who was responsible for certain academic and pastoral matters. Following her departure to take up the post of Head Mistress at another school, a review of roles was undertaken and the School appointed a new Deputy Head and a Deputy Head Pastoral. Both Deputy Heads have members of the SMT reporting to them and they report to the Head Mistress along with the Director of Finance and Operations and the Head of the Junior School. Collectively, this SMT and governors constitute the key management personnel.

Governors are mindful of their responsibility to ensure good working relationships with parents, suppliers and the wider LEH community. This is reflected in the School's payment practices and the manner in which the School addresses requests for financial assistance and other parental concerns.

Remuneration and Staff Recruitment

The School's Governors are not remunerated.

The remuneration policy for staff is approved by the Board, with the objective of providing appropriate incentives to encourage enhanced performance and rewarding fairly and responsibly individual contributions to the School's success. Within this policy, the remuneration of the Head Mistress and the Director of Finance and Operations is set annually by the Board of Governors.

The appropriateness of the School's remuneration practices is reviewed regularly, including reference to comparisons with other independent schools, to ensure that the School remains sensitive to the broader issues of pay and employment conditions elsewhere. Delivery of the School's charitable vision and purposes is primarily dependent on its staff and staff costs are the largest single element of expenditures. For this reason, the School seeks to recruit high quality staff and aims for the School's remuneration and other employment conditions to be competitive with similar independent schools.

The School maintains a policy of equal opportunity and non-discrimination in recruiting and other matters relating to employment. Accordingly, job applicants and staff are treated similarly, regardless of their sex, marital status, sexual orientation, age, race, ethnic origin or disability.

Charity Governance Code

With its trustees, the School has ensured that it is substantially compliant with the Charity Governance Code. The Code asks charities to "apply or explain" the provisions of the Code. The following are areas where the School has not applied the Code's provisions and why:

- The Charity's Articles allow a maximum of 18 trustees, a larger Board than the 12 recommended by the Code. The Company has a number of committees and working groups and a larger Board enables these groups to have sufficient membership to undertake their required functions properly, although during the year the Board comprised only 12 Governors.
- The Board last reviewed its performance in 2017/18, appointing an external company to gather responses to a questionnaire and report their findings to the Board. Performance of individual trustees is undertaken informally. The formalisation of individual trustee performance and external review of the Board every three years is being kept under review and a Board self-evaluation will be undertaken in the 2020/21 school year.
- Diversity is always considered in trustee recruitment. Formal targets for diversity of the Board have not previously been set but the Board is aware of the need to ensure its membership is diverse and representative of its stakeholders. This is reflected in the recruitment process for new Governors.

JOINT ACTIVITIES WITH HAMPTON SCHOOL

The School is situated adjacent to Hampton School, an independent boys day school. As a result of such proximity, the Governing Bodies of LEH and Hampton School have entered into two joint ventures to assist with delivery of our educational objectives.

Millennium Boathouse

The Millennium Boathouse is located on land leased from Thames Water and adjacent to the River Thames, approximately two miles from the School. The land has been made available on a 125 year lease at a current annual rent of approximately £25,000. The two schools shared the capital cost of the project equally and each share is recorded as a tangible fixed asset in their respective books of account and depreciated in accordance with their accounting policies.

The administration of the facility is divided between the Bursar of Hampton School and the Director of Finance and Operations of LEH, with Hampton School having responsibility for the maintenance of the site and LEH having responsibility for all financial operations.

Pupilcoach Limited

Pupilcoach Limited is a joint trading company wholly owned by LEH and Hampton School, which provides a coach service to parents requiring help in getting their children to and from the schools.

Pupilcoach Limited carries over 1,200 pupils a day on 26 different routes. Those parents using the service pay for all costs, including overheads. The enterprise aims to break even over the course of the financial year and there is generally no subsidy from the two schools. Any profit or loss made by Pupilcoach Limited is shared equally by LEH and Hampton School, with profits being covenanted by way of gift aid.

Hampton School provides accommodation and administrative support for the staff of Pupilcoach Limited and LEH has responsibility for all financial operations. The Bursar of Hampton School and Director of Finance and Operations of LEH act as directors. The books of account are maintained and audited on a separate basis.

Extra-curricular Activities

The School and Hampton School meet regularly to identify opportunities of working collaboratively to maximise the benefits to both schools. Building on a long history of producing joint musical and drama productions as well as organising a wide range of career advisory programmes together and operating a joint school coach service, the two schools also offer combined curriculum enrichment activities for sixth form students of each school. Such collaborative activities were temporarily suspended in the spring of 2020 due to the pandemic and associated governmental guidelines. We expect such collaborative opportunities to resume after the passing of the pandemic.

OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES

Charitable Objects

The purpose of the School, as set out in the Memorandum of Association, is to advance education for the public benefit at the School, educating pupils not older than nineteen years with a liberal and practical education in accordance with the doctrines of Christianity.

Aims and Intended Impact

LEH is one of the oldest and most distinguished girls' schools in the UK. Pupils successfully balance outstanding scholarship with impressive achievements in sport and exciting creativity in the arts and beyond. With superb facilities set in 24 acres, the School offers bright girls a well-rounded and challenging education in a happy, purposeful environment, preparing them well for higher education and their future lives.

The School educates approximately 900 girls aged seven to eighteen, with around 200 in the Junior School and 700 in the Senior School. Pupils come from a very wide catchment area, from as far north as Ealing, as far south as Cobham, as far east as Fulham and as far west as Ascot and join LEH from many different maintained and independent schools.

LEH's aim is to be a school full of opportunity, challenge and friendship; a place to take risks and become bold; a place to discover passions, talents and yourself; a place that nurtures remarkable young women.

The School encourages its pupils:

- to be exactly who they are, whatever their current interests or future aspirations.
- to benefit from the warmth, respect, and support of the entire School community as they stretch themselves to become their best, most confident selves, as students, and as citizens of the world.
- to have the freedom to experiment, express opinions, explore and take on new challenges.
- to be supported by strong role models and inspired by their peers.
- to find confidence and strength, and acquire and build the skills they need to succeed throughout their lives.

To promote the School's academic and extra-curricular activities, the Governors place a high priority on an ongoing programme of maintenance and capital expenditures designed to offer pupils and staff first class facilities while scrutinising proposed expenditures to ensure that the School obtains value for money. Such scrutiny is provided in the budgeting process and throughout the academic year through the involvement of the Finance and Estates Committee and various working groups formed in connection with major construction projects. The Governors recognise the importance of recruiting, retaining and developing high quality staff in order to achieve the School's academic and extra-curricular objectives. Accordingly, the Governors monitor the School's human resources policies, compensation strategy, staff welfare, and training initiatives.

LEH's wholly-owned subsidiary, The Lady Eleanor Holles School International Limited, was formed as a vehicle through which to conduct the School's overseas activities. As described in further detail in the Strategic Report, the School has opened its first school in China and hopes to open further schools over the next several years. The School believes that such activities will generate revenue at minimal cost and that the net profit from such activities will help support the School to pursue its charitable objects in the UK. The cost of establishing such overseas schools, together with the responsibility for operating them, will be borne by third party organisations selected by the School.

Objectives and Strategy for the Year

A principal objective of the year covered by this report had been to develop an updated strategic plan for the years 2020-25. The Plan had reached an advanced stage when the School was forced to close its site in March 2020 due to the Covid-19 pandemic. At that point, the overarching objective became to continue to the greatest extent possible normal instruction and the range of extra-curricular activities for which the School is known. This required the School to establish rapidly a plan for remote instruction as well as preparing centre assessment grades for pupils due to sit GCSE and A Level exams during the spring of 2020. Over the summer, the School then devoted considerable time to planning the re-opening in September in the context of evolving government guidance (see *"Review of Achievements and Academic Performance for the Year"*).

The School's senior management maintains a practice of regular communication and consultation with staff on matters of general interest, both through the Joint Staff Consultative Committee, the School's primary vehicle for consulting staff, and more informally. Never has this been more evidenced than during the second half of 2019-20. The School's plans for limited re-opening in the summer term and full re-opening in the autumn term were communicated regularly with staff throughout the course of the spring and summer. Staff were encouraged to ask questions and express their views about the wide variety of risk reduction measures being taken to address the pandemic.

The uncertainty and financial difficulties caused by the pandemic have compounded the pre-existing political and financial challenges facing the School and other independent schools. Accordingly, as the School finalises its strategic plan for the next five years, it has begun to consider how best to meet its strategic objectives while retaining the financial flexibility to adapt to a changing operating environment. This work will continue in 2020/21 and will need to reflect the evolution of the pandemic and its impact on the School, its families and the wider economy.

During 2019/20, the School continued to work with Trumptech, a leading provider of educational services in China and Hong Kong, to prepare to open a school in Foshan, China ("LEH Foshan"). In addition to progressing construction of the facilities and planning the opening of the school, the senior management team had to contend with the consequences of Covid-19 in China, including the repatriation of expatriate staff who had returned to their home countries with the onset of the pandemic in January 2020. LEH Foshan was able to open in early September 2020 with remote instruction and expects to occupy its new premises during 2020/21.

During the course of the year the Head Mistress has made regular reports to the Board of Governors, either directly or via its committees, on these and other topics. She has held regular meetings with the Chairman of Governors and consulted widely with other Governors at appropriate times.

