THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

England & Wales · Charity number 1152244

Details

Other names	THE BLUE COAT SCHOOL, THE BLUE COAT SCHOOL BIRMINGHAM
Status	Registered
Legal form	Charitable company
Company number	08502615
Registered	2013-05-31
Register	View on the Charity Commission register

Contact

Address	The Blue Coat School Metchley Lane Birmingham B17 0HR
Phone	01214106800
Email	morgangw@thebluecoatschool.com
Website	http://www.thebluecoatschool.com/

Activities

Objects: THE CHARITY'S OBJECTS ("OBJECTS") ARE SPECIFICALLY RESTRICTED TO THE FOLLOWING:THE ADVANCEMENT OF EDUCATION FOR THE BENEFIT OF THE PUBLIC BY THE PROVISION AND/OR CONDUCT AND/OR SUPPORT OF A SCHOOL FOR BOYS AND GIRLS IN OR NEAR THE CITY OF BIRMINGHAM, WHICH SCHOOL SHALL BE KNOWN AS THE BLUE COAT SCHOOL BIRMINGHAM AND WHICH SHALL HAVE A RELIGIOUS CHARACTER IN ACCORDANCE WITH THE TENETS OF THE CHURCH OF ENGLAND AND BY ANCILLARY AND INCIDENTAL EDUCATIONAL ACTIVITIES OR OTHER ASSOCIATED ACTIVITIES, FOR THE BENEFIT OF THE COMMUNITY.

Activities: The object of the School is the provision and conduct, in or near the City Of Birmingham, of a day school for boys and girls. Within this object, the School has various permanent endowments and unendowed Trust Funds held for special purposes in connection with the development of the School's facilities and for Foundations, scholarships, bursaries, prizes and other educational purposes.

Downloaded from opencharities.uk/ew/1152244

Classification

- **How:** Makes Grants To Individuals, Provides Buildings/facilities/open Space
- **What:** Education/training
- **Who:** Children/young People

Geography

- Birmingham City

Finances

Period end	Income	Expenditure	Assets	Employees
2025-08-31	£10,522,471	£10,663,277	£21,907,468	157
2024-08-31	£10,174,621	£9,897,208	£22,400,727	147
2023-08-31	£9,078,632	£9,032,595	£21,288,549	122
2022-08-31	£8,551,092	£8,229,739	£21,539,774	126
2021-08-31	£7,865,285	£7,388,120	£21,830,179	122
2020-08-31	£7,292,162	£7,270,857	£19,401,711	143

Downloaded from opencharities.uk/ew/1152244

Trustees

Name	Role	Appointed
Adrian John Roddick		2020-01-30
Andrew Milner		2022-04-25
Anita Poole		2018-06-19
BERNARD HUGH SINGLETON		2018-06-19
Elizabeth Lawson-Bennett		2021-11-24
KARAN DIEDRE GILMORE		2018-06-19
MARK BROUGHTON-TAYLOR		2024-11-29
MARTIN HAMILTON DYKE		2018-06-19
Nicholas Bailey		2025-02-10
Rev Charles Butler		2023-03-22
Rev Jeremy Allcock		2018-11-28
Rev MICHELE KITTO		2018-06-19
STEPHEN MICHAEL RAINE		2018-06-19
VERY REV MATT THOMPSON		2018-06-19
WILLIAM GUY SHUBRA HORDERN		2018-06-19

Linked charities

- THE BLUE COAT SCHOOL BIRMINGHAM (1152244-1)
- THE ROBERT EDWARDS TRUST FUND (1152244-2)

Downloaded from opencharities.uk/ew/1152244

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

England & Wales - Charity number 1152244

Accounts

Registered number: 08502615
Charity number: 1152244

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2025

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Governors and advisers	1 - 2
Governors' report	3 - 11
Independent auditor's report on the financial statements	12 - 15
Statement of financial activities	16
Balance sheet	17 - 18
Statement of cash flows	19
Notes to the financial statements	20 - 49

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2025

Governors	Mrs K Gilmore DPSN RGN HV, Chair[1] Mr M H Dyke BA, Vice Chair[1] Revd J Allcock BA, Rector of Martin in the Bullring[2] Mrs E Andrews BA PGCE[3] Dr Sarbjit Bahia MBBS MRCP MRCGP DRCOG Dip Occ Med BSc Rev C Butler[2] Mr W G S Hordern MBE MA DipTh JP Rev M Kitto BEd (Hons) MEd PGDip Hon Fellow NSEAD (resigned 21 October 2024) Mrs E Lawson-Bennett LLB MSc (resigned 23 September 2024) Mr A Milner BSC (Hons) Chartered Fellow CISI[1] Prof P Narendran MBBS PhD MRCS FRCP (resigned 11 July 2025) Mr S Page ACA (resigned 27 April 2025)[1] Mrs A K Poole BA[1,4] Mr S M Raine FCA BSocSci (resigned 31 August 2025)[1] Mr B H Singleton LLB[1,5] The Very Revd M Thompson MA MPhil, Dean of Birmingham[2] Mr M Broughton-Taylor (appointed 29 November 2024) Mr N Bailey (appointed 10 February 2025, resigned 1 September 2025) [1] Finance & Estates Committee (together with the Headmaster, Bursar and Finance Manager) [2] Ex Officio [3] Designated Safeguarding Governor [4] Governor for SEND [5] Governors' Representative to The Friends of The Blue Coat School
Company registered number	08502615
Charity registered number	1152244
Registered office	Somerset Road Edgbaston Birmingham B17 0HR
Senior management team	Mr N G Neeson BEd NPQH, Headmaster Mr G W Morgan, Bursar & Clerk to the Governors (resigned 28/04/2025) Mr R J Newman BA PGCE, Second Master and Head of Prep Mrs H R West BA PGCE NPQH, Head Pre-Prep Mrs A Franklin BA, Director of Marketing & Admissions Mr Allen, Bursar & Clerk to the Governors (appointed 20 April 2026)
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

Bankers	Barclays Bank Plc 15 Colmore Row Birmingham B3 2BH
Solicitors	Veale Wasbrough Vizards 3 Brindley Place Brindley Drive Birmingham B1 2JB
Investment managers	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2025

The Governors present their annual report together with the audited financial statements of the Group and the School for the year ended 31 August 2025. The Governors confirm that the Annual Report and financial statements of the Company comply with the current statutory requirements, the requirements of the Company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

The Charity is a charitable company limited by guarantee. It was incorporated on 24 April 2013 and registered as a charity on 31 May 2013. Its Memorandum of Association, which established its objects and powers, provided that in the event of it being wound up, members are required to contribute an amount not exceeding £1. Membership of the Company is reviewed at the Annual General Meeting as appropriate.

The unincorporated Charity's governing document is The Trust Founding Deed dating 1722. This has been amended over the years; the latest amendment is dated 17 December 2013. The unincorporated charity holds the charitable group's endowment assets. On 19 June 2018, the Charity Commission issued a Direction linking the two charities for the purposes of Part 4 and Part 8 of the Charities Act 2011.

Governors and charity trustees
The Governors of The Blue Coat School Birmingham Limited are the Charity trustees and directors of The Blue Coat School Birmingham Limited (the School) and The Blue Coat School charity. They meet at least four times a year as a full Board. The work of implementing most of their policies is carried out by members of five sub-committees: Finance & Estates; Awards; Safeguarding and Health & Safety; Teaching, Learning & Curriculum; Governance & HR. The minutes of these sub-committee meetings are reviewed at full Board meetings. The Bursar, in his capacity of Clerk to the Governors, is responsible for coordinating the work of the Governors and their committees, for the preparation of papers and management accounts and for the review of matters arising.

New Governors are appointed by the existing Board of Governors having identified gaps in expertise. Potential new Co-optative Governors have an initial meeting with the Chair of Governors and then attend a meeting with the Chairs of key subcommittees all of whom sit on the Governance and HR subcommittee. New co-optative Governors are invited to join up to two sub-committees most relevant to their experience and having regard to the existing number of members on each sub-committee.

Induction and Training
All new governors are allocated a mentor, undertake an induction programme and are given access to the Governors Portal which contains key documents and copies of previous sub-committee and committee minutes. All Governors are particularly encouraged to attend various school functions and to meet members of the Senior Leadership Team, in order to be able to understand further the nature of the School's business. An appropriate level of instruction is provided for both new and existing Governors to update their knowledge and place them in a position where they could sensibly identify their powers and responsibilities. From time to time, Governors go on formal training courses that the School and that individual Governors identify are required for that Governor to be able to discharge his/her duty.

All trustees give of their time freely, and no remuneration or expenses were paid in the year.

Key management personnel
The Governors consider that the Head, the Bursar, the Head of Prep, Head of Pre-Prep, Deputy Heads and the Director of Marketing & Admissions (Senior Leadership Team) comprise the Key Management Personnel (see note 11 to the accounts). The Governors give of their time freely and the pay and remuneration of the Head and Bursar is set by the Remuneration Committee and is kept under annual review. A number of criteria are used in setting pay:

- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay.
- Performance in the role.

Organisational management
The Governors determine the general policy of the School. The day to day running of the School is delegated to the Head, supported by senior staff. The Head undertakes the key leadership role, overseeing the educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of the School is undertaken in line with the policies and procedures approved by the Governors, which provide for significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Head and Bursar attend all Governors meetings and other senior staff are invited to attend Governors' meetings as appropriate.

Other relationships
The Head is a member of IAPS, which exists to share expertise, knowledge and experience across the independent preparatory school sector. The Bursar is a member of the ISBA, which provides professional development, technical support and invaluable reference material.

Other key parties supporting the School include the Independent Schools' Council (ISC) and the Association of Governing Bodies of Independent Schools (AGBIS).

BCS Enterprises is a wholly owned subsidiary undertaking of The Blue Coat School Limited. It is managed by the Governors of the School and its purpose is to generate surplus funds to reinvest in the School. At present this is now a dormant company.

PUBLIC BENEFIT

The Governing Body have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. The main activities to further the Charity's purposes for public benefit include:

Foundation places
Each year Governors allocate a sum of money to fund Foundation places. These places are advertised in numerous publications in the Birmingham area as well as being advertised online in various digital applications.

In addition, a member of staff is seconded to the Birmingham Diocese MAT to provide mentoring and guidance to newly qualified teachers.

Community Link Programme
The Community Link programme seeks to widen access to our educational resources, by bringing independent and state school communities together.

This year, we made the following facilities and coaching available, at no charge, to benefit pupils attending local state schools:

- Use of the swimming pool for swimming lessons and swimming galas
- Use of the sports fields for sport festival and training
- Use of the School Chapel for musical events and religious observances
- Use of the school facilities and staff to provide outreach opportunities to local schools.