Public Benefit

The School actively supports the attainment of the highest educational standards, partly by networking with other schools (independent and maintained) and partly by peer group studies to evaluate quality and performance improvement methods. We also co-operate with many local charities in our on-going endeavours to widen public access to quality education, to optimise the educational use of our cultural and sporting facilities and to develop our pupils' social awareness of the wider community in which the School operates.

In the furtherance of these aims the Governors, as the charity Trustees, have carefully considered and complied with the duty in s.17 of the Charities Act 2011 to have due regard to the Charity Commission's general guidance on public benefit when considering the School's objectives and activities.

Bursaries and Scholarships

The School is committed to providing financial assistance to families whose daughters meet the School's entrance criteria but who are of limited financial means. The principal form of such assistance is through the award of bursaries, which range from 50% to 100% of fees. The provision of bursaries is widely advertised and, where available bursary funds are less than the demand from academically qualified applicants, awards are made on the basis of the applicant's performance in the entrance examination. Each award is subject to annual financial assessment.

The School also provides financial hardship assistance in certain circumstances when parents (or the fee payer) of girls already in the School suffer unexpected financial hardship. Each case is assessed on an individual basis and the form of assistance is determined according to specific circumstances.

In addition to the bursaries ordinarily provided on an annual basis, the School faced an unusually high level of parental requests for financial hardship assistance during 2019/20. This reflected the considerable impact the Covid-19 pandemic has had on many of our parents' incomes. The School responded to this demand by giving parents more time to pay and offering fee reductions in certain situations. Collectively, the School provided means tested financial assistance totalling £1,192,000 in 2019/20, an increase of £60,000 over the level of the prior year. With the effect of the pandemic continuing in 2020/21, the School expects to continue providing a higher than usual level of financial hardship assistance in the current year.

To help achieve the School's goal of increasing the level of means tested financial assistance provided to parents, the School has devoted a much greater level of effort to fundraising campaigns (see "*Fundraising*" below), the primary focus of which is to increase donations to the School's bursary fund. The School is very pleased that such efforts have begun to bear fruit, with significant donations to the bursary fund in the last two years. In addition, the School invited parents to contribute their 15% fee discount in the summer term (see "*Financial Review and Results for the Year*" below) to a new 2019/20 financial hardship fund specifically created to help parents requiring assistance to pay fees during the 2019/20 summer term. Of the £1,192,000 in total means tested financial assistance provided in 2019/20, £163,000 was made possible by donations to the School's bursary fund as well as to the 2019/20 financial hardship fund.

In addition to the means-tested forms of financial assistance described above, the School also awards academic, music, drama, art and sports scholarships to exceptional candidates who are assessed on the basis of written examinations, interview and/or audition. Such scholarships are generally worth no more than 10% of fees and are not means tested. Staff whose daughters attend the School are also entitled to a remission on school fees based on a percentage which varies depending on the year in which they were employed by the School.

In 2019/20, 191 pupils (21% of the total number at the School) received bursaries, hardship assistance, scholarships or staff fee remissions having an aggregate value of £1,581,000 (8.9% of gross fee income). Of these, 77 received financial support through bursaries, of which 41 were full bursaries.

Community Activities

Through its Public Benefit activities, the School endeavours to foster the aims of its founder by engaging with local, national and international bodies, building strong relations with the local community and encouraging its pupils to contribute positively, willingly and with altruism, for the greater good.

The School's mission statement for its community activities, by which all of our current and future Public Benefit and Community activities should be judged, is as follows:

- Acknowledge that by attending LEH, pupils receive an outstanding education, which brings with it responsibility to society;
- Inculcate a culture of participation in the service of the community, locally, nationally and internationally;
- Raise pupils' awareness of issues which challenge their perceptions of others;
- Provide opportunities for pupils to engage in activities with members of the local community, in particular school children and the elderly;
- Provide a stimulating extra-curricular programme which embraces engagement with national and international bodies;
- Engage the whole school in charitable giving;
- Facilitate the use of the school buildings by groups and schools in the local area;
- Develop educational partnerships with local cluster schools.

Active Service by Staff

Members of staff are involved in, lead and often accompany pupils who participate in a variety of outreach work.

Individual members of staff served in a variety of capacities for the benefit of the public during the year, including leading local choral, dramatic and sporting groups as well as organising events for the benefit of others. A member of the School's SMT also served, at the request of the School, as a governor of the Reach Academy in Feltham (see below).

Members of the PE Department coach and select for national teams and facilitate Borough-wide sporting competition. For example, they organised the Richmond Borough Netball tournament and Trampolining competition and assisted in the organisation of Borough athletics and cross country.

Two members of the School's staff assisted with the organisation and delivery of the Hampton School CCF until it disbanded in December 2019. During this time our Outward Bounds Co-ordinator continued to be Head of the Army section under command of the Contingent Commander at Hampton School and one of our Physics teachers also assisted with the organisation of the RAF contingent. A new LEH CCF was formed effective 1 September 2020 and will offer places to students at LEH as well as Hampton School and Hampton High School.

Links with Local Maintained Schools

The School continues as an active member of the Hampton Independent and State Schools' Partnership, a group of seven secondary schools (of which five are maintained schools) within the Richmond Borough involving approximately 200 children, with the aims of raising standards, encouraging cooperation and collaboration, and promoting social cohesion. During the year, the School hosted a Languages day and ran a Model United Nations Conference for partnership schools. In addition, the LEH jointly hosted a Music Partnership day where musicians from partnership schools joined LEH and Hampton School for orchestral and choral workshops followed by an evening concert in the theatre at LEH. Various academic lectures held at LEH were also attended by pupils from our partnership schools.

During the Summer holidays, Hampton School organised a two-week catch-up programme for Year 10 students in our partnership schools. LEH staff volunteered their time to teach students attending the programme.

A series of evening parent talks on a variety of PSHE (Personal, Social and Health Education) topics, organised and hosted by LEH, were advertised to partnership schools and very well attended by parents from the schools.

Forty six Year 5 children from eleven local state primary schools attended our SHINE Serious Fun on Saturdays programme which runs from November to March. The programme is run by LEH staff and pupil volunteers and is designed to inculcate a love of learning, raise confidence and improve literacy.

Over thirty pupils volunteered at local state primary schools and at Marjory Kinnon School, where they worked with children with specific needs and learning disabilities. Our Year 7 pupils also raised funds to buy presents for pupils at Marjory Kinnon School.

The Careers Department invited neighbouring state schools to attend our annual Higher Education Fair and Careers Fair.

The School's Deputy Head continued as the LEH Governor on the Local Governing Board of Reach Academy, Feltham. In this role, she provided advice on academic standards as well as a blend of challenge and support. At a curriculum level, LEH supported the development of A Level Science teaching capacity at Reach by teaching some A Level Physics and Psychology. Teachers from Reach also spent some time at LEH observing lessons, focusing particularly on A Level teaching. LEH also included Reach students in some enrichment activities beyond the classroom.

Throughout the year two members of the music department visited Twickenham School on a weekly basis to run an extra-curricular club for students and supported their preparations for their Winter Showcase.

Our links with Hampton High continued to strengthen throughout the year. Staff from Hampton High and LEH met regularly to discuss mutual opportunities. Staff from Hampton High were also offered the opportunity to use the LEH swimming pool for staff swimming.

Links with Other Organisations

In addition to the above, the School raises awareness among LEH pupils of a number of societal issues through links with other organisations, including those described below.

There are strong links with a number of residential homes and the School welcomed nearly 250 local elderly residents to our two tea parties.

Charity Fundraising

Charity fundraising involves the whole School community in raising money and awareness for good causes. The School elects a charity for the year, which becomes the major focus of charitable giving; charities alternate between an overseas charity and a UK based charity. This focus does not preclude other charitable giving, and each year there are a number of smaller charities which benefit from the School's fundraising efforts. Full details of recent fundraising events are displayed on the School's website (www.lehs.org.uk). In 2019/20 over £6,000 was raised for the charity Plastic Oceans UK, whose mission is to stop plastics reaching the oceans within a generation. A sizeable donation of tinned food was also collected for Richmond Foodbank.

During the partial closure of the school in the Summer term charity fundraising continued. Our rowers raised £2,300 for the Shooting Star Hospice and our Junior School pupils raised over £7,500 in aid of NHS charities.

For information regarding LEH's fundraising for its own charitable purposes, please see *Fundraising*.

Cultural Contribution and Sporting Facilities

The LEH Drama department provided free tickets to Hampton High for school and academic productions and their students took part in specialist workshops offered by LEH.

Another new initiative was 'Write the Girl'. This is a collaboration with a neighbouring state school, Hampton High, which seeks to create new material for young women. The first play was commissioned last year. Hampton High pupils were invited to audition and 6 girls won parts. Hampton High and LEH pupils worked together to stage the play and it was performed over three nights in the Spring term.

In addition, pupils from LEH created a musical production of Snow White which toured local primary schools over four lunchtimes during the summer term and the LEH theatre was let free of charge to a local charity for a charity fundraising concert.

The School gave free use of its sports facilities to a local state school and to the Scouts and Sea Cadets. The swimming pool was leased at a reduced rate to a range of local swimming clubs and a number of local state schools were given free weekly access to the pool. Other sports facilities were used by netball clubs, lacrosse squads, gymnastics associations, etc. We regularly hosted rounds of National Netball competitions, and regional tournaments for lacrosse, netball and gymnastics.

The Charity 'Crisis at Christmas' used the whole of the School's vehicle fleet over the Christmas and New Year period.

The Environment

The School recycles food waste and cardboard from the dining halls. During the year in review, the student led EcoSquad proactively worked towards reducing the use of plastic and paper in school and pupils engaged in the Duke of Edinburgh Award Scheme volunteered at local charity shops, libraries and by litter picking, helping with park runs.

For the year ended 31 December 2018 (the most recent for which data is available), the School consumed 3.29m kWh of energy. The School's most recent report prepared under the Energy Savings Opportunity Scheme (ESOS) regulations was completed in February 2020 and identified a number of energy saving opportunities which the School is evaluating. In addition, the School also sought to update its building management system (BMS) software and obtain the relevant training for senior maintenance staff to ensure that the School minimises its energy consumption and carbon footprint. An important part of the School's new five year strategic plan (see *Future Developments and Plans*) is to improve the School's sustainability profile by improving our energy conservation, updating existing arrays of solar panels, recovering ground water for use in our landscaping activities and other initiatives to be finalised.

Future Developments and Plans

As noted in *Objectives and Strategies for the Year*, the School maintains a five year strategic plan which is reviewed annually. This plan identifies a range of medium term objectives and strategies for achieving such objectives. As previously noted, the Governors and senior management are in the process of finalising the School's strategy for the next five years (2020-25), a process which was delayed due to the impact of the Covid 19 pandemic. This will include, among others, the objectives of continuing to maintain excellent educational opportunities and outcomes for pupils, raising the importance of diversity and inclusion within our students, staff and curriculum as well underpinning its financial performance in the context of a more challenging operating environment than in the past.

REVIEW OF ACHIEVEMENTS AND ACADEMIC PERFORMANCE FOR THE YEAR

As noted under "*Strategy and Objectives for the Year*", 2019/20 represented a year of significant adjustment for the entire LEH community. The Covid-19 pandemic affected virtually all aspects of the School's operations and required the School to adapt in a matter of a few weeks to circumstances not seen in the School's modern history.

By accelerating the migration of data and applications from locally managed IT infrastructure to Cloud computing architecture, the School was able to offer teachers and pupils the ability to deliver remotely a wide range of live lessons. Because the School had adopted the use of personal iPads into the School's pedagogy over the last five years, the School was already well positioned for remote working and instruction. Nevertheless the efforts asked of staff and pupils in a short period of time with limited training was considerable. The School is proud that, through the efforts of all its staff, pupils were able to continue their learning, largely without interruption.

Throughout the summer of 2020, the School planned the return of pupils and staff in September while recognising that the new academic year would most likely be different from past years. Like all schools, LEH had to consider a multitude of operational adjustments to meet government guidance addressing the ongoing pandemic. This included new arrangements to protect staff and pupils, which involved creating year group pupil "bubbles", the use of personal protective equipment in various situations, new cleaning procedures and modified ways of offering extra-curricular activities. The fact that the School was able to resume its activities in ways very similar to prior years in itself represented a significant achievement.

As a result of the pandemic, the Government announced in the spring that GCSE and A level public examinations would be cancelled in 2020. Instead GCSE and A Level results were awarded based on centre assessed grades determined by each school and then moderated by the examination boards as they deemed necessary to ensure that the distribution of grade results for any individual school was broadly similar to that of the school's results in previous years. Following the initial announcement of the A Level results, which identified numerous problems with the algorithm used by the examination boards to moderate school results, the Government announced that GCSE and A level results would be the higher of the grade recommendations submitted by schools or those determined by the examination board moderation process.

The modified process for determining GCSE and A Level results in 2020 required a great deal of additional time and effort by LEH teachers and management, particularly since the modified process had never before been used. Despite the necessary adjustments, the Governors wish to congratulate both pupils and staff for their patience and for the outstanding results at both GCSE and A level. At A level, 85% of exams were at A* or A Grade and 96% in the A/B range. Most pupils go on to very highly regarded universities in the UK. At GCSE level, 95% of exams achieved grades 9,8 or 7 (equivalent to A*/A).

Whilst academic excellence is at the core of the School's work, equal priority is given to the development of the pupil as an individual, and to providing opportunities in sport, music, drama and a large range of extra-curricular activities. This continues although the pandemic has temporarily limited certain extra-curricular activities and our ability to organise trips and visits both in the UK and overseas.

One of the great assets of the School is its superb facilities and ample grounds. Never has this been more true than during the pandemic, when our ability to offer pupils extensive external space has been particularly valuable. Whilst it is not possible to list all achievements, the School is proud of those pupils who have achieved national and international recognition in rowing, lacrosse, gymnastics and swimming. A significant number of pupils represent their County teams, and we are delighted that such a large percentage of the pupils continue to represent the School at all levels. As a leading UK girls school in both rowing and lacrosse, it is pleasing to see the number of pupils involved in these sports and the level of dedication and excellence that is achieved.

Music and drama continue to thrive at the School, playing a central role in the life of pupils at LEH. The Music Department again staged a significant number of concerts throughout the year under review, providing both formal

and informal opportunities for pupils of all ages and abilities to perform. The ensembles in the School perform to the highest standards. Despite the pandemic, our music and drama activities continue, albeit with certain changes to protect the welfare of pupils and staff.

Members of staff continue to provide outstanding opportunities for pupils to extend their love of learning through a wide variety of events, including those targeted at gifted pupils. These included events organised with other schools in science, drama and public speaking.

Opportunities for pupils to explore and develop cultural and academic connections with other countries continued to be offered with overseas trips, including language study, pupil exchanges and a geography study, although such activities were temporarily suspended in the spring of 2020 due to the pandemic.

FINANCIAL REVIEW AND RESULTS FOR THE YEAR

As noted above, Covid-19 has had a significant impact on the School's operations, including its finances. Although teaching and learning continued remotely throughout the summer term largely uninterrupted, the Governors decided to offer all parents a 15% fee discount for the summer term to recognise that the School was unable to provide for an entire term the same range of extra-curricular activities and normal in-person instruction. Income was also adversely affected because of lower ancillary income (charges for lunch, coaches and various extra-curricular activities) and reduced letting income. This was partially offset by payments received from the Government under the Coronavirus Job Retention Scheme.

Expenses for the summer term were also lower than expected due to closure of the School's site and resulting absence of certain services such as catering, cleaning and coach transportation as well as lower expenditure by the School's academic and extra-curricular departments.

The School's financial results were also impacted by a 43% increase in required employer contributions to the Teachers Pension Scheme as well as non-cash charges totalling £303,000 relating to write down of capitalised building project costs and a provision related to expected increases in business rates resulting from the completion of a major capital project.

The School achieved a consolidated investment surplus (net income from operations plus depreciation) of £2,060,000 for the financial year ended 31 August 2020 (2019: £1,902,000), which includes LEHI's net loss of £49,000 (2019: £58,000).

The level of consolidated investment surplus for the year ended 31 August 2020 represented 11.5% of gross fees (2019: 10.5%). The Governors consider the surplus appropriate to enable the School to finance its ongoing capital expenditures as well as meet its debt service requirements related to its long term loan facilities, particularly given the extraordinary impact of the pandemic.

Over the past 10 years in particular, the School has spent considerable sums to expand and improve its facilities. To spread over a prolonged period the impact of such expenditure on the School's cash flow, the School borrowed a portion of such expenditures. Such debt facilities are repayable over a 10 year period from 2016. The loan agreement governing such facilities requires that certain standard financial covenants be met by the School. Although one of such covenants was not met for 2019/20, the breach was waived by the School's lender.

The Governors are mindful of the economic uncertainty due to the continuing Covid 19 pandemic and Brexit, the recent significant increase in the required contributions by schools, including independent schools, to the Teachers' Pension Scheme as well as possible increases in business rates. Such changes are likely to result in lower investment surpluses for the foreseeable future than those of recent years. With this in mind, the School is reviewing carefully its cost base to identify possible opportunities of reducing expenditure without materially impacting teaching and learning.

During 2019/20, LEH had an average of 934 pupils of whom 192 were in the Junior School and 742 were in the Senior School. Despite the pandemic, pupil numbers have not diminished and demand for places at the School remains strong, both in terms of numbers and the quality of the applicants. There is every expectation that this situation will continue in the future.

Investment Powers and Policy

The Trustees' investment powers are governed by the constitutional documents, which permit the School's funds to be invested in any security listed on the London Stock Exchange.

Pursuant to the School's investment policy, the School investments are managed in accordance with the following principles:

- To optimise long term investment returns, long term investments are to be invested in low cost passively managed equity funds whose performance tracks the overall UK equity market;
- To avoid risks of short term capital losses, funds intended to be used over the short to medium term are to be invested in short term deposits with Barclays Bank or other similarly rated UK banks.

Reserves Policy

The School's reserve policy is to maintain sufficient available unrestricted reserves to meet the School's short term liabilities in the event of unexpected costs or a revenue shortfall. The Governors regularly review the reserves policy in light of the macro-economic and political environment in which the School operates. Despite the cost pressures facing independent schools nationally and the challenges currently being experienced as a result of the Covid-19 pandemic, the Governors believe that the School remains in good financial health with largely predictable and strong income and a sizable cash balance. As previously noted, the School is reviewing its cost base to identify opportunities of reducing expenditure. The School also maintains short term credit facilities that are available in the event of an unexpected cash flow shortfall. Accordingly, the Governors believe that the School's reserve policy is appropriate and that unrestricted reserves as well as external financing facilities provide adequate financial liquidity.