Community access
We all see The Blue Coat School as part of a wider community, and where we can assist the community whilst advancing the education of our pupils we are delighted to do so. Various Sports and Music Camps use the School during school holidays for sports and activities holiday camps. Our outreach programme has included opportunities for local schools to access our facilities at no charge and to take part in 'Experience Days' during which they enjoy a wide variety of activities in specialist areas of learning (such as STEM, Music and Forest School). There is no charge for participation.

OUR AIMS

The object of the School is the provision and conduct, in or near the City of Birmingham, of a day school for boys and girls. Within this object, the School has various permanent endowments and restricted Trust Funds held for special purposes in connection with the development of the School's facilities and for Foundations, scholarships, bursaries, prizes and other educational purposes. The School provides education to boys and girls from the ages of 3 -11 years in two departments: Pre-Prep (3-7 years old); and Prep (7-11 years old).

It is policy for all departments to attain the highest academic levels, commensurate with a pupil's ability, as well as providing a co-curricular programme which aims to broaden a pupil's interest and self-confidence. Instruction in the doctrines of the Church of England is given in the School and religious studies encompass education in the tenets of major world faiths.

OUR OBJECTIVES

Our objectives are set to reflect our educational aims and the ethos of the School. It is important to us that we maintain and enhance the academic success of the School.

The Governors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the Charity's aims and objectives and in planning future activities. In particular, the Governors have considered how planned activities will contribute to the aims and objectives set.

The principal objectives for the coming year are:

1. To continue to make first-class provision for the Early Years (from age three upwards), introducing our youngest children to their educational life in such a way as to allow them to flourish fully as human beings in an ever-changing world.
2. To maintain the current high standards of academic achievement indicated by senior school entrance exam results at 11-plus level and other external measures.
3. To recruit and retain the best teaching and support staff to assist in the continued development and promotion of the School as a leading provider of preparatory education not only locally but nationally.
4. To develop the all-round curricular and co-curricular provision to ensure excellence in all areas; academic, music, sport and performing arts.
5. To widen access to the school through the continued provision of means-tested bursaries.
6. To enhance links with the local community and to encourage the community to access the school.
7. To prepare, in conjunction with the Headmaster, a detailed strategic plan incorporating a five-year financial model to assist in the development, financial management and control of the School.

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and on measures to further widen access to the education the School provides. In taking forward our strategy we:

- Review and benchmark the School's academic syllabus, teaching practices and examination results;
- Ensure that the range of co-curricular activities available to our pupils is stimulating and challenging;
- Invest in technology and the infrastructure of our School;
- Co-operate and share resources with local schools;
- Develop methods for awarding bursaries/ scholarships to ensure wider access to pupils from all backgrounds.

OUR ETHOS

Our ethos is to be a caring Christian School serving our local community and society.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our School will be able to educate and develop that pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, race, religion or disability do not form part of our assessment process.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation. We will make reasonable adjustments to meet the needs of staff or pupils who are or who become disabled.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

SIGNIFICANT ACTIVITIES

Academic achievements
The 2024–2025 academic year was another successful period for the School. We are pleased to report that we continued to deliver strong academic outcomes while also investing strategically in our infrastructure to ensure the ongoing provision of first-class facilities. Alongside the high-quality education we provide in the classroom, we remain committed to offering a broad and balanced experience that supports the intellectual, personal, and social development of every pupil. To that end, the School continues to deliver an extensive programme of outdoor learning and co-curricular opportunities, enriching pupils' education well beyond the formal curriculum.

Sporting activities
The School continues to prioritise the development of our sporting provision, ensuring that all children participate in a wide range of physical activities and acquire a broad set of skills. Pupils are given opportunities to engage in athletics, chess, cricket, dance, football, gymnastics, hockey, judo, netball, rugby, and swimming. In addition, our sports facilities remain an important community resource and have been used by local primary schools for swimming lessons, outreach initiatives, and a variety of sporting festivals. This continued collaboration reflects our commitment to partnership and community engagement.

Music and drama
Music and drama continue to play a central role in school life. We are proud that pupils of all ages have access to a wide range of musical opportunities, including individual instrumental lessons, choirs, ensembles, and participation in the school orchestra. Drama is embedded across all age groups, with children regularly involved in performances and practical activities that build confidence, creativity, and communication skills.

The Friends of The Blue Coat School
The Friends of The Blue Coat School, our Parents' Association, have once again organised a diverse and engaging programme of events throughout the year. These activities have been instrumental in fostering a strong sense of community within the School, while also successfully raising funds in support of both school initiatives and local charitable causes.

SOCIAL INVESTMENT

In fulfilling our charitable aims and objectives to provide education for boys and girls in or near the City of Birmingham, we remain firmly committed to widening access to the School through our bursary and scholarship provision.

Bursaries
The Governors' grant-making policy continues to allocate a portion of the Charity's investment income each year to support Foundation Places. These bursaries are designed to assist children of ability and good character for whom a funded education would be beneficial but otherwise unattainable. During the 2024–2025 academic year, financial assistance was provided to 20 pupils, including 9 who received a full remission of fees. Foundation Awards also help to meet additional costs such as educational visits, co-curricular activities, uniform, and related expenses, ensuring that pupils are able to participate fully in school life.

Scholarships
In addition to bursaries, the School continues to award scholarships to pupils on the basis of educational or musical merit and potential. These awards recognise excellence and encourage pupils to develop their talents to the highest level.

The Governors view our bursary and scholarship provision, alongside our outreach programme, as central to widening access to the education we offer. In developing and sustaining this work, we collaborate closely with the Heads of schools within our local community to ensure that our contribution to shared educational aims remains positive and effective. At the same time, the careful maintenance and ongoing development of the School's buildings and facilities remain integral to our long-term strategy and future sustainability.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

ACHIEVEMENTS AND PERFORMANCE

Independent Schools Inspectorate (ISI) Inspection May 2024
In April 2024, the School was subject to a Routine Inspection conducted by the Independent Schools Inspectorate (ISI), the statutory body responsible for the inspection of independent schools in England. The inspection concluded that the School met all required regulatory standards without exception. This outcome affirms the robustness of the School's governance, the quality of its educational provision, the effectiveness of safeguarding arrangements, and the overall welfare and development of pupils. The full inspection report is publicly available via both the School's website and the ISI's official publication platform, ensuring transparency and external accountability.

Pupil numbers
The School's educational provision is delivered across two distinct but pedagogically aligned departments: the Pre-Preparatory School, serving pupils aged 3 to 7, and the Preparatory School, serving pupils aged 7 to 11. As of the financial year-end, total enrolment stood at 663 pupils. This level of enrolment reflects sustained demand for the School's educational offering and provides a stable demographic base to support curricular breadth, pastoral provision, and long-term strategic planning.

FUNDRAISING

There are no material fundraising activities at the School which require disclosure under S162A of the Charities Act 2011.

FINANCIAL REVIEW

The School's key financial objective is to ensure financial stability and continued solvency year on year so that it can pursue its charitable aims and objectives. The Governors have followed SORP (FRS 102) in preparing these financial statements and the statement of financial affairs (SOFA), balance sheet and notes are set out within.

The Schools results for the year show a deficit before investment losses of £140,806 (2024 - gain of £277,413). The principal source of funds remains school fees of £9,218,413 (2024 - £8,905,767) which represented 87.6% (2024 - 87.5%) of the total income of £10,522,471 (2024 - £10,174,621).

Unrealised losses on our investments amounted to £352,453 (2024 - gains of £834,765) before movements on the defined benefit pension scheme.

The investments are primarily used to fund the bursary and scholarship awards and other social investment.

INVESTMENTS

Investment activities are managed in line with the requirements of the Trustee Act 2000. The Governors have appointed CCLA as investment manager.

The main investment objectives of the Charity are:

- The creation of a sufficient financial return to enable the Charity to carry out its purposes effectively and without interruption;
- The maintenance and enhancement of the investment funds over the long term;
- To obtain a balance between capital growth and income to enable the charity to meet current and future needs; and to maintain a balanced risk profile.

The average income return on the portfolio remained uncharged at 2.8%.

KEY RISKS AND UNCERTAINTIES

The Governors and Senior Leadership Team periodically review the major risks facing the charity. Risk registers are maintained and updated at least annually. Risks are considered under the headings of strategic, operational, financial and legal/ regulatory.

Strategic risks include the School not being seen as a positive, modern organisation and it failing to provide education services that are attractive to parents and thus being unable to maintain pupil numbers. These are critical to the charity's aims to provide education and learning opportunities to children in the Birmingham area. These risks are managed by ensuring that the School provides an excellent, first-class education to every child; adopting proactive communication and PR strategies; through Board scrutiny of activities; robust financial controls; and recruitment and retention of high quality teachers and support staff.

Financial risks include failure to meet income targets, particularly from fee income and investments. School fee increases are carefully considered in conjunction with the School's strategic plans, the budget process and wider economic considerations. A conservative approach is taken to estimating the contribution from external sources and non-core activities. In general, financial risks are managed through regular monitoring and review of budgets during the financial year.

Health and Safety risks include fire safety, pool safety and failure to comply with regulatory requirements including areas relating to asbestos management and water management systems. A robust compliance system has been implemented and all of these risks are subject to close monitoring by the senior management team and the SH&S Sub-Committee. A comprehensive Risk Assessment was devised and all existing policies were amended.

The Governors are satisfied that appropriate actions have been taken to control and mitigate the impact of risks where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

SUSTAINABILITY

In line with our 5 year aims as detailed in our Strategic Framework document the school has undertaken to:

- Reduce our carbon footprint and move towards lower overall emissions
- Ensure all future estate projects adhere to our sustainable strategic aims
- Educate and empower pupils to take positive action on sustainability initiatives.
- Instil a whole school approach to the core principles of sustainability: Refuse, Reduce, Reuse, Repurpose and Recycle.

PENSION LIABILITY

The Governors recognise the liability existing in the Pensions Trust pension scheme for non-teaching staff. The Governors are satisfied that existing cash flows are sufficient to meet any anticipated increases in costs. Pension costs have been reported within the accounts in accordance with accounting standard FRS 102. For our non-teaching and support staff we offer a money purchase plan (defined contribution scheme). Teaching staff now have the choice of opting for this scheme.

RESERVES

The Governors regularly review the finances, budgets and spend against budget and undertake a termly cash flow analysis as part of their effective stewardship of the School.

The total funds held by the School at the end of the reporting period of £21,907,468 included £1,531,332 of unrestricted general reserves and £5,226,640 of designated funds plus a permanent endowment of £15,123,644.

The Governors designate unrestricted funds to fund future specific projects. The Governors are planning to invest substantial sums into new facilities and upgrades in the next five years, with a view to further improving the facilities. The Governors consider that, given the strength of the charity's balance sheet, the stable cash flow from strong student numbers, the ongoing popularity of our School and the available funds, it will not be necessary to seek external funding for these projects.

The Governors aim to ensure that the School has sufficient resources available to support the working capital requirements of the core activities of the School in unforeseen circumstances, giving sufficient time to allow financial policy to adapt to any new circumstances. These working capital reserves equate to approximately one term's total expenditure, £3 million.