Note 15 to the accounts shows the assets and liabilities attributable to the various funds by type.

At the Balance Sheet date, the Group held total funds of £22,350,000 which consisted of unrestricted funds totalling £16,670,000, endowed funds of £4,440,000 and restricted funds of £1,240,000. Most of the Group's unrestricted reserves are invested in fixed assets. Free reserves at the Balance Sheet Date were £1,250,000 (2019: £890,000).

The School's subsidiary, LEHI, had a net deficit of £168,000 at 31 August 2020, reflecting expenses incurred over the past several years. However the license agreement between LEHI and its Hong Kong based partner requires a payment of £150,000 to LEHI upon the opening of a school in Foshan, which occurred in September 2020. The School thus anticipates that LEHI's net deficit will be extinguished from the receipt of such payment and future termly license payments.

Pension Liability

As indicated in Note 17 to the accounts, the School had a liability at the balance sheet date of £890,000 (2019 £1,080,000) related to the Cripplegate Foundation Pension and Assurance Scheme, a defined benefit pension scheme that was closed to future accrual in 2006. This liability reflects the present value of expected future contributions by the School to the Scheme until the Scheme's liabilities have been fully met. Because the Scheme's liabilities will be paid over a period of decades, the School expects that it will be able to meet its required contributions as they fall due.

Fundraising

Fundraising is only carried out by LEH staff and fundraising activities are not outsourced to professional fundraisers or commercial participators. The charity is registered with the Fundraising Regulator and is committed to adhering to the Code of Fundraising Practice. No complaints have been received about the fundraising carried out by the charity. The charity has signed up to receiving suppressions under the Fundraising Preference Service. All of our fundraising and customer service staff follow best-practice guidelines for dealing with vulnerable people. The primary fundraising event during 2019/20 was our first Great Big Bursary Ball. The event was a great success, raising over £65,000 through a variety of activities. All of the donations from the Ball will be used to provide future bursaries for pupils who meet the School's criteria. In addition, a new Legacy mailing in January resulted in very encouraging response. This was followed by the "soft launch" of the LEH 1710 Society, with the aim of encouraging parents throughout the school to become regular donors to the Bursary Fund. We also continued our annual appeal to the 2020 Leavers to donate their deposits towards the School's bursary fund.

The Covid-19 lockdown caused two fundraising events in the spring and summer terms to be postponed. However the School was very pleased that parents responded so well to The Hardship Fund appeal, led by the Chair of Governors, which invited parents to donate the 15% fee reduction offered to parents in the summer term. Through these various activities, the School raised a total of £416,000 in donations and associated gift aid during 2019/20.

RISK MANAGEMENT

The Governors are responsible for the strategic oversight of the risks faced by the School. Risks are identified and categorised under the following broad headings:

- Finance
- Operational
- Governance
- External
- Serious incident and/or loss of reputation

The risk level is calculated and controls are recorded that either lower the impact of a risk and/or reduce the likelihood of a risk materialising. Detailed consideration of risk is delegated to the Compliance and Risk Committee which reviews the Risk Register (including controls in place) once a term. A formal review of the Risk Register and the Risk Management Policy (setting out the detailed processes in place) is undertaken by all Governors annually.

Through the risk management processes established for the School, the Governors are satisfied that the major risks identified have been adequately mitigated insofar as possible. It is recognised that the systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

The two principal risks identified by the Governors at the present time are set out below:

1. A new risk that arose during the year is the potentially serious financial implications of Covid-19 arising from a number of aspects of the pandemic including: (1) the School having to discount fees again if the School premises have to close due to Covid-19; and/or (2) affordability issues arising from the economic impact of the crisis to the economy in general; and/or (3) additional costs of operating during the pandemic. This is closely monitored by the Finance and Estates Committee and the School is ready and able to provide remote teaching in the event that schools have to close again.
2. The introduction of new legislation/regulation imposing obligations on schools in general, or just independent schools, with financial and operational implications (e.g. imposition of VAT, a further increase in employer contributions to the Teachers' Pension Scheme and/or removal of business rates relief). The School closely monitors and comments on proposed legislation or regulatory initiatives by working with, and providing input to, the Independent Schools Council and other industry associations. In addition, the School considers the potential impact of possible new legislation in the School's medium to long term financial planning and stress tests its financial forecasts to reflect different possible legislative scenarios.

A further risk, currently deemed "medium", may increase in the future as the implications of the pandemic on the general economy become more clear:

3. The affordability to parents of fees (a risk faced by independent schools across the country) and the potential effect it could have on pupil numbers or quality in the medium to longer term. Although the School receives many more high quality applications than available places, the Governors are cognisant of the financial pressures faced by many of the School's parents in paying school fees and of the increased competition from the maintained sector. As a consequence, the School continues to explore actively ways of generating a higher level of non-fee income, including the opening of schools outside the UK (see "*Objectives and Strategies for the Year*") and donations.

The principal risks of the School's subsidiary (LEHI) and joint venture with Hampton School (Pupilcoach) are primarily financial and reputational, although the activities of LEHI and Pupilcoach are more limited and focused than those of running the School. Such risks are also monitored by the Board of Governors through its committees and working groups. The risks associated with Pupilcoach's activities are also monitored through close consultation between the senior management of both the School and Hampton School.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of the School for the purposes of company law) are responsible for preparing the Strategic Report, the Governors' Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Governors to prepare financial statements for each financial year. Under that law the Governors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards) and applicable law.

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

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

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions, disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act and the provisions of the charity's constitution. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Insofar as each of the Governors of the School at the date of approval of this report is aware, there is no relevant audit information (information needed by the company's auditor in connection with preparing the audit report) of which the company's auditor is unaware. Each Governor has taken all of the steps that he/she should have taken as a Governor in order to make himself/herself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

AUDITOR

During the year, the School carried out an audit tender process as a result of which Haysmacintyre LLP were appointed auditors in place of Crowe U.K. LLP ("Crowe"). The Governors wish to place on record their thanks to Crowe for their many years of service to the School. A resolution appointing Haysmacintyre LLP as auditors will be proposed at the forthcoming Annual General Meeting.

This Report of the Governors, prepared under the Charities Act 2011 and the Companies Act 2006, was approved by the Governors of the School on 26 January 2021, including in their capacity as company directors approving the Strategic Report contained therein, and is signed as authorised on its behalf by:



David King
Chairman

Independent Auditor's Report to the Members of The Lady Eleanor Holles School

Opinion

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

In our opinion the financial statements:

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

Basis for opinion

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

Responsibilities of governors

As explained more fully in the governors' responsibilities statement set out on page 17 and 18, the governors (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the governors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's responsibilities for the audit of the financial statements

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

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

Conclusions relating to going concern

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

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

Other information

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

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

- the information given in the Report of the Governors (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 strategic report and the directors' report included within the Report of the Governors have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

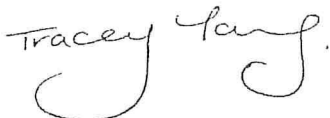
In light of the knowledge and understanding of the group and the parent charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Report of the Governors (which incorporates the strategic report and the directors' report).

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

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

Use of our report

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



.....
Tracey Young (Senior Statutory Auditor)

For and on behalf of

Haysmacintyre LLP (Statutory Auditor)

10 Queen Street Place

London

EC4R 1AG

Date: 12 February 2021
.....

THE LADY ELEANOR HOLLES SCHOOL
CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES
YEAR ENDED 31 AUGUST 2020

	Notes	Unrestricted Funds £	Restricted Funds £	Endowment Funds £	Total 2019/20 £	Total 2018/19 £
Income and endowments from:						
School fees	2	16,400,680	-	-	16,400,680	16,668,831
Other income	5	2,050,934	-	-	2,050,934	2,648,030
Other trading activities						
Millennium Boat House		44,535	-	-	44,535	67,477
Investments						
Investment income	4	55,973	5,960	-	61,933	93,453
Bank and other interest	4	18,083	-	-	18,083	37,299
Voluntary sources						
Donations and grants	6	665,185	381,785	-	1,046,970	331,868
Total income		19,235,390	387,745	-	19,623,135	19,846,958
Expenditure on:						
Activities of subsidiaries	20	48,966	-	-	48,966	58,311
Cost of raising funds and development		45,508	-	-	45,508	12,049
Cost of finance	9	332,074	-	-	332,074	394,697
Charitable activities						
Education and grant making		18,131,498	182,658	-	18,314,156	18,630,768
Total expenditure	7	18,558,046	182,658	-	18,740,704	19,095,825
Net income before transfers and investment losses		677,344	205,087	-	882,431	751,133
Transfers and investment losses	11	(328,265)	(33,707)	-	(361,972)	(87,990)
Net movement in funds		349,079	171,380	-	520,459	663,143
Balances brought forward		16,320,828	1,069,183	4,444,335	21,834,346	21,171,203
Balances carried forward		16,669,907	1,240,563	4,444,335	22,354,805	21,834,346

The notes on pages 25 to 44 form part of these financial statements

The comparative consolidated statement of financial activities is given in note 18

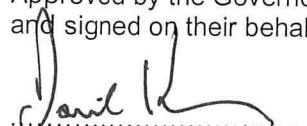
THE LADY ELEANOR HOLLES SCHOOL
CONSOLIDATED AND SCHOOL BALANCE SHEETS
YEAR ENDED 31 AUGUST 2020

Registered Company Number 06871042

	Notes	2020 £ Group	2019 £ Group	2020 £ School	2019 £ School
FIXED ASSETS					
Tangible assets	10	31,772,083	32,664,512	31,772,083	32,664,512
Investments	11	1,967,268	2,329,238	1,967,269	2,329,239
		33,739,351	34,993,750	33,739,352	34,993,751
CURRENT ASSETS					
Stock		17,901	18,233	17,901	18,233
Debtors	12	438,243	655,686	607,613	777,529
Cash at bank and in hand		5,775,681	5,977,947	5,771,357	5,966,645
		6,231,825	6,651,866	6,396,871	6,762,407
CREDITORS: falling due within one year	13	(5,330,980)	(6,523,110)	(5,329,230)	(6,515,821)
NET CURRENT ASSETS		900,845	128,756	1,067,641	246,586
TOTAL ASSETS LESS CURRENT LIABILITIES		34,640,196	35,122,506	34,806,993	35,240,337
CREDITORS: falling due after one year					
Creditors payable after one year	14	(11,394,071)	(12,210,492)	(11,394,071)	(12,210,492)
Pension scheme funding deficit	17	(891,320)	(1,077,668)	(891,320)	(1,077,668)
TOTAL NET ASSETS		22,354,805	21,834,346	22,521,602	21,952,177
FUNDS					
Endowment funds					
- Permanent	15	4,444,335	4,444,335	4,444,335	4,444,335
Restricted funds	15	1,240,563	1,069,183	1,240,563	1,069,183
Unrestricted funds	15				
- Designated fixed asset reserves		15,423,579	15,432,672	15,590,376	15,550,503
- Unrestricted free reserves		1,246,328	888,156	1,246,328	888,156
		16,669,907	16,320,828	16,836,704	16,438,659
		22,354,805	21,834,346	22,521,602	21,952,177

No separate Statement of Financial Activities has been presented for the School alone, as permitted by Section 408 of the Companies Act 2006. The net movement in funds of the School was £569,425 (2019; £721,455).

Approved by the Governors and authorised for issue on 26 January 2021
and signed on their behalf by


David King (Chairman)

The notes on pages 25 to 44 form part of these financial statements

THE LADY ELEANOR HOLLES SCHOOL
CONSOLIDATED CASH FLOW STATEMENT
YEAR ENDED 31 AUGUST 2020

	<u>2020</u>	<u>2019</u>
	<u>£</u>	<u>£</u>
Cashflows from operating activities:		
Net cash provided by operating activities	(i) 1,361,373	2,447,930
Cash flows from investing activities		
Purchase of tangible fixed assets	(518,420)	(1,322,352)
Proceeds from sale of tangible fixed assets	66,600	19,138
Bank interest received	18,083	37,297
Investment income	61,933	93,455
Net cash used in investing activities	(371,804)	(1,172,462)
Cash flows from financing activities		
Net loans repaid	(883,335)	(883,330)
Interest paid on loan	(308,500)	(355,816)
Net cash used in financing activities	(1,191,835)	(1,239,146)
Change in cash and cash equivalents in the reporting period:		
(Decrease) / Increase in cash in the period	(202,266)	36,323
Cash and cash equivalents at the beginning of the reporting period	5,977,947	5,941,624
Cash and cash equivalents at the end of the reporting period	5,775,681	5,977,947

(i) **Reconciliation of net income to net cash flow from operating activities**

Net income for the reporting period	520,459	663,143
Adjustments for:		
Bank interest paid	(18,083)	(37,298)
Investment income	(61,933)	(93,454)
Non-cash pension related expense	18,000	37,000
Interest paid on loan	308,500	355,816
Cripplegate pension deficit contributions	(204,348)	(204,348)
Unrealised losses on investments	361,972	87,990
Depreciation charge	1,174,902	1,151,077
Fixed asset impairment	206,704	191,000
(Profit) on sale of fixed assets	(37,357)	(19,138)
Decrease in stock	332	9,465
Decrease / (increase) in debtors	217,443	(71,533)
(Decrease) / increase in creditors	(1,125,218)	378,211
Net cash flow from operations	1,361,373	2,447,930

The notes on pages 25 to 44 form part of these financial statements

**THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020**

1. ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared by The Lady Eleanor Holles School ("LEH" or the "School") in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Statement of Recommended Practice (second edition effective 1 January 2019) applicable to charities preparing their accounts in accordance with FRS 102.

The functional currency of the School is considered to be GBP because that is the currency of the primary economic environment in which the School operates.

These financial statements are prepared under the historical cost convention, as modified by the revaluation of investments.

After making enquiries, the Governors have reasonable expectation that the School has adequate resources to continue its activities for the foreseeable future despite the adverse impact of the Covid-19 pandemic. As previously noted in the Directors' Report, the School's lender waived the breach for the year 2019/20 of a financial covenant contained in the School's long term debt agreement. The Governors expect that the School will be able to meet applicable financial covenants for the year 2020/21 and that the School will continue to meet its debt repayment obligations as they fall due. Accordingly, the Governors consider that there are no material uncertainties over the School's financial viability and thus continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Governors' Responsibilities on page 17.

These financial statements present the consolidated statement of financial activities (SOFA), the consolidated cash flow statement and the consolidated and School balance sheets comprising the consolidation of the School with its wholly owned subsidiary, The Lady Eleanor Holles School International Limited (LEHI), and the School's 50% share ownership of Pupilcoach Limited. In accordance with the requirements of Financial Reporting Standard 102, Pupilcoach Limited has been accounted for as a joint venture. Pupilcoach's results and net assets position are set out in note 3.

As noted in the Directors' Report, the School and Hampton School each have 50% share in the Millennium Boathouse and thus share equally the cost of operating the Boathouse. The School records 100% of the expenses associated with the Millennium Boathouse and separately recognises a income from Hampton School equal to 50% the Millennium Boathouse expenses in the income section of the SOFA.

The School has taken advantage of the exemption, available to a qualifying entity under FRS 102, from the requirement to present a school only cash flow statement within the consolidated financial statements.

The School is a Public Benefit Entity registered as a charity in England and Wales (charity number 1130254) and a private company limited by guarantee, incorporated in England (company number: 6871042).

LEHI was incorporated in England as a limited company on 4 April 2016 (company number: 10099390). Its registered address is Hanworth Road, Hampton TW12 3HF.

Critical accounting judgments and key sources of estimation uncertainty

In the application of the accounting policies, Governors are required to make judgments, estimates and assumptions about the carrying value of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affected current and future periods.

In the view of the Governors, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year.

b) Fixed assets

Tangible fixed assets excluding land are depreciated in equal annual instalments over their estimated useful lives, which are as follows:

Buildings	50 years
Boiler plant	20 years
Tractors	15 years
Other plant and equipment	10 years
Portakabins	5 years
Rowing equipment	5 years
Security system	5 years
Motor Vehicles	4 years
IT Equipment	3 years

Intangible fixed assets are amortised in equal annual instalments over their expected useful lives, which are as follows:

Software	3 years
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Fixed asset additions are capitalised where appropriate and depreciated in accordance with the above policy for individual items in excess of £5,000. All assets are stated at cost, net of accumulated depreciation and impairment decisions, which are reviewed annually.

c) Investments

Investments are revalued as at the balance sheet date and the surplus or deficit of this revaluation is shown as unrealised gains or losses on the face of the Statement of Financial Activities. Realised gains and losses represent the difference between the sale proceeds and the opening market value of an investment or cost if purchased during the year. Investments in subsidiaries are valued at cost less provision for impairment.

Investment income is included in the Statement of Financial Activities on an accruals basis and credited to the fund to which it relates.

The School accounts for its 50% interest in Pupilcoach, the School's joint venture with Hampton School, pursuant to the equity method. Accordingly, 50% of the profit or loss of the joint venture is included in the consolidated Statement of Financial Activities. An asset is held in the consolidated balance sheet, equal to the School's investment in Pupilcoach.

d) Fees

Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the School but include contributions received from Restricted Funds for Scholarships, Bursaries and other grants. Fees received in advance of education to be provided in future years under an Advance Fee Payments Scheme contract are held as interest-bearing liabilities until either taken to income in the term when used or else refunded. Fees received in advance are treated as deferred income.