Restricted funds are held for the benefit of the children for supporting learning needs and co-curricular activities as set out in the detailed accounts within this report.

There is a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. The closing net book value of our tangible assets, property, plant and equipment was £8,830,158.

CHARITY GOVERNANCE CODE

The Governors are aware of the new charity governance code issued in July 2017. Reviews continue to be undertaken of the guidance requirements in order to ensure that the charity is working in line with the code, in all ways where it is practical to do so.

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also directors of The Blue Coat School Birmingham Limited for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2025

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the Charitable Company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Charitable Company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when the Governors' report is approved has confirmed that:

so far as that Governor is aware, there is no relevant audit information of which the charitable Group's auditor is unaware, and
that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable Group's auditor is aware of that information.

AUDITORS

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved by order of the members of the board of Governors and signed on their behalf by:

Karan Gilmore

Mrs K Gilmore DPSN RGN HV
(Chair of Governors)

Date: 13.4.26

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

Opinion

We have audited the financial statements of The Blue Coat School Birmingham Limited (the 'Charitable Company') for the year ended 31 August 2025 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 Charitable Company's affairs as at 31 August 2025 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUE COAT SCHOOL BIRMINGHAM LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of Trustees

As explained more fully in the Governors' responsibilities statement, 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 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company’s ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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.

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Helen Blundell LLB FCA FCIE DChA (Senior statutory auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 18 May 2026

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2025

	Note	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Income and endowments from:						
Donations and legacies	4	**29,925**	**19,068**	**-**	**48,993**	*38,245*
Charitable activities:						
School fees	5	**9,218,413**	**-**	**-**	**9,218,413**	*8,905,767*
Ancillary trading income	6	**683,469**	**-**	**-**	**683,469**	*629,694*
Investments	7	**571,596**	**-**	**-**	**571,596**	*600,915*
Total income and endowments		**10,503,403**	**19,068**	**-**	**10,522,471**	*10,174,621*
Expenditure on:						
Charitable activities:	8					
Education and grant making		**10,444,069**	**4,068**	**215,140**	**10,663,277**	*9,897,208*
Total expenditure		**10,444,069**	**4,068**	**215,140**	**10,663,277**	*9,897,208*
Net income/(expenditure) before net (losses)/gains on investments		**59,334**	**15,000**	**(215,140)**	**(140,806)**	*277,413*
Net (losses)/gains on investments		**(78,765)**	**-**	**(273,688)**	**(352,453)**	*834,765*
Net movement in funds		**(19,431)**	**15,000**	**(488,828)**	**(493,259)**	*1,112,178*
Reconciliation of funds:						
Total funds brought forward		**6,777,403**	**10,852**	**15,612,472**	**22,400,727**	*21,288,549*
Net movement in funds		**(19,431)**	**15,000**	**(488,828)**	**(493,259)**	*1,112,178*
Total funds carried forward		**6,757,972**	**25,852**	**15,123,644**	**21,907,468**	*22,400,727*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 49 form part of these financial statements.

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 08502615

BALANCE SHEET
AS AT 31 AUGUST 2025

	Note		2025 £		*2024* *£*
Fixed assets					
Tangible assets	12		**8,427,042**		*8,258,820*
Investments	14		**11,717,831**		*12,070,284*
Investment property	13		**1,415,000**		*1,415,000*
			21,559,873		*21,744,104*
Current assets					
Debtors (£355,932 due in more than 1 year)	15	**3,487,895**		*482,522*	
Short term investments	16	**628,184**		*2,072,974*	
Cash at bank and in hand		**1,645,753**		*1,071,246*	
		5,761,832		*3,626,742*	
Current liabilities					
Creditors: amounts falling due within one year	17	**(5,414,237)**		*(2,970,119)*	
Net current assets / (liabilites)			**347,595**		*656,623*
Total net assets			**21,907,468**		*22,400,727*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2025

	Note	2025 £	*2024 £*
Charity funds			
Endowment funds	20	**15,123,644**	*15,612,472*
Restricted funds	20	**25,852**	*10,852*
Unrestricted funds	20	**6,757,972**	*6,777,403*
Total funds		**21,907,468**	*22,400,727*

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Karen Gilmore

Mrs K Gilmore DPSN RGN HV
(Chair of Governors)

Date: 13·4·26

The notes on pages 20 to 49 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2025

	Note	2025 £	*2024 £*
Cash flows from operating activities			
Net cash used in operating activities	22	**(380,697)**	*986,528*
Cash flows from investing activities			
Dividends, interests and rents from investments		**571,596**	*600,915*
Proceeds from the sale of tangible fixed assets		**-**	*3,250*
Purchase of tangible fixed assets		**(1,061,182)**	*(2,010,356)*
Proceeds from sale of investments		**-**	*2,000,000*
Net cash (used in)/provided by investing activities		**(489,586)**	**593,809**
Change in cash and cash equivalents in the year		**(870,283)**	**1,580,337**
Cash and cash equivalents at the beginning of the year		**3,144,220**	*1,563,883*
Cash and cash equivalents at the end of the year	23	**2,273,937**	*3,144,220*

The notes on pages 20 to 49 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2025

1. General information

The Company is a company limited by guarantee (registered number 08502615), which is incorporated and registered in England and Wales. Its charity registration number is 1152244. The registered office and principal place of business is The Blue Coat School Birmingham, Somerset Road, Edgbaston, Birmingham, B17 0HR.

The principal activity is to provide a day school for boys and girls near the City of Birmingham.

In June 2018 the Charity Commission issued a Direction linking The Blue Coat School Birmingham Limited with the Charity The Blue Coat School Birmingham (charity registration number 1152244-1). This charity holds the charitable groups endowment assets.

The members of the Company are the Governors named on page 1. In the event of the Company being wound up, the liability in respect of the guarantee is limited to £1 per member of the Company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Blue Coat School Birmingham Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the Charity to be able to continue as a going concern.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. Accounting policies (continued)

2.3 Fund accounting (continued)

Endowment funds represent those assets which must be held permanently by the Charity, principally investments and deposits. Income arising on the endowment funds can be used in accordance with the object of the Charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund. The endowment funds are all held by the subsidiary charity The Blue Coat School Birmingham.

2.4 Income

All incoming resources are included in the Statement of Financial Activities when the Charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations and legacies
For donations to be recognised the Charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this required a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the Charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the Charity has control over the item. Fair value is determined on the basis of the value of the gift to the Charity. For example, the amount the Charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the Charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the Charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Fees and similar income
Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school from its unrestricted funds. Where income is received in advance it is treated as deferred income and included within creditors.

Income from trading activities
Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the Charity. Income is received in exchange for supplying services in order to raise funds and is recognised when entitlement has occurred.

2. Accounting policies (continued)

2.4 Income (continued)

Investment income
Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds;
- Expenditure on charitable activities;
- Other expenditure represents those items not falling into the categories above.

Charitable expenditure comprises those costs incurred by the charitable group in the delivery of activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of The Blue Coat School Birmingham Limited and its subsidiaries, this includes audit fees.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 1.5% - 20% Straight Line
Fixtures and equipment	- 10% - 20% Straight Line
Motor vehicles	- 20% Straight line
Computer equipment	- 10% - 33.3% Straight Line

Depreciation is not charged on freehold land.

2.7 Investment property

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in the heading ‘Gains/(losses) on investments’ in the Statement of financial activities. No depreciation is charged on investments properties in accordance with the Charities SORP.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Cash held on deposit with terms of less than one year are classed as short term investments within current assets.

2.9 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2. Accounting policies (continued)

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.13 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.15 Pensions

Retirement benefits to teachers employed by the school are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme. The TPS is an unfunded scheme and contributions are calculated so as to spread the costs of pensions over employees' working lives with the school in such a way that the pension costs is substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

In preparing these financial statements, the Governors have made the following significant estimates:

Investment properties
Investment properties are valued on the basis of market value of the freehold interest with vacant possession at the year end.

4. Income from donations and legacies

	Unrestricted funds 2025 £	Restricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Donations	29,925	19,068	**48,993**	*38,245*
Total 2025	29,925	19,068	**48,993**	*38,245*
Total 2024	*10,325*	*27,920*	*38,245*	

5. Charitable activities - School fees

	2025 £	*2024 £*
Gross tuition fees	**9,751,047**	*9,467,969*
Less: Awards, scholarships and bursaries from unrestricted funds	**(333,139)**	*(383,797)*
Less: Fee discounts	**(199,495)**	*(178,405)*
	9,218,413	*8,905,767*

Awards, scholarships and bursaries were paid to 42 *(2024 - 52 pupils)*. Within this were means tested bursaries totalling £249,705 paid to 20 pupils *(2024 - £283,648 paid to 22 pupils)*.

The total income from school fees is unrestricted in both years.

6. Charitable activities - Other ancillary trading income

	2025 £	*2024 £*
Extra-curricular activities	**325,389**	*291,276*
Registration fees	**7,867**	*11,200*
School trips	**237,838**	*241,825*
Other income	**112,375**	*85,393*
	683,469	*629,694*

The total ancillary trading income is unrestricted in both years.

7. Investment income

	Unrestricted funds 2025 £	Total funds 2025 £	*Total funds 2024 £*
Rental income	92,553	**92,553**	*91,049*
Dividend income	337,153	**337,153**	*336,854*
Deposit account interest	141,890	**141,890**	*173,012*
Total 2025	571,596	**571,596**	*600,915*
Total 2024	*600,915*	*600,915*	

8. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total 2025 £	*Total 2024 £*
Teaching	6,200,068	4,068	215,140	**6,419,276**	*5,711,706*
Catering	666,255	-	-	**666,255**	*629,291*
Premises	2,057,780	-	-	**2,057,780**	*2,268,865*
Support and governance	1,519,966	-	-	**1,519,966**	*1,287,346*
Total 2025	10,444,069	4,068	215,140	**10,663,277**	*9,897,208*
Total 2024	*9,724,552*	*11,969*	*160,687*	*9,897,208*	

8. Analysis of expenditure on charitable activities (continued)

Summary by expenditure type

	Staff costs 2025 £	Depreciation 2025 £	Other costs 2025 £	**Total 2025 £**	*Total 2024 £*
Teaching	5,294,897	324,285	800,094	**6,419,276**	*5,711,706*
Catering	-	-	666,255	**666,255**	*629,291*
Premises	522,257	152,158	1,383,365	**2,057,780**	*2,268,865*
Support and governance	755,263	13,401	751,302	**1,519,966**	*1,287,346*
Total 2025	6,572,417	489,844	3,601,016	**10,663,277**	*9,897,208*
Total 2024	*5,842,391*	*427,121*	*3,627,696*	*9,897,208*	

9. Auditor's remuneration

	2025 £	*2024 £*
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**22,200**	*20,790*
Fees payable to the Company's auditor in respect of:		
Accountancy services	**2,700**	*3,250*

10. Staff costs

	2025 £	*2024 £*
Wages and salaries	**4,904,492**	*4,471,887*
Social security costs	**546,419**	*443,803*
Contribution to pension schemes	**1,121,506**	*926,701*
	6,572,417	*5,842,391*

10. Staff costs (continued)

The average number of persons employed by the Company during the year was as follows:

	2025 No.	*2024 No.*
Teaching staff	**66**	*64*
Teaching support	**53**	*45*
Support staff	**38**	*38*
	157	*147*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2025 No.	*2024 No.*
In the band £60,001 - £70,000	**4**	*2*
In the band £70,001 - £80,000	**2**	*2*
In the band £120,001 - £130,000	**1**	*1*
In the band £180,001 - £190,000	**-**	*1*
In the band £190,001 - £200,000	**1**	*-*

The total amount of employee benefits received by key management personnel is £858,780 to 7 staff members *(2024- £841,756 to 7 staff members)*. They key management personnel are as listed under the senior management team, on page 1.

11. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits *(2024 - £NIL)*.

During the year ended 31 August 2025, no expenses were reimbursed or paid directly to any Governor *(2024 - £70 to 2 Governors)*. Expenses related to courses, accommodation and travel expenses.

12. Tangible fixed assets

	Freehold school premises £	Fixtures and equipment £	Computer equipment £	School Minibus £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2024	**9,885,664**	**195,491**	**1,085,953**	**65,499**	**1,673,958**	**12,906,565**
Additions	**-**	**12,003**	**29,651**	**46,893**	**972,635**	**1,061,182**
Capital goods scheme adjustment	**(403,116)**	**-**	**-**	**-**	**-**	**(403,116)**
Transfers	**2,646,593**	**-**	**-**	**-**	**(2,646,593)**	**-**
At 31 August 2025	**12,129,141**	**207,494**	**1,115,604**	**112,392**	**-**	**13,564,631**
Depreciation						
At 1 September 2024	**3,745,312**	**157,992**	**692,235**	**52,206**	**-**	**4,647,745**
Charge for the year	**358,717**	**13,059**	**104,344**	**13,724**	**-**	**489,844**
At 31 August 2025	**4,104,029**	**171,051**	**796,579**	**65,930**	**-**	**5,137,589**
Net book value						
At 31 August 2025	**8,025,112**	**36,443**	**319,025**	**46,462**	**-**	**8,427,042**
At 31 August 2024	*6,140,352*	*37,499*	*393,718*	*13,293*	*1,673,958*	*8,258,820*

13. Investment property

	Freehold investment property £
Valuation	
At 1 September 2024	**1,415,000**
At 31 August 2025	**1,415,000**

Comprising:

	2025 £	*2024 £*
416 Birmingham Road, Wylde Green	**435,000**	*435,000*
119-120 Glover Street	**130,000**	*130,000*
256 Harborne Road, Edgbaston	**850,000**	*850,000*
	1,415,000	*1,415,000*

The investment property consists of buildings held for investment purposes and are not used in the School's own activities, both residential and industrial property are held and are let out on the open market.

The Properties located at 416 Birmingham Road, and 119-120 Glover Street were revalued by Burley Browne Chartered Surveyors in October 2022.

The property located at 256 Harborne Road were revalued by Wentworth & Rose Chartered Surveyors in November 2025.

The Governors believe that the value of the investment properties at the year end does not materially differ from the value obtained at the dates listed above.

14. Fixed asset investments

	Investments in subsidiary company £	Investments £	Total £
Cost or valuation			
At 1 September 2024	**100**	**12,070,184**	**12,070,284**
Revaluations	**-**	**(352,453)**	**(352,453)**
At 31 August 2025	**100**	**11,717,731**	**11,717,831**
Net book value			
At 31 August 2025	**100**	**11,717,731**	**11,717,831**
At 31 August 2024	*100*	*12,070,184*	*12,070,284*

Investments comprise:

	2025 £	*2024 £*
Charities Official Investment Fund - Income shares	**11,717,731**	*12,070,184*

14. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity	Class of shares	Holding
BCS Enterprises Limited	09109064	The Blue Coat School Birmingham Somerset Road Edgbaston Birmingham B17 0HR.	Dormant in current year	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Net assets £
BCS Enterprises Limited	**100**

15. Debtors

	2025 £	*2024 £*
Trade debtors	**2,716,284**	*192,678*
Other debtors and accrued income	**570,730**	*177,363*
Prepayments	**200,881**	*112,481*
	3,487,895	*482,522*

Included within trade debtors above is a bad debt provision of £10,753 *(2024: £2,236)*.

Trade debtors at 31 August 2025 include invoices raised in advance for the Autumn term beginning September 2025. This is a change in presentation as a result of the introduction of VAT on school fees. In the prior year, the Autumn invoicing invoiced in advance was not included in debtors at the year end.

Other debtors contains £403,116 split between £47,184 due within one year and £355,932 due over one year in respect of the Schools Capital Goods Scheme claim.

16. Current asset investments

	2025 £	2024 £
CCLA deposit account	**628,184**	*2,072,974*

17. Creditors: Amounts falling due within one year

	2025 £	2024 £
Trade creditors	**715,536**	*300,839*
Other taxation and social security	**538,473**	*95,841*
Fees in advance (note 18)	**3,348,464**	*1,059,917*
Deposits (note 19)	**261,700**	*201,300*
Pension liability	**8,255**	*1,949*
Accruals and other creditors	**541,809**	*1,310,273*
	5,414,237	*2,970,119*

Included within Fees in advance is the net fees invoiced in advance for the Autumn term beginning September 2025 with the related VAT on these invoices included in Social Security and Other Taxes. This is a change in presentation as a result of the introduction of VAT on school fees. In the prior year, fees from advanced Autumn invoicing was only included in deferred income where the invoice had been paid.

18. Fees in advance

Movement of fees in advance:

	2025 £	2024 £
Balance at 1 September	**1,059,917**	*915,611*
New advance fees received/invoiced	**3,348,464**	*1,059,917*
Amounts utilised in payments	**(1,059,917)**	*(915,611)*
Balance as at 31 August	**3,348,464**	*1,059,917*

19. Fee deposits

Movement of fee deposits:

	2025 £	*2024* *£*
Balance at 1 September	**201,300**	*191,650*
New deposits received	**167,600**	*42,600*
Deposits utilised	**(107,200)**	*(32,950)*
Balance as at 31 August	**261,700**	*201,300*

The Governors have reviewed the terms of the deposits which are held by the school. Under normal circumstances these will be repaid over future years when the pupils complete their education with the school, however pupils can leave at any date. Therefore, the school has no conditional right to retain the deposits for at least 12 months after the reporting date, in line with the requirements of FRS 102. As such, the balance of all deposits held at 31 August 2025 have been included within creditors due within one year.

20. Statement of funds

Statement of funds - current year

	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2025 £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	**800,044**	**-**	**-**	**-**	**-**	**800,044**
Loppylugs & Barbara Morrison Trust	**10,325**	**10,325**	**-**	**-**	**-**	**20,650**
School nursery and four classroom block	**2,639,783**	**-**	**-**	**-**	**-**	**2,639,783**
New build fund	**1,325,000**	**-**	**-**	**-**	**-**	**1,325,000**
Foundation fund	**326,506**	**-**	**(330,631)**	**445,288**	**-**	**441,163**
	5,101,658	**10,325**	**(330,631)**	**445,288**	**-**	**5,226,640**
General funds						
General Funds - all funds	**1,675,745**	**10,493,078**	**(10,113,438)**	**(445,288)**	**(78,765)**	**1,531,332**
Total Unrestricted funds	**6,777,403**	**10,503,403**	**(10,444,069)**	**-**	**(78,765)**	**6,757,972**
Endowment funds						
Endowment Funds - all funds	**15,612,472**	**-**	**(215,140)**	**-**	**(273,688)**	**15,123,644**

20. Statement of funds (continued)

	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2025 £
Restricted funds						
Diana Willis memorial prize	**165**	**-**	**-**	**-**	**-**	**165**
Limoges Trust	**5,111**	**5,000**	**-**	**-**	**-**	**10,111**
John Avins Trust	**2,000**	**2,000**	**-**	**-**	**-**	**4,000**
Sir John Saville Trust	**-**	**8,000**	**-**	**-**	**-**	**8,000**
Reginal Farrar Fund	**506**	**-**	**-**	**-**	**-**	**506**
Association of Friends BCS	**-**	**4,068**	**(4,068)**	**-**	**-**	**-**
Hatfield Fund	**315**	**-**	**-**	**-**	**-**	**315**
Chris Byrne Memorial Prize Fund	**120**	**-**	**-**	**-**	**-**	**120**
King Fund	**150**	**-**	**-**	**-**	**-**	**150**
Girls Cricket Fund	**500**	**-**	**-**	**-**	**-**	**500**
Kathleen Morrison Fund	**1,985**	**-**	**-**	**-**	**-**	**1,985**
	10,852	**19,068**	**(4,068)**	**-**	**-**	**25,852**
Total of funds	**22,400,727**	**10,522,471**	**(10,663,277)**	**-**	**(352,453)**	**21,907,468**

20. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2023 £	*Income* £	*Expenditure* £	*Transfers in/(out)* £	*Gains/ (Losses)* £	*Balance at 31 August 2024* £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	*680,044*	*-*	*-*	*120,000*	*-*	*800,044*
Loppylugs & Barbara Morrison Trust	*-*	*10,325*	*-*	*-*	*-*	*10,325*
School nursery and four classroom block	*2,519,783*	*-*	*-*	*120,000*	*-*	*2,639,783*
New build fund	*1,205,000*	*-*	*-*	*120,000*	*-*	*1,325,000*
Foundation fund	*302,502*	*-*	*(369,720)*	*393,724*	*-*	*326,506*
	4,707,329	*10,325*	*(369,720)*	*753,724*	*-*	*5,101,658*
General funds						
General Funds - all funds	*1,461,374*	*10,136,376*	*(9,354,832)*	*(753,724)*	*186,551*	*1,675,745*
Total Unrestricted funds	*6,168,703*	*10,146,701*	*(9,724,552)*	*-*	*186,551*	*6,777,403*

20. Statement of funds (continued)

	Balance at 1 September 2023 £	*Income* £	*Expenditure* £	*Transfers in/(out)* £	*Gains/ (Losses)* £	*Balance at 31 August 2024* £
Endowment funds						
Endowment Funds - all funds	*15,124,945*	*-*	*(160,687)*	*-*	*648,214*	*15,612,472*
Restricted funds						
Diana Willis memorial prize	*165*	*-*	*-*	*-*	*-*	*165*
Limoges Trust	*(7,313)*	*12,500*	*(76)*	*-*	*-*	*5,111*
John Avins Trust	*-*	*2,000*	*-*	*-*	*-*	*2,000*
Reginal Farrar Fund	*506*	*-*	*-*	*-*	*-*	*506*
Association of Friends BCS	*458*	*11,435*	*(11,893)*	*-*	*-*	*-*
Hatfield Fund	*315*	*-*	*-*	*-*	*-*	*315*
Chris Byrne Memorial Prize Fund	*120*	*-*	*-*	*-*	*-*	*120*
King Fund	*150*	*-*	*-*	*-*	*-*	*150*
Girls Cricket Fund	*500*	*-*	*-*	*-*	*-*	*500*
Kathleen Morrison Fund	*-*	*1,985*	*-*	*-*	*-*	*1,985*
	(5,099)	*27,920*	*(11,969)*	*-*	*-*	*10,852*
Total of funds	*21,288,549*	*10,174,621*	*(9,897,208)*	*-*	*834,765*	*22,400,727*

20. Summary of funds (continued)

DESIGNATED FUNDS

Extraordinary repair fund - In accordance with the terms of the Charity commission the Governors had established a fund by 1 September 2009 to provide for the extraordinary repair, improvement and rebuilding of the school's property.