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

e) Deposits

Deposits are included as a liability until refunded or, on ceasing to be refundable, are credited to income. Although under normal circumstances these will be repaid over future years when the pupils complete their education at the School, pupils can leave at earlier dates. The School does not therefore have an unconditional right to retain the individual deposits for at least 12 months after the balance sheet date and balance of the deposits held is thus included within current liabilities.

f) Donations and Grants

Donations receivable for the general purpose of the School are credited to Unrestricted Funds. Donations for purposes restricted by the wishes of the donor are taken to Restricted Funds where these wishes are binding on Governors. Donations and grants are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Grants received in 2019/20 from the Government pursuant to the Coronavirus Job Retention Scheme have been included within Donations and Grants income. Government grants are recognised on the accrual basis.

g) Expenditure

Expenditure is charged to the Statement of Financial Activities as soon as a liability is considered probable, discounted to present value for longer-term liabilities. Expenditure attributable to more than one cost category in the Statement of Financial Activities is apportioned to categories based on the estimated amount attributable to each activity in the year, either by reference to staff time or the use made of the underlying assets, as appropriate. Irrecoverable VAT is included with the item of expense to which it relates. Governance costs comprise the costs of running the charity, including strategic planning for its future development, also external audit, any legal advice for the Governors and all the costs of complying with constitutional and statutory requirements.

h) Leases

Rentals payable under operating leases are charged in the Statement of Financial Activities on a straight line basis over the lease term.

i) Staff Benefits including pension costs

The School contributes to the Teachers' Pension Defined Benefits Scheme (the Teachers' Pension Scheme) at rates set by the Scheme actuary and advised to the Board by the Scheme Administrator. Until the date of closure on 31 August 2006, the School also participated in the Cripplegate Foundation Pension and Assurance Scheme for non-teaching staff. Both schemes are multi-employer pension schemes and it is not possible to identify the assets and liabilities of each scheme that are attributable to the School. In accordance with FRS 102 the Schemes are accounted for as defined contribution schemes. With effect from 1 September 2006 the School is contributing to individual stakeholder pension schemes for non-teaching staff at a rate which depends on the contributions made by employees but which is approximately 10% of annual pay on average.

Short term benefits

Short term benefits, including holiday pay, are recognised as an expense in the period in which the service is received.

Employee termination benefits

Termination benefits are accounted for on an accruals basis and in accordance with FRS 102.

j) Financial Instruments

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost or, in the case of investments, at fair value. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors (excluding prepayments). A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except deferred income, social security and other taxes and provisions.

**THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020**

k) Fund accounting

Permanent endowment funds must be held permanently in furtherance of the School's charitable objects. The Governors are able to spend at their discretion the income generated by such funds.

Restricted funds relate to funds which have been received and their use restricted to specific aspects of the School's charitable objects, particularly grants and donations subject to donor imposed conditions.

Unrestricted funds comprise designated and general funds. Designated Funds are those set aside out of unrestricted funds by the School for a purpose specified by the School's Governors. General funds represent those monies which are freely available for application towards achieving any charitable purpose that falls within the School's charitable objects.

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

2 Charitable Activities - Fees Receivable

(a) The School's fee income comprised:	2020	2019
	£	£
Gross fees	18,753,628	18,069,162
Less: Summer term 2020 general discount	(935,072)	-
Less: Bursaries, scholarships and staff remissions	(1,580,670)	(1,520,366)
	<u>16,237,886</u>	<u>16,548,796</u>
Add back bursaries and scholarships paid by restricted funds	162,794	120,035
	<u>16,400,680</u>	<u>16,668,831</u>

	Paid by general funds £	Paid by restricted funds £	Total 2020 £
(b) Means-tested bursaries and hardship awards	1,032,953	158,633	1,191,586
Scholarships	275,405	4,161	279,566
Staff remissions	109,518	-	109,518
	<u>1,417,876</u>	<u>162,794</u>	<u>1,580,670</u>

	Paid by general funds £	Paid by restricted funds £	Total 2019 £
Means-tested bursaries and hardship awards	1,011,696	120,035	1,131,731
Scholarships	285,389	-	285,389
Staff remissions	103,246	-	103,246
	<u>1,400,331</u>	<u>120,035</u>	<u>1,520,366</u>

Bursaries, scholarships and other awards were provided to 191 pupils (2019: 171). Within this, means-tested awards were provided to 77 pupils (2019: 58).

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

3. JOINT VENTURE WITH HAMPTON SCHOOL

The School owns 50% of the issued share capital of Pupilcoach Limited, which provides a coach service for pupils attending the School and Hampton School. The remaining 50% of the share capital is owned by Hampton School, which is also a registered charity. The figures below reflect only the School's 50% share.

	2020	2019
	£	£
Turnover	520,617	705,796
Cost of sales	(464,753)	(653,545)
Gross profit	55,864	52,251
Administrative expenses	(21,050)	(23,540)
Profit before donation	34,814	28,711
Donations to the School	(34,814)	(28,711)
Profit after donation	-	-
	2020	2019
	£	£
Current assets		
Debtors	3,109	2,709
Cash at bank and in hand	61,316	51,168
	64,425	53,877
Current liabilities	(32,783)	(22,235)
Net assets	31,642	31,642
Capital and reserves:		
Called up share capital	31,642	31,642
Profit and loss account	-	-
	31,642	31,642

The joint venture donates its accumulated taxable profits (after offsetting losses incurred in prior years) in equal shares to the School and Hampton School under the Gift Aid scheme.

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

4. INVESTMENT INCOME

	2020 £	2019 £
Dividends from UK investment portfolio	61,933	93,454
Bank interest	18,083	37,298
	<u>80,016</u>	<u>130,752</u>

5. OTHER INCOME

	2020 £	2019 £
Charitable activities		
Other educational income	388,477	685,835
Registration fees	59,800	62,875
Rental income	97,319	76,402
Ancillary income	1,505,338	1,822,918
	<u>2,050,934</u>	<u>2,648,030</u>

Other educational income relates principally to income from trips and activities.

Ancillary income relates principally to income from extra curricular activities and catering.

6. INCOME FROM VOLUNTARY SOURCES

	2020 £	2019 £
Donations and grants		
Donations	416,604	331,868
Government grants	630,366	-
	<u>1,046,970</u>	<u>331,868</u>

During the year Government grants were received principally under the Coronavirus Job Retention Scheme.

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

7. ANALYSIS OF TOTAL EXPENDITURE

	Staff costs Note 8	Other costs	Depreciation and impairment	2020
	£	£	£	£
Activities of subsidiaries	-	48,966	-	48,966
Cost of raising funds and development	-	45,508	-	45,508
Cost of finance	-	332,074	-	332,074
	-	426,548	-	426,548
Charitable activities				
Education and grant making				
Teaching	9,962,973	931,577	-	10,894,550
Other educational expenditure	-	393,471	-	393,471
Welfare	-	512,484	-	512,484
Premises and estates	1,050,750	1,105,983	1,381,606	3,538,339
Millennium Boathouse	-	102,608	-	102,608
Support costs*	1,689,692	1,132,440	-	2,822,132
Governance costs	18,258	32,314	-	50,572
	12,721,673	4,210,877	1,381,606	18,314,156
	12,721,673	4,637,425	1,381,606	18,740,704

	Staff costs	Other costs	Depreciation and impairment	2019
	£	£	£	£
Activities of subsidiaries	-	58,311	-	58,311
Cost of raising funds and development	-	12,049	-	12,049
Cost of finance	-	394,697	-	394,697
	-	465,057	-	465,057
Charitable activities				
Education and grant making				
Teaching	9,090,549	1,141,214	-	10,231,763
Other educational expenditure	-	673,877	-	673,877
Welfare	-	831,648	-	831,648
Premises and estates	951,656	1,677,474	1,342,077	3,971,207
Millennium Boathouse	-	134,953	-	134,953
Support costs*	1,573,240	1,142,990	-	2,716,230
Governance costs	16,329	54,761	-	71,090
	11,631,774	5,656,917	1,342,077	18,630,768
	11,631,774	6,121,974	1,342,077	19,095,825

Governance costs include:

	2020	2019
	£	£
Audit fees	23,940	23,088
Salaries+	18,258	16,329
Governors' expenses	2,358	5,690
Other governance costs	6,016	25,982
	50,572	71,090

* Support costs comprise administrative staff costs, general office expenses, recruitment costs, marketing costs, training costs and postage and stationery costs.

+ Governance costs include salary costs in connection with duties and processes related to Governors' meetings and other governance costs.

Auditors remuneration (excluding VAT) in respect of the audit of these group financial statements was £19,950 (2019: £19,240), in respect of associated entities was £5,250 (2019: £4,680), and other audit-related assurance services was £1,000 (2019: £1,210).

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

8. STAFF COSTS

	2020	2019
	£	£
Wages and salaries	9,925,067	9,464,312
Social security costs	1,026,037	956,862
Life assurance and private medical cover	38,618	27,165
Pension costs	1,731,951	1,183,435
	<u>12,721,673</u>	<u>11,631,774</u>

Aggregate employee-benefits of key management personnel	<u>£1,417,622</u>	<u>£1,270,627</u>
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The average number of employees during the year was:

Teaching staff	164	156
Teaching assistants	29	28
Support staff	<u>133</u>	<u>124</u>
	<u>326</u>	<u>308</u>

The following number of employees exceeding £60,000 emoluments:

£60,001 - £70,000	15	12
£70,001 - £80,000	4	5
£80,001 - £90,000	2	1
£90,001 - £100,000	1	1
£120,001 - £130,000	0	1
£150,001 - £160,000	1	0
£210,000 - £220,000	0	1
£230,000 - £240,000	1	0

During the year, there were redundancy or termination payments made amounting to £16,000 (2019: £17,089).

The Governors received no remuneration during the current and preceding year. Travel expenses of £44 were reimbursed to one governor (2019: £412, 5 governors).

Governors donated a total of £190 to the School during the year (2019: £2,000).