Loppylugs and Barbara Morrison Charitable Trust - This donation is available for use at the Headmaster's discretion taking onto account the donors' interests.

School Nursery and Four-Classroom block - Fund set aside by the Governors following the Charity commission approval of the use of the £2m of the endowment fund for the development works. This is a capital fund and the future depreciation of the assets constructed will be charged to it.

New Build Fund - The Governors have agreed to set aside a sum of money annually to reflect the use of endowment funds which were expended on the School Nursery and Four Classroom Block.

Foundation fund - Designated - The Governors setting aside a sum to be agreed is to be applied in the provision of places at the school for children of merit and good character who are in need of financial assistance, and supporting state sector schools in need of additional support to enhance teaching and learning.

ENDOWMENT FUNDS

The Permanent endowment fund has to be held by the Blue Coat School Birmingham (Charity number 1152244-1) indefinitely under the Scheme approved by the Charity Commission on 12 March 1986. There is no power to convert the capital into income.

The transfer relates to additions on endowed property.

20. Summary of funds (continued)

RESTRICTED FUNDS

Diana Wills memorial prize - This prize fund was set up a former teacher to reward a pupil's reading ability. The fund was to be used to provide one book prize a year.

Limoges Trust - Grants received to further the development of musical drama within the school.

The John Avins Trust - Fund provided for equipment and resources for the benefit of gifted children in need of financial support within the school.

Sir John Saville Trust - Funds provided by Mr John Saville towards the continued support of the young people of Birmingham.

The Reginald Farrar Fund - Funds provided by Mr Reginald Farrar towards the advancement of the mathematics department.

Association of Friends - Funds raised by the parents and friends of The Blue Coat School to provide additional equipment, resources and entertainment for the pupils.

Hatfield fund - Donation towards bursaries.

Chris Byrne Memorial Prize Fund - To fund a book prize at annual prize giving.

King Fund - Donation toward the bursaries.

Girls Cricket Fund - Funding received to promote Girls Cricket at the School.

Kathleen Morrison Fund - To fund a prize at the annual prize giving.

20. Summary of funds (continued)

Summary of funds - current year

	Balance at 1 September 2024 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2025 £
Designated funds	**5,101,658**	**10,325**	**(330,631)**	**445,288**	**-**	**5,226,640**
General funds	**1,675,745**	**10,493,078**	**(10,113,438)**	**(445,288)**	**(78,765)**	**1,531,332**
Endowment funds	**15,612,472**	**-**	**(215,140)**	**-**	**(273,688)**	**15,123,644**
Restricted funds	**10,852**	**19,068**	**(4,068)**	**-**	**-**	**25,852**
	22,400,727	**10,522,471**	**(10,663,277)**	**-**	**(352,453)**	**21,907,468**

Summary of funds - prior year

	Balance at 1 September 2023 £	*Income £*	*Expenditure £*	*Transfers in/(out) £*	*Gains/ (Losses) £*	*Balance at 31 August 2024 £*
Designated funds	*4,707,329*	*10,325*	*(369,720)*	*753,724*	*-*	*5,101,658*
General funds	*1,461,374*	*10,136,376*	*(9,354,832)*	*(753,724)*	*186,551*	*1,675,745*
Endowment funds	*15,124,945*	*-*	*(160,687)*	*-*	*648,214*	*15,612,472*
Restricted funds	*(5,099)*	*27,920*	*(11,969)*	*-*	*-*	*10,852*
	21,288,549	*10,174,621*	*(9,897,208)*	*-*	*834,765*	*22,400,727*

21. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2025 £	Restricted funds 2025 £	Endowment funds 2025 £	Total funds 2025 £
Tangible fixed assets	2,497,238	-	5,929,804	**8,427,042**
Fixed asset investments	4,567,175	-	7,150,656	**11,717,831**
Investment property	-	-	1,415,000	**1,415,000**
Current assets	5,107,796	25,852	628,184	**5,761,832**
Creditors due within one year	(5,414,237)	-	-	**(5,414,237)**
Total	6,757,972	25,852	15,123,644	**21,907,468**

Analysis of net assets between funds - prior year

	Unrestricted funds 2024 £	*Restricted funds 2024 £*	*Endowment funds 2024 £*	*Total funds 2024 £*
Tangible fixed assets	*3,087,913*	*-*	*5,170,907*	*8,258,820*
Fixed asset investments	*4,521,955*	*-*	*7,548,329*	*12,070,284*
Investment property	*-*	*-*	*1,415,000*	*1,415,000*
Current assets	*1,542,916*	*10,852*	*2,072,974*	*3,626,742*
Creditors due within one year	*(2,375,381)*	*-*	*(594,738)*	*(2,970,119)*
Total	*6,777,403*	*10,852*	*15,612,472*	*22,400,727*

22. Reconciliation of net movement in funds to net cash flow from operating activities

	2025 £	*2024 £*
Net income/expenditure for the year (as per Statement of Financial Activities)	**(493,259)**	*1,112,178*
Adjustments for:		
Depreciation charges	**489,844**	*427,121*
(Gains)/losses on investments (including investment property)	**352,453**	*(834,765)*
Dividends, interests and rents from investments	**(571,596)**	*(600,915)*
Profit on the sale of fixed assets	**-**	*(3,250)*
Increase in debtors	**(2,602,257)**	*(15,982)*
Increase in creditors	**2,437,812**	*906,619*
Increase/(decrease) in pension scheme	**6,306**	*(4,478)*
Net cash provided by/(used in) operating activities	**(380,697)**	*986,528*

23. Analysis of cash and cash equivalents

	2025 £	*2024 £*
Cash at bank and in hand	**1,645,753**	*1,071,246*
CCLA deposit account	**628,184**	*2,072,974*
Total cash and cash equivalents	**2,273,937**	*3,144,220*

24. Analysis of changes in net debt

	At 1 September 2024 £	Cash flows £	At 31 August 2025 £
Cash at bank and in hand	**1,071,246**	**574,507**	**1,645,753**
CCLA deposit account	**2,072,974**	**(1,444,790)**	**628,184**
	3,144,220	**(870,283)**	**2,273,937**

25. Capital commitments

	2025 £	*2024 £*
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	-	*256,778*

26. Pension commitments

The School's employees belong to two principle pensions schemes; the Teachers' Pension Scheme England and Wales ("the TPS") for academic and related staff which is a defined benefit scheme and a defined contribution scheme with The Pensions Trust for non-teaching staff. In addition, the school contributes to the personal pension plans of certain employees.

Teachers' Pension Scheme England and Wales ("the TPS")

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 £891,691 *(2024 - £793,714)* and at the year-end £99,388 *(2024 - £90,124)* was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report was published in October 2023. The Valuation Report shows notional assets of £222.2bn and liabilities of £262bn, resulting in a scheme deficit of £39.8bn.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The Pension Trust

The School participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK: It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupation pension schemes in the UK.

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

26. Pension commitments (continued)

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £514.9m, liabilities of £531.0m and a deficit of £16.1m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2025 to 31 March 2028	£2,100,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 March 2028 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025	£3,312,000 per annum (payable monthly)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 liabilities.

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

Present value of provision

	31 August 2025	31 August 2024	31 August 2023
Present value of provision	8,255	1,949	6,427

Reconciliation of opening and closing provisions

	2025 £	*2024 £*
Provision at start of period	**1,949**	*6,427*
Unwinding of the discount factor (interest expense)	**15**	*235*
Deficit contribution paid	**(3,369)**	*(4,716)*
Remeasurements - impact of any change in assumptions	**73**	*3*
Remeasurements - amendments to the contribution schedule	**9,587**	*-*
Provision at the end of period	**8,255**	*1,949*

Pension commitments (continued)

Income and expenditure impact

	2025 £	*2024 £*
Interest expense	**15**	*235*
Remeasurements - impact of any change in assumptions	**73**	*3*
Remeasurements - amendments to the contribution schedule	**9,587**	*-*
Costs recognised in income and expenditure account	**9,675**	*238*

	31 August 2025 % per annum	31 August 2024 % per annum	31 August 2023 % per annum
Rate of discount	4.37	5.13	6.04

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

The pension charge for the year includes contributions payable to The Pension Trust scheme of £223,509 *(2024 - £123,773)* and at the year-end £nill *(2024 - £1,949)* was accrued in respect of contributions to this scheme.

27. Operating lease commitments

At 31 August 2025 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2025 £	*2024 £*
Not later than 1 year	**13,703**	*10,578*
Later than 1 year and not later than 5 years	**54,333**	*-*
	68,036	*10,578*

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2025 £	*2024 £*
Operating lease rentals	**13,071**	*12,592*

At 31 August 2025 the total of the group's future minimum lease income receivable under non-cancellable operating leases was:

	2025 £	*2024 £*
Within 1 year	**18,800**	*6,500*
Between 1 and 5 years	**18,400**	*18,400*
Greater than 5 years	**66,317**	*70,917*
	103,517	*95,817*

28. Security

Included within cash at bank are amounts of £290,719 *(2024 - £178,244)* held as a guarantee to the Secretary of State to cover all liabilities arising out of The Blue Coat School Birmingham Limited's application to be an accepted school under regulation 134(1)(b) of the Teachers' Pensions Regulations 2010.

29. Financial instruments

	2025 £	*2024 £*
Financial assets		
Financial assets measured at fair value through income and expenditure	**13,132,831**	*13,485,284*

Financial assets measured at fair value through income and expenditure comprise investments and investment properties.

The Groups income, expense, gains and losses in respect of financial instruments are summarised below:

	2025 £	*2024 £*
Total investment income for financial assets measured at fair value through income and expenditure	**571,596**	*600,915*
Net gains/(losses) on financial assets measured at fair value through income and expenditure	**352,453**	*834,765*
Impairment (losses)/gains on financial assets measured at amortised cost	**(39,120)**	*(431)*

30. Related party transactions

During the year ended 31 August 2025, the value of payroll costs paid to close family members of Key Management Personnel, deemed related parties, was £102,490 *(2024 - £96,197)*.