PENSION CONTRIBUTIONS

During the year, the School contributed:

- £1,467,508 to the Teachers' Pension Scheme (2019: £952,362)
- £264,443 to a stakeholder pension scheme for non teaching staff (2019: £230,772)
- £204,348 to the Cripplegate Foundation Pension & Assurance Scheme, the closed defined benefit scheme for non-teaching staff (2019: £204,348).
- As explained in note 17b, an additional funding charge in respect of the Cripplegate Foundation Pension & Assurance Scheme of £7,000 was recognised in the year (2019: £17,000).

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

9. COST OF FINANCE

	2020 £	2019 £
Fees In Advance Scheme debt-financing cost	12,574	18,881
Bank loan interest	308,500	355,816
Pension scheme financing cost	11,000	20,000
	<u>332,074</u>	<u>394,697</u>

10. FIXED ASSETS

Group and School

	Tangible Assets			Intangible Assets	
	Freehold Land & Buildings £	Motor Vehicles & Equipment £	Assets Under Construction £	2020 Total £	2020 Software £
Cost or valuation					
At 1 September 2019	39,058,894	3,745,665	148,853	42,953,412	29,264
Additions	57,081	403,488	57,851	518,420	-
Disposals	-	(97,465)	-	(97,465)	-
Impairment	-	-	(206,704)	(206,704)	-
	<u>39,115,975</u>	<u>4,051,688</u>	<u>-</u>	<u>43,167,663</u>	<u>29,264</u>
Depreciation					
At 1 September 2019	7,651,407	2,637,493	-	10,288,900	29,264
Charge in year	852,634	322,268	-	1,174,902	-
Disposals	-	(68,222)	-	(68,222)	-
	<u>8,504,041</u>	<u>2,891,539</u>	<u>-</u>	<u>11,395,580</u>	<u>29,264</u>
Net book value at 31 August 2020	<u>30,611,935</u>	<u>1,160,149</u>	<u>-</u>	<u>31,772,083</u>	<u>-</u>
Net book value at 31 August 2019	<u>31,407,486</u>	<u>1,108,173</u>	<u>148,853</u>	<u>32,664,512</u>	<u>-</u>

The impairment of assets under construction relates to the write-off of professional fees on a project which will now not go ahead in the foreseeable future.

Tangible fixed assets with a carrying value of £30,611,935 (2019: £31,407,486) are pledged as security for the Group's bank loans.

There is no capital expenditure contracted that has not been provided in the financial statements (2019: £nil).

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

11. FIXED ASSET INVESTMENTS

	2020	2019
	£	£
Group investments - market value		
At 1 September	2,297,596	2,385,586
Unrealised losses in market value	(361,972)	(87,990)
	<u>1,935,624</u>	<u>2,297,596</u>
Investment in joint venture (note 3)	31,642	31,642
Group investments at 31 August	<u>1,967,268</u>	<u>2,329,238</u>
Investment in subsidiary	1	1
School investments at 31 August	<u>1,967,269</u>	<u>2,329,239</u>

12. DEBTORS

	Group	Group	School	School
	2020	2019	2020	2019
	£	£	£	£
Fees receivable	65,642	59,192	65,642	59,192
Amounts owed by subsidiary and affiliated companies	-	-	169,400	121,843
Other debtors	121,333	150,641	121,303	150,641
Prepayments and accrued income	251,268	445,853	251,268	445,853
	<u>438,243</u>	<u>655,686</u>	<u>607,613</u>	<u>777,529</u>

THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020

13 CREDITORS

	Group 2020	Group 2019	School 2020	School 2019
	£	£	£	£
Amounts falling due within 1 Year				
Advance fees	1,714,780	1,825,422	1,714,780	1,825,422
Fees in Advance Scheme	366,779	470,100	366,779	470,100
Trade creditors	270,144	775,099	270,144	775,099
Other creditors	756,580	1,030,764	756,580	1,030,764
Place deposits refundable	1,180,900	1,169,150	1,180,900	1,169,150
Bank loan	883,333	883,333	883,333	883,333
Accruals	158,464	369,242	156,714	361,953
	<u>5,330,980</u>	<u>6,523,110</u>	<u>5,329,230</u>	<u>6,515,821</u>

Advance fees refers to fees received in a given year which relate to the provision of education in the immediately following academic year.

Fees received which relate to the provision of education in more than one future academic year are reported as Fees in Advance Scheme (also see note 14).

14. CREDITORS

	Group 2020	Group 2019	School 2020	School 2019
	£	£	£	£
Amounts falling due after 1 year				
From one to two years:				
Fees in Advance Scheme	162,867	172,412	162,867	172,412
Bank loan	883,333	883,333	883,333	883,333
	<u>1,046,200</u>	<u>1,055,745</u>	<u>1,046,200</u>	<u>1,055,745</u>
From two to five years:				
Fees in advance scheme	210,368	133,910	210,368	133,909
Bank loan	2,650,000	2,650,000	2,650,000	2,650,000
	<u>2,860,368</u>	<u>2,783,910</u>	<u>2,860,368</u>	<u>2,783,909</u>
More than five years:				
Bank loan	7,487,503	8,370,837	7,487,503	8,370,838
	<u>11,394,071</u>	<u>12,210,492</u>	<u>11,394,071</u>	<u>12,210,492</u>

**THE LADY ELEANOR HOLLES SCHOOL
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED 31 AUGUST 2020**

The bank loan is secured by a charge over the freehold land and buildings of the School. The loan is repayable over 10 years from 2016 and interest is charged based on Libor rate plus the bank's margin. As previously noted in the Directors' Report, the lender waived the breach for the year 2019/20 of a financial covenant contained in the School's long term debt agreement.

Fees in Advance Scheme

Parents may enter into a contract to pay the School up to the equivalent of five years' tuition fees in advance. The money may be returned subject to specific conditions on receipt of one term's notice. In the table above, Fees in Advance Scheme creditors have been classified according to the year in which the fees are expected to be applied (assuming pupils remain in school). The balance shown below represents the total accrued liability under the contracts. The movements during the period were:

	£
Balance at 1 September 2019	776,419
Plus funds received during 2019/20	545,778
Amounts utilised in payment of fees:	(582,183)
	<hr/> 740,014 <hr/>

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15. FUNDS

The Groups's reported funds are divided into three categories:

- 1) Unrestricted Funds – Constitute assets which can be spent by the School's Governors at their discretion in furtherance of the School's charitable objects.
- 2) Restricted Funds - Constitute assets which have been donated to the School for specific aspects of the School's charitable objects. The Governors must spend such funds for the stated purposes defined by the respective donors.
- 3) Permanent Endowment Funds - Constitute assets (including land, buildings or cash) which must be held permanently in furtherance of the School's charitable objects. The Governors are able to spend at their discretion the income generated by such funds.

Analysis of Group Net Assets Between Funds

	Tangible Fixed Assets £	Investments £	Net Current Assets / (Liabilities) £	Long Term Creditors £	Pension Liability £	Total 2020 £
Unrestricted funds						
Designated fixed asset reserves	27,327,748	-	(883,333)	(11,020,836)	-	15,423,579
Unrestricted free reserves	-	1,780,372	730,511	(373,235)	(891,320)	1,246,328
	27,327,748	1,780,372	(152,822)	(11,394,071)	(891,320)	16,669,907
Restricted funds	-	186,896	1,053,667	-	-	1,240,563
Endowment funds	-	-	-	-	-	-
Permanent endowment	4,444,335	-	-	-	-	4,444,335
	31,772,083	1,967,268	900,845	(11,394,071)	(891,320)	22,354,805

	Tangible Fixed Assets £	Investments £	Net Current Assets / (Liabilities) £	Long Term Creditors £	Pension Liability £	Total 2019 £
Unrestricted funds						
Designated fixed asset reserves	28,220,177	-	(883,333)	(11,904,171)	-	15,432,672
Unrestricted free reserves	-	2,108,631	163,514	(306,321)	(1,077,668)	888,156
	28,220,177	2,108,631	(719,819)	(12,210,492)	(1,077,668)	16,320,828
Restricted funds	-	220,606	848,577	-	-	1,069,183
Endowment funds	-	-	-	-	-	-
Permanent endowment	4,444,335	-	-	-	-	4,444,335
	32,664,512	2,329,238	128,756	(12,210,492)	(1,077,668)	21,834,346

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Movement in funds

	2019 Balance Brought Forward £	Income £	Expenditure £	Transfers £	Investment losses	2020 Balance carried forward £
Endowment funds						
Land & buildings	4,444,335	-	-	-	-	4,444,335
	4,444,335	-	-	-	-	4,444,335
Restricted funds						
Bursary funds	805,208	368,125	(162,794)	-	(19,352)	991,187
Building funds	14,042	3,187	-	-	-	17,229
Sundry restricted funds	249,933	16,433	(19,864)	-	(14,355)	232,147
	1,069,183	387,745	(182,658)	-	(33,707)	1,240,563
Unrestricted funds						
Designated fixed asset reserves	15,432,672	-	-	(9,093)	-	15,423,579
Unrestricted free reserves	888,156	19,235,390	(18,558,046)	9,093	(328,265)	1,246,328
	16,320,828	19,235,390	(18,558,046)	-	(328,265)	16,669,907
Total funds	21,834,346	19,623,135	(18,740,704)	-	(361,972)	22,354,805

	2018 Balance Brought Forward £	Income £	Expenditure £	Transfers £	Investment losses	2019 Balance carried forward £
Endowment funds						
Land & buildings	4,444,335	-	-	-	-	4,444,335
	4,444,335	-	-	-	-	4,444,335
Restricted funds						
Bursary funds	659,067	270,485	(120,035)	-	(4,309)	805,208
Building funds	7,941	6,100	-	-	-	14,042
Sundry restricted funds	244,256	33,791	(24,607)	-	(3,506)	249,933
	911,264	310,376	(144,642)	-	(7,815)	1,069,183
Unrestricted funds						
Designated fixed asset reserves	14,566,565	-	-	866,107	-	15,432,672
Unrestricted free reserves	1,249,039	19,536,582	(18,951,183)	(866,107)	(80,175)	888,156
	15,815,604	19,536,582	(18,951,183)	-	(80,175)	16,320,828
Total funds	21,171,203	19,846,958	(19,095,825)	-	(87,990)	21,834,346

Sundry restricted funds consist primarily of prize funds, rowing funds for equipment (including donations by the Hampton & Holles Boat Club), sports funds, donations by the Friends of LEH, donations to be made to LEH alumnae and donations to support sciences at the School.