Three members of the Senior Leadership Team are parents of pupils currently at the school. During the year, they were charged School Fees, discounted by the rate each staff member is eligible for per the terms of their employment. The balance outstanding at the year end was £Nil *(2024 - £1,859).*

During the year ended 31 August 2025, donations were received by the Limoges Charitable Trust of £5,000, *(2024 - £8,750)* a charity for which M H Dyke and A Milner, Governors, are Trustees. These donations were restricted and were recognised within the Limoges Trust Restricted Fund during the years in which they were received.

During the year ended 31 August 2025 staff time valued at £81,919 *(2024 - £79,924)* was donated to Birmingham Diocesan Multi Academy Trust, an Entity for which Governor Rev. M Thompson is also a Governor. This expenditure has been allocated to the Foundation Designated Fund.

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

England & Wales - Charity number 1152244

Accounts

Registered number: 08502615
Charity number: 1152244

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2024

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Governors and advisers	1 - 2
Governors' report	3 - 11
Independent auditor's report on the financial statements	12 - 15
Statement of financial activities	16 - 17
Balance sheet	18 - 19
Statement of cash flows	20
Notes to the financial statements	21 - 51

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2024

Governors	Mrs K Gilmore DPSN RGN HV, Chair[1] Mr M H Dyke BA, Vice Chair[1] Revd J Allcock BA, Rector of Martin in the Bullring[2] Mrs E Andrews BA PGCE[3] Dr Sarbjit Bahia MBBS MRCP MRCGP DRCOG Dip Occ Med BSc (appointed 18 October 2023) Rev C Butler[2] Mr W G S Hordern MBE MA DipTh JP Rev M Kitto BEd (Hons) MEd PGDip Hon Fellow NSEAD (resigned 21 October 2024) Mrs E Lawson-Bennett LLB MSc (resigned 23 September 2024) Mr A Milner BSC (Hons) Chartered Fellow CISI[1] Prof P Narendran MBBS PhD MRCS FRCP Mr S Page ACA[1] Mrs A K Poole BA[1,4] Mr S M Raine FCA BSocSci[1] Mr A J Roddick FRICS (resigned 18 October 2023) Mr B H Singleton LLB[1,5] The Very Revd M Thompson MA MPhil, Dean of Birmingham[2] Mr M Broughton-Taylor (appointed 29 November 2024) [1] Finance & Estates Committee (together with the Headmaster, Bursar and Finance Manager) [2] Ex Officio [3] Designated Safeguarding Governor [4] Governor for SEND [5] Governors' Representative to The Friends of The Blue Coat School
Company registered number	08502615
Charity registered number	1152244
Registered office	Somerset Road Edgbaston Birmingham B17 0HR
Senior management team	Mr N G Neeson BEd NPQH, Headmaster Mr G W Morgan, Bursar & Clerk to the Governors Mr R J Newman BA PGCE, Second Master and Head of Prep Mrs H R West BA PGCE NPHQ, Head Pre-Prep Mrs A Franklin BA, Director of Marketing & Admissions
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

Bankers	Barclays Bank Plc 15 Colmore Row Birmingham B3 2BH
Solicitors	Veale Wasbrough Vizards 3 Brindley Place Brindley Drive Birmingham B1 2JB
Investment managers	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2024

The Governors present their annual report together with the audited financial statements of the Group and the School for the year ended 31 August 2024. The Governors confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

The Charity is a charitable company limited by guarantee. It was incorporated on 24 April 2013 and registered as a charity on 31 May 2013. Its Memorandum of Association, which established its objects and powers, provided that in the event of it being wound up, members are required to contribute an amount not exceeding £1. Membership of the Company is reviewed at the Annual General Meeting as appropriate.

The unincorporated Charity's governing document is The Trust Founding Deed dating 1722. This has been amended over the years; the latest amendment is dated 17 December 2013. The unincorporated charity holds the charitable group's endowment assets. On 19 June 2018, the Charity Commission issued a Direction linking the two charities for the purposes of Part 4 and Part 8 of the Charities Act 2011.

Governors and charity trustees
The Governors of The Blue Coat School Birmingham Limited are the charity trustees and directors of The Blue Coat School Birmingham Limited (the School) and The Blue Coat School charity. They meet at least four times a year as a full Board. The work of implementing most of their policies is carried out by members of five sub-committees: Finance & Estates; Awards; Safeguarding and Health & Safety; Teaching, Learning & Curriculum; Governance & HR. The minutes of these sub-committee meetings are reviewed at full Board meetings. The Bursar, in his capacity of Clerk to the Governors, is responsible for coordinating the work of the Governors and their committees, for the preparation of papers and management accounts and for the review of matters arising.

New Governors are appointed by the existing Board of Governors having identified gaps in expertise. Potential new Co-optative Governors have an initial meeting with the Chair of Governors and then attend a meeting with the Chairs of key subcommittees all of whom sit on the Governance and HR subcommittee. New co-optative Governors are invited to join up to two sub-committees most relevant to their experience and having regard to the existing number of members on each sub-committee.

Induction and Training
All new governors are allocated a mentor, undertake an induction programme and are given access to the Governors Portal which contains key documents and copies of previous sub-committee and committee minutes. All Governors are particularly encouraged to attend various school functions and to meet members of the Senior Leadership Team, in order to be able to understand further the nature of the School's business. An appropriate level of instruction is provided for both new and existing Governors to update their knowledge and place them in a position where they could sensibly identify their powers and responsibilities. From time to time, Governors go on formal training courses that the School and that individual Governors identify are required for that Governor to be able to discharge his/her duty.

All trustees give of their time freely, and no remuneration was paid in the year. Expenses of £70 were paid to two Governors during the year.

Key management personnel
The Governors consider that the Head, the Bursar, the Head of Prep, Head of Pre-Prep, Deputy Heads and the Director of Marketing & Admissions (Senior Leadership Team) comprise the Key Management Personnel (see note 11 to the accounts). The Governors give of their time freely and the pay and remuneration of the Head and Bursar is set by the Remuneration Committee and is kept under annual review. A number of criteria are used in setting pay:

- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay.

Organisational management
The Governors determine the general policy of the School. The day to day running of the School is delegated to the Head, supported by senior staff. The Head undertakes the key leadership role, overseeing the educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of the School is undertaken in line with the policies and procedures approved by the Governors, which provide for significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Head and Bursar attend all Governors meetings and other senior staff are invited to attend Governors' meetings as appropriate.

Other relationships
The Head is a member of IAPS, which exists to share expertise, knowledge and experience across the independent preparatory school sector. The Bursar is a member of the ISBA, which provides professional development, technical support and invaluable reference material.

Other key parties supporting the School include the Independent Schools' Council (ISC) and the Association of Governing Bodies of Independent Schools (AGBIS).

BCS Enterprises is a wholly owned subsidiary undertaking of The Blue Coat School Limited. It is managed by the Governors of the School and its purpose is to generate surplus funds to reinvest in the School. At present this is now a dormant company.

PUBLIC BENEFIT

The Governing Body have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. The main activities to further the charity's purposes for public benefit include:

Foundation places
Each year Governors allocate a sum of money to fund Foundation places. These places are advertised in numerous publications in the Birmingham area as well as being advertised online in various digital applications.

In addition, a member of staff is seconded to the Birmingham Diocese MAT to provide mentoring and guidance to newly qualified teachers.

Community Link Programme
The Community Link programme seeks to widen access to our educational resources, by bringing independent and state school communities together.

This year, we made the following facilities and coaching available, at no charge, to benefit pupils attending local state schools:

- Use of the swimming pool for swimming lessons and swimming galas
- Use of the sports fields for sport festival and training
- Use of the School Chapel for musical events and religious observances
- Use of the school facilities and staff to provide outreach opportunities to local schools.

Community access
We all see The Blue Coat School as part of a wider community, and where we can assist the community whilst advancing the education of our pupils we are delighted to do so. Various Sports and Music Camps use the School during school holidays for sports and activities holiday camps. Our outreach programme has included opportunities for local schools to access our facilities at no charge and to take part in 'Experience Days' during which they enjoy a wide variety of activities in specialist areas of learning (such as STEM, Music and Forest School). There is no charge for participation.

OUR AIMS

The object of the School is the provision and conduct, in or near the City of Birmingham, of a day school for boys and girls. Within this object, the School has various permanent endowments and restricted Trust Funds held for special purposes in connection with the development of the School's facilities and for Foundations, scholarships, bursaries, prizes and other educational purposes. The School provides education to boys and girls from the ages of 3 -11 years in two departments: Pre-Prep (3-7 years old); and Prep (7-11 years old).

It is policy for all departments to attain the highest academic levels, commensurate with a pupil's ability, as well as providing a co-curricular programme which aims to broaden a pupil's interest and self-confidence. Instruction in the doctrines of the Church of England is given in the School and religious studies encompass education in the tenets of major world faiths.

OUR OBJECTIVES

Our objectives are set to reflect our educational aims and the ethos of the School. It is important to us that we maintain and enhance the academic success of the School.

The Governors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Governors have considered how planned activities will contribute to the aims and objectives set.

The principal objectives for the coming year are:

1. To continue to make first-class provision for the Early Years (from age three upwards), introducing our youngest children to their educational life in such a way as to allow them to flourish fully as human beings in an ever-changing world.
2. To maintain the current high standards of academic achievement indicated by senior school entrance exam results at 11-plus level and other external measures.
3. To recruit and retain the best teaching and support staff to assist in the continued development and promotion of the School as a leading provider of preparatory education not only locally but nationally.
4. To develop the all-round curricular and co-curricular provision to ensure excellence in all areas; academic, music, sport and performing arts.
5. To widen access to the school through the continued provision of means-tested bursaries.
6. To enhance links with the local community and to encourage the community to access the school.
7. To prepare, in conjunction with the Headmaster, a detailed strategic plan incorporating a five-year financial model to assist in the development, financial management and control of the School.

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and on measures to further widen access to the education the School provides. In taking forward our strategy we:

- Review and benchmark the School's academic syllabus, teaching practices and examination results;
- Ensure that the range of co-curricular activities available to our pupils is stimulating and challenging;
- Invest in technology and the infrastructure of our School;
- Co-operate and share resources with local schools;
- Develop methods for awarding bursaries/ scholarships to ensure wider access to pupils from all backgrounds.

OUR ETHOS

Our ethos is to be a caring Christian School serving our local community and society.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our School will be able to educate and develop that pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, race, religion or disability do not form part of our assessment process.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation. We will make reasonable adjustments to meet the needs of staff or pupils who are or who become disabled.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

SIGNIFICANT ACTIVITIES

Academic achievements
The 2023-2024 academic year was another successful year for the School - continuing to deliver sound academic results whilst investing in infrastructure to ensure the continued provision of first-class facilities.

In addition to the high quality education the School provides for its pupils, it continues to offer an extensive programme of outdoor and co-curricular activities.