Designated fixed asset reserves reflect unrestricted funds used by the School to purchase its tangible fixed assets to date (the carrying value of the School's tangible fixed assets less the debt used to purchase them less the amount allocated to the School's permanent endowment). See also Note 10.

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16. COMMITMENTS

- (a) On a joint basis with Hampton School, the School has leased land adjacent to the River Thames on the site of a redundant filter bed at the nearby Hampton Waterworks. The freehold of the land is owned by Thames Water plc and the original lease term was for 125 years. The purpose of entering the lease was to construct a boathouse and club facility for the joint benefit of both schools. Pursuant to an annual rent review, Thames Water increased the annual rent in October 2019 to £24,450.

The lease became operative in October 2000 and, on this basis, the School's undiscounted share of the liabilities is assessed as:

	<u>Due within 1 year</u>	<u>Due within 2-5 years</u>	<u>Due after 5 years</u>
2019/20	£12,225	£48,900	£1,222,500
2018/19	£9,913	£39,652	£1,001,213

- (b) The School is committed to making the following minimum lease payments under operating leases:

	Equipment 2020 £	Equipment 2019 £
Contracts due to expire in less than one year	41,582	48,334
Contracts due to expire within one and two years	19,470	32,328
Contracts due to expire in two to five years	7,345	10,855
	<u>68,398</u>	<u>91,517</u>

For the year ended 31 August 2020, total operating lease expense was £54,039 (2019: £50,441).

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17. PENSIONS

(a) Teachers' Pension Scheme

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,467,508 (2019: £952,362) and at the year-end £nil (2019: £132,720) was accrued in respect of contributions to this scheme.

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

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

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

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

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

Until a remedy to the discrimination conclusion has been determined by the Employment Tribunal it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

(b) Cripplegate Foundation Pension and Assurance Scheme

The School participates in the Cripplegate Foundation Pension and Assurance Scheme (the "Scheme"), a pension scheme providing defined benefits based on final pay. The Scheme was closed to future accrual in 2006. The assets of the Scheme are held separately from those of the employers participating in the Scheme and are invested in exempt investment funds. The Trustee of the Scheme is required to act in the best interest of the Scheme's beneficiaries.

The Scheme is a non-segregated multi-employer scheme and, as a result, it is not possible in the normal course of events to identify on a reasonable and consistent basis the share of the assets belonging to individual participating employers. The assets are comingled for investment purposes and the benefits are paid out of total Scheme assets.

A funding assessment as at 5 April 2017 was carried out for the Trustee of the Scheme by a qualified independent actuary. As at this date, the fair value of the Scheme's assets was £10.0m and the

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present value of funded obligations was £12.0m giving a deficit for the Scheme as a whole of £2.0m as at 5 April 2017. The School's share of the deficit was estimated to be 43.13% of the total.

It is understood that the Scheme's Trustee has the discretion to segregate on cessation of participation by an employer. For a participating employer to cease to participate in circumstances where it has not become insolvent, it would be required to pay into the Scheme its share of the shortfall in the Scheme determined on a discontinuance basis.

The Scheme is a multi-employer scheme as defined in FRS 102 and, under the provisions of FRS 102 relating to multi-employer schemes, the School accounts for contributions paid to the Scheme as though it were a defined contribution scheme.

Under FRS 102, a liability is recognised in respect of the future contributions due under any commitment to make good the shortfall in the Scheme and to cover the Scheme's expenses.

During the year to 31 August 2018, the Trustee and employers agreed a new Schedule of Contributions, certified by the Scheme Actuary on 18 May 2018, which required total contributions to the Scheme of £473,808 per annum between 1 May 2018 and 31 January 2025, of which LEHS is required to pay £204,348 per annum over the period.

A "liability" has been recognised, representing the present value, as at 31 August 2020, of the future contributions payable under the commitment in force at that date (that is, under the Schedule of Contributions). The discount rate used to value the liability was 0.5% p.a. (2019: 1.0% p.a.)

The movements in the pension liability during the years ended 31 August 2020 and 31 August 2019 were as follows:

	2020 £	2019 £
Movements during the year:		
Balance at start of year	1,077,668	1,245,016
Unwinding of the discount rate	11,000	20,000
Contributions paid	(204,348)	(204,348)
Additional funding charge	7,000	17,000
Balance at end of year	891,320	1,077,668

The amounts recognised in the SOFA for the years ended 31 August 2020 and 31 August 2019 were as follows:

	2020 £	2019 £
Amount recognised in the SOFA:		
Unwinding of the discount rate	11,000	20,000
Additional funding charge		
- due to change of basis	7,000	17,000

- (c) With effect from 1 September 2006 the School introduced a Legal & General Group Stakeholder pension scheme for non-teaching staff. Provided the employee contribution is 6% or more, the employer makes a contribution of 10% of annual pay. The contributions charge totaled £264,443 (2019: £230,772) and at the year-end £37,330 (2019: £34,850) was accrued in respect of contributions to this scheme.

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18. Consolidated Statement of Financial Activities – Comparative figures by fund-type

Year ended 31 August 2019	Unrestricted £	Restricted £	Endowment £	Funds Total £
Income and endowments from:				
School fees	16,668,831	-	-	16,668,831
Other income	2,648,030	-	-	2,648,030
Other trading activities				
Millennium Boat House	67,477	-	-	67,477
Investments				
Investment income	84,400	9,053	-	93,453
Bank and other interest	37,299	-	-	37,299
Voluntary sources				
Donations	30,545	301,323	-	331,868
Total income	19,536,582	310,376	-	19,846,958
Expenditure on:				
Activities of subsidiaries	58,311	-	-	58,311
Raising funds & development	12,049	-	-	12,049
Cost of finance	394,697	-	-	394,697
Charitable activities				
Education & grant making	18,486,126	144,642	-	18,630,768
Total expenditure	18,951,183	144,642	-	19,095,825
Net income from operations before transfers and investment gains	585,399	165,734	-	751,133
Gains on investments	(80,175)	(7,815)	-	(87,990)
Net income and capital inflow	505,224	157,919	-	663,143
Net movements in funds for the year	505,224	157,919	-	663,143
Balances brought forward	15,815,604	911,264	4,444,335	21,171,203
Balances carried forward	16,320,828	1,069,183	4,444,335	21,834,346

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19. ANALYSIS OF CHANGES IN NET DEBT

	Balance at 1 September 2019	Cash-flow	Debt Reclassification	Balance at 31 August 2020
Cash at bank	5,977,947	(202,266)		5,775,681
Loans falling due within one year	(883,333)	883,335	(883,333)	(883,331)
Loans falling due after more than one year	(11,904,170)	-	883,333	(11,020,837)
	(6,809,556)	681,069	-	(6,128,487)

20. SUBSIDIARY

As indicated in Note 1, the School owns all of the issued share capital of LEHI (Company Number 10099390), a company formed in 2016 to explore the possibility of opening British schools overseas. The School has entered into a support agreement with LEHI pursuant to which (i) the School has licensed certain intellectual property rights and provides a variety of services to LEHI and (ii) LEHI pays to the School a sum for such rights and services based on estimated market rates or a pro-rata allocation of the cost incurred by the School in providing such services.

During the year ended 31 August 2020, LEHI had a turnover of NIL (2019: NIL), gross loss of £10,000 (2019: gross loss £10,000) and a loss before tax and gift aid of £48,966 (2019: loss £58,311).

At 31 August 2020, LEHI had total assets of £4,324 (2019: £11,301), total liabilities of £171,151 (2019: £129,131) and shareholder's funds of (£166,797) (2019: (£117,830)).

21. RELATED PARTY TRANSACTIONS

During the year ended 31 August 2020, the School charged LEHI £45,300 (2019: £43,700) for the provision of staff, administrative services and use of certain intellectual property belonging to the School. At 31 August 2020, the School had a net debtor from LEHI of £171,150 (2019: £121,130). The School has agreed to support LEHI so that it can meet its liabilities as they fall due.

As indicated in Note 3, the School owns 50% of Pupilcoach Limited, a joint venture with Hampton School. The School has one employee who works exclusively on matters relating to Pupilcoach and whose salary and benefits are recharged by LEH to Pupilcoach. During the year ended 31 August 2020, the School charged Pupilcoach £31,800 (2019: £38,200) for such services and at 31 August 2020 had a net creditor with Pupilcoach of £2,400 (2019: net creditor £1,800).