Sporting activities
The School continues to develop its sporting provision and ensures that children participate in a range of sports and learn different skills including athletics, chess, cricket, dance, football, gymnastics, hockey, judo, netball, rugby, and swimming.

The School's sports facilities continued to be used by local primary schools for swimming lessons and for outreach programmes and sporting festivals.

Music and drama
Music opportunities for all age groups include individual music lessons, choirs, ensembles and an orchestra. Children in all age-groups participate in a wide variety of drama activities.

The Friends of The Blue Coat School
The Friends of The Blue Coat School (Parents' Association) have again organised a wide-ranging programme of events, designed to foster a sense of community within the School. These have been successful in raising funds both for the School and for local charities.

SOCIAL INVESTMENT

In order to fulfil our aims and objectives of providing an education for boys and girls in or near the City of Birmingham, the School provides bursary and scholarship awards as follows:

Bursaries
The Governors' grant-making policy is, in each accounting year, to set aside part of the Charity's investment income, to maintain Foundation Places. This helps children of merit and good character for whom a funded education would be beneficial but could not be afforded without assistance.

In 2023-2024 the School provided assistance to 22 of our pupils of which 9 pupils benefited from a full remission of fees. The Foundation Awards also assist in funding additional costs such as school trips, co-curricular activities, uniform and other similar expenses.

Scholarships
In addition, the School awards scholarships to pupils based on either their educational or musical merit and potential.

The Governors view our bursary and scholarship awards and our outreach programme as important in widening access to the education our school provides. In developing our plans for this programme, we work closely with the Heads of the schools in our community, ensuring the positive contribution to our shared educational aims continues. Maintaining and, where necessary, developing the fabric and facilities of the School are central to our strategy.

ACHIEVEMENTS AND PERFORMANCE

Independent Schools Inspectorate (/SI) Inspection May 2024
ISI conducted a Routine Inspection of the School in April 2024. All standards were met. A full copy of the report is available on both the school and ISI websites.

Pupil numbers
Our educational activities are carried out through two departments: Pre-Prep (3-7 years old); and Prep (7-11 years old). At the year-end the total pupil number was 638.

FUNDRAISING

There are no material fundraising activities at the School which require disclosure under S162A of the Charities Act 2011.

FINANCIAL REVIEW

The School's key financial objective is to ensure financial stability and continued solvency year on year so that it can pursue its charitable aims and objectives. The Governors have followed SORP (FRS 102) in preparing these financial statements and the statement of financial affairs (SOFA), balance sheet and notes are set out within.

The Schools results for the year show a surplus before investment losses and other recognised gain of £277,413 (2023 - gain of £46,037). The principal source of funds remains school fees of £8,905,767 (2023 - £7,874,472) which represented 87.5% (2023 - 86.7%) of the total income of £10,174,621 (2023 - £9,078,632).

Unrealised gains on our investments amounted to £834,765 (2023 - losses of £297,326) before movements on the defined benefit pension scheme.

The investments are primarily used to fund the bursary and scholarship awards and other social investment.

INVESTMENTS

Investment activities are managed in line with the requirements of the Trustee Act 2000. The Governors have appointed CCLA as investment manager.

The main investment objectives of the charity are:

- The creation of a sufficient financial return to enable the charity to carry out its purposes effectively and without interruption;
- The maintenance and enhancement of the investment funds over the long term;
- To obtain a balance between capital growth and income to enable the charity to meet current and future needs; and to maintain a balanced risk profile.

The average income return on the portfolio remained uncharged at 2.8%.

KEY RISKS AND UNCERTAINTIES

The Governors and Senior Leadership Team periodically review the major risks facing the charity. Risk registers are maintained and updated at least annually. Risks are considered under the headings of strategic, operational, financial and legal/ regulatory.

Strategic risks include the School not being seen as a positive, modern organisation and it failing to provide education services that are attractive to parents and thus being unable to maintain pupil numbers. These are critical to the charity's aims to provide education and learning opportunities to children in the Birmingham area. These risks are managed by ensuring that the School provides an excellent, first-class education to every child; adopting proactive communication and PR strategies; through Board scrutiny of activities; robust financial controls; and recruitment and retention of high quality teachers and support staff.

Financial risks include failure to meet income targets, particularly from fee income and investments. School fee increases are carefully considered in conjunction with the School's strategic plans, the budget process and wider economic considerations. A conservative approach is taken to estimating the contribution from external sources and non-core activities. In general, financial risks are managed through regular monitoring and review of budgets during the financial year.

Health and Safety risks include fire safety, pool safety and failure to comply with regulatory requirements including areas relating to asbestos management and water management systems. A robust compliance system has been implemented and all of these risks are subject to close monitoring by the senior management team and the SH&S Sub-Committee. A comprehensive Risk Assessment was devised and all existing policies were amended.

The Governors are satisfied that appropriate actions have been taken to control and mitigate the impact of risks where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

SUSTAINABILITY

In line with our 5 year aims as detailed in our Strategic Framework document the school has undertaken to:

- Reduce our carbon footprint and move towards lower overall emissions
- Ensure all future estate projects adhere to our sustainable strategic aims
- Educate and empower pupils to take positive action on sustainability initiatives.
- Instil a whole school approach to the core principles of sustainability: Refuse, Reduce, Reuse, Repurpose and Recycle.

PENSION LIABILITY

The Governors recognise the liability existing in the Pensions Trust pension scheme for non-teaching staff. The Governors are satisfied that existing cash flows are sufficient to meet any anticipated increases in costs. Pension costs have been reported within the accounts in accordance with accounting standard FRS 102. For our non-teaching and support staff we offer a money purchase plan (defined contribution scheme).

RESERVES

The Governors regularly review the finances, budgets and spend against budget and undertake a termly cash flow analysis as part of their effective stewardship of the School.

The total funds held by the School at the end of the reporting period of £22,400,727 included £1,675,745 of unrestricted general reserves and £5,101,658 of designated funds plus a permanent endowment of £15,612,472.

The Governors designate unrestricted funds to fund future specific projects. The Governors are planning to invest substantial sums into new facilities and upgrades in the next five years, with a view to further improving the facilities. The Governors consider that, given the strength of the charity's balance sheet, the stable cash flow from strong student numbers, the ongoing popularity of our School and the available funds, it will not be necessary to seek external funding for these projects.

The Governors aim to ensure that the School has sufficient resources available to support the working capital requirements of the core activities of the School in unforeseen circumstances, giving sufficient time to allow financial policy to adapt to any new circumstances. These working capital reserves equate to approximately one term's total expenditure, £3 million.

Restricted funds are held for the benefit of the children for supporting learning needs and co-curricular activities as set out in the detailed accounts within this report.

There is a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. The closing net book value of our tangible assets, property, plant and equipment was £8,258,820.

CHARITY GOVERNANCE CODE

The Governors are aware of the new charity governance code issued in July 2017. Reviews continue to be undertaken of the guidance requirements in order to ensure that the charity is working in line with the code, in all ways where it is practical to do so.

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also directors of The Blue Coat School Birmingham Limited for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when the Governors' report is approved has confirmed that:

so far as that Governor is aware, there is no relevant audit information of which the charitable Group's auditor is unaware, and
that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable Group's auditor is aware of that information.

AUDITORS

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved by order of the members of the board of Governors and signed on their behalf by:

.....

Mrs K Gilmore DPSN RGN HV
Chair of Governors
Date: 11-4-25

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Income and endowments from:						
Donations and legacies	4	**10,325**	**27,920**	**-**	**38,245**	*40,264*
Charitable activities:						
School fees	5	**8,905,767**	**-**	**-**	**8,905,767**	*7,874,472*
Ancillary trading income	6	**629,694**	**-**	**-**	**629,694**	*633,851*
Investments	7	**600,915**	**-**	**-**	**600,915**	*530,045*
Total income and endowments		**10,146,701**	**27,920**	**-**	**10,174,621**	*9,078,632*
Expenditure on:						
Raising funds:	8					
Financing costs		**(431)**	**-**	**-**	**(431)**	*(833)*
Charitable activities:	9					
Education and grant making		**9,724,983**	**11,969**	**160,687**	**9,897,639**	*9,033,428*
Total expenditure		**9,724,552**	**11,969**	**160,687**	**9,897,208**	*9,032,595*
Net income/(expenditure) before net gains/(losses) on investments		**422,149**	**15,951**	**(160,687)**	**277,413**	*46,037*
Net gains/(losses) on investments		**186,551**	**-**	**648,214**	**834,765**	*(297,326)*
Net movement in funds before other recognised gains		**608,700**	**15,951**	**487,527**	**1,112,178**	*(251,289)*
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	28	**-**	**-**	**-**	**-**	*64*
Net movement in funds		**608,700**	**15,951**	**487,527**	**1,112,178**	*(251,225)*

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Reconciliation of funds:						
Total funds brought forward		**6,168,703**	**(5,099)**	**15,124,945**	**21,288,549**	*21,539,774*
Net movement in funds		**608,700**	**15,951**	**487,527**	**1,112,178**	*(251,225)*
Total funds carried forward		**6,777,403**	**10,852**	**15,612,472**	**22,400,727**	*21,288,549*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 21 to 51 form part of these financial statements.

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 08502615

BALANCE SHEET
AS AT 31 AUGUST 2024

	Note		2024 £		2023 £
Fixed assets					
Tangible assets	13		**8,258,820**		*6,675,585*
Investments	15		**12,070,284**		*13,235,519*
Investment property	14		**1,415,000**		*1,415,000*
			21,744,104		*21,326,104*
Current assets					
Debtors	16	**482,522**		*466,540*	
Short term investments	17	**2,072,974**		-	
Cash at bank and in hand		**1,071,246**		*1,563,883*	
		3,626,742		*2,030,423*	
Creditors: amounts falling due within one year	18	**(2,970,119)**		*(2,066,267)*	
Net current assets / (liabilites)			**656,623**		*(35,844)*
Total assets less current liabilities			**22,400,727**		*21,290,260*
Creditors: amounts falling due after more than one year	19		**-**		*(1,711)*
Total net assets			**22,400,727**		*21,288,549*

BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2024

	Note	2024 £	*2023 £*
Charity funds			
Endowment funds	22	**15,612,472**	*15,124,945*
Restricted funds	22	**10,852**	*(5,099)*
Unrestricted funds	22	**6,777,403**	*6,168,703*
Total funds		**22,400,727**	*21,288,549*

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Mrs K Gilmore DPSN RGN HV
(Chair of Governors)

Date:
The notes on pages 21 to 51 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2024

	Note	2024 £	2023 £
Cash flows from operating activities			
Net cash used in operating activities	24	**986,528**	*(102,365)*
Cash flows from investing activities			
Dividends, interests and rents from investments		**600,915**	*530,045*
Proceeds from the sale of tangible fixed assets		**3,250**	*1,950*
Purchase of tangible fixed assets		**(2,010,356)**	*(234,236)*
Proceeds from sale of investments		**2,000,000**	-
Net cash provided by investing activities		**593,809**	**297,759**
Change in cash and cash equivalents in the year		**1,580,337**	**195,394**
Cash and cash equivalents at the beginning of the year		**1,563,883**	*1,368,489*
Cash and cash equivalents at the end of the year	25	**3,144,220**	*1,563,883*

The notes on pages 21 to 51 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

1. General information

The company is a company limited by guarantee (registered number 08502615), which is incorporated and registered in England and Wales. Its charity registration number is 1152244. The registered office and principal place of business is The Blue Coat School Birmingham, Somerset Road, Edgbaston, Birmingham, B17 0HR.

The principal activity is to provide a day school for boys and girls near the City of Birmingham.

In June 2018 the Charity Commission issued a Direction linking The Blue Coat School Birmingham Limited with the charity The Blue Coat School Birmingham (charity registration number 1152244-1). This charity holds the charitable groups endowment assets.

The members of the company are the Governors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Blue Coat School Birmingham Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. Accounting policies (continued)

2.3 Fund accounting (continued)

Endowment funds represent those assets which must be held permanently by the charity, principally investments and deposits. Income arising on the endowment funds can be used in accordance with the object of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund. The endowment funds are all held by the subsidiary charity The Blue Coat School Birmingham.

2.4 Income

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations and legacies
For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this required a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Fees and similar income
Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school from its unrestricted funds. Where income is received in advance it is treated as deferred income and included within creditors.

Income from trading activities
Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying services in order to raise funds and is recognised when entitlement has occurred.

Investment income
Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment

2. Accounting policies (continued)

2.4 Income (continued)

management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds;
- Expenditure on charitable activities;
- Other expenditure represents those items not falling into the categories above.

Charitable expenditure comprises those costs incurred by the charitable group in the delivery of activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of The Blue Coat School Birmingham Limited and its subsidiaries, this includes audit fees.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £2,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 1.5% - 20% Straight Line
Fixtures and equipment	- 10% - 20% Straight Line
Motor vehicles	- 20% Straight line
Computer equipment	- 10% - 33.3% Straight Line

Depreciation is not charged on freehold land.

2.7 Investment property

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in the heading 'Gains/(losses) on investments' in the Statement of financial activities. No depreciation is charged on investments properties in accordance with the Charities SORP.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

Cash held on deposit with terms of less than one year are classed as short term investments within current assets.

2.9 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2. Accounting policies (continued)

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.13 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.15 Pensions

Retirement benefits to teachers employed by the school are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme. The TPS is an unfunded scheme and contributions are calculated so as to spread the costs of pensions over employees' working lives with the school in such a way that the pension costs is substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

In preparing these financial statements, the Governors have made the following judgements:

Investment properties
Investment properties are valued on the basis of market value of the freehold interest with vacant possession at the year end.

Recoverability of trade debtors
Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of resources required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, current economic trends and changes in payment terms when making a judgment to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the Statement of financial activities.

4. Income from donations and legacies

	Unrestricted funds 2024 £	Restricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Donations	10,325	27,920	**38,245**	*40,264*
Total 2024	10,325	27,920	**38,245**	*40,264*
Total 2023	*8,800*	*31,464*	*40,264*	

5. Charitable activities - School fees

	2024 £	*2023 £*
Gross tuition fees	**9,467,969**	*8,358,551*
Less: Awards, scholarships and bursaries from unrestricted funds	**(383,797)**	*(340,586)*
Less: Fee discounts	**(178,405)**	*(143,493)*
	8,905,767	*7,874,472*

Awards, scholarships and bursaries were paid to 52 pupils *(2023 - 51 pupils)*. Within this were means tested bursaries totalling £283,648 paid to 22 pupils *(2023 - £246,813 to 22 pupils)*.

The total income from school fees is unrestricted in both years.

6. Charitable activities - Other ancillary trading income

	2024 £	*2023 £*
Extra-curricular activities	**291,276**	*285,737*
Registration fees	**11,200**	*10,200*
School trips	**241,825**	*221,819*
Other income	**85,393**	*116,095*
	629,694	*633,851*

The total ancillary trading income is unrestricted in both years.

7. Investment income

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Rental income	91,049	**91,049**	*85,121*
Dividend income	336,854	**336,854**	*386,844*
Deposit account interest	173,012	**173,012**	*58,080*
Total 2024	600,915	**600,915**	*530,045*
Total 2023	*530,045*	*530,045*	

8. Expenditure on raising funds - Financing costs

	Unrestricted funds 2024 £	Total funds 2024 £	*Total funds 2023 £*
Bad debt (income)/costs	(431)	**(431)**	*(3,499)*
Property management fees	-	**-**	*2,666*
Total 2024	(431)	**(431)**	*(833)*
Total 2023	*(833)*	*(833)*	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	**Total 2024 £**	*Total 2023 £*
Teaching	5,539,050	11,969	160,687	**5,711,706**	*5,104,458*
Catering	629,291	-	-	**629,291**	*576,906*
Premises	2,268,865	-	-	**2,268,865**	*2,076,594*
Support and governance	1,287,777	-	-	**1,287,777**	*1,275,470*
Total 2024	9,724,983	11,969	160,687	**9,897,639**	*9,033,428*
Total 2023	*8,831,671*	*41,586*	*160,171*	*9,033,428*	

Summary by expenditure type

	Staff costs 2024 £	Depreciation 2024 £	Other costs 2024 £	**Total 2024 £**	*Total 2023 £*
Teaching	4,635,841	259,915	815,950	**5,711,706**	*5,104,458*
Catering	-	-	629,291	**629,291**	*576,906*
Premises	461,642	151,330	1,655,893	**2,268,865**	*2,076,594*
Support and governance	744,908	15,876	526,993	**1,287,777**	*1,275,470*
Total 2024	5,842,391	427,121	3,628,127	**9,897,639**	*9,033,428*
Total 2023	*5,343,283*	*382,206*	*3,307,939*	*9,033,428*	

10. Auditor's remuneration

	2024 £	2023 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**20,790**	*21,400*
Fees payable to the Company's auditor in respect of:		
Accountancy services	**3,250**	*3,350*

11. Staff costs

	2024 £	2023 £
Wages and salaries	**4,489,248**	*4,206,780*
Social security costs	**435,656**	*407,913*
Contribution to pension schemes	**917,487**	*728,590*
	5,842,391	*5,343,283*

The average number of persons employed by the Company during the year was as follows:

	2024 No.	2023 No.
Teaching staff	**64**	*63*
Teaching support	**45**	*38*
Support staff	**38**	*38*
	147	*139*

11. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2024 No.	*2023 No.*
In the band £60,001 - £70,000	**2**	*3*
In the band £70,001 - £80,000	**2**	*-*
In the band £110,001 - £120,000	**-**	*1*
In the band £120,001 - £130,000	**1**	*-*
In the band £171,001 - £180,000	**-**	*1*
In the band £180,001 - £190,000	**1**	*-*

The total amount of employee benefits received by key management personnel is £841,756 to 7 staff members *(2023 - £782,504, to 7 staff members)*.

12. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits *(2023 - £NIL)*.

During the year ended 31 August 2024, expenses totalling £70 were reimbursed or paid directly to 2 Governors *(2023 - £676 to 3 Governors)*. Expenses related to courses, accommodation and travel expenses.

13. Tangible fixed assets

	Freehold school premises £	Fixtures and equipment £	Computer equipment £	School Minibus £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2023	**9,820,934**	**177,691**	**788,624**	**65,499**	**46,711**	**10,899,459**
Additions	**64,730**	**17,800**	**300,579**	**-**	**1,627,247**	**2,010,356**
Disposals	**-**	**-**	**(3,250)**	**-**	**-**	**(3,250)**
At 31 August 2024	**9,885,664**	**195,491**	**1,085,953**	**65,499**	**1,673,958**	**12,906,565**
Depreciation						
At 1 September 2023	**3,441,471**	**145,937**	**591,195**	**45,271**	**-**	**4,223,874**
Charge for the year	**303,841**	**12,055**	**104,290**	**6,935**	**-**	**427,121**
On disposals	**-**	**-**	**(3,250)**	**-**	**-**	**(3,250)**
At 31 August 2024	**3,745,312**	**157,992**	**692,235**	**52,206**	**-**	**4,647,745**
Net book value						
At 31 August 2024	**6,140,352**	**37,499**	**393,718**	**13,293**	**1,673,958**	**8,258,820**
At 31 August 2023	*6,379,463*	*31,754*	*197,429*	*20,228*	*46,711*	*6,675,585*

14. Investment property

	Freehold investment property £
Valuation	
At 1 September 2023	**1,415,000**
At 31 August 2024	**1,415,000**

Comprising:

	2024 £	*2023 £*
416 Birmingham Road, Wylde Green	**435,000**	*435,000*
119-120 Glover Street	**130,000**	*130,000*
256 Harborne Road, Edgbaston	**850,000**	*850,000*
	1,415,000	*1,415,000*

The investment property consists of buildings held for investment purposes and are not used in the School's own activities, both residential and industrial property are held and are let out on the open market.

The Properties located at 416 Birmingham Road, and 119-120 Glover Street were revalued by Burley Browne Chartered Surveyors in October 2022.

The property located at 256 Harborne Road were revalued by Fishers (Harborne) Limited in November 2022.

The Governors believe that the value of the investment properties at the year end does not materially differ from the value obtained at the dates listed above.

15. Fixed asset investments

	Investments in subsidiary company £	Investments £	Total £
Cost or valuation			
At 1 September 2023	**100**	**13,235,419**	**13,235,519**
Disposals	**-**	**(2,000,000)**	**(2,000,000)**
Revaluations	**-**	**834,765**	**834,765**
At 31 August 2024	**100**	**12,070,184**	**12,070,284**
Net book value			
At 31 August 2024	**100**	**12,070,184**	**12,070,284**
At 31 August 2023	*100*	*13,235,419*	*13,235,519*

Investments comprise:

	2024 £	*2023 £*
Charities Official Investment Fund - Income shares	**12,070,184**	*13,235,419*

15. Fixed asset investments (continued)

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity	Class of shares	Holding
BCS Enterprises Limited	09109064	The Blue Coat School Birmingham Somerset Road Edgbaston Birmingham B17 0HR.	Dormant in current year	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Net assets £
BCS Enterprises Limited	**100**

16. Debtors

	2024 £	*2023 £*
Trade debtors	**192,678**	*210,710*
Other debtors and accrued income	**177,363**	*146,627*
Prepayments	**112,481**	*109,203*
	482,522	*466,540*

An impairment loss of £2,236 *(2023 - £2,667)* was recognised against fee debtors.

17. Current asset investments

	2024 £	*2023 £*
CCLA deposit account	**2,072,974**	*-*

18. Creditors: Amounts falling due within one year

	2024 £	2023 £
Trade creditors	**300,839**	*452,009*
Other taxation and social security	**95,841**	*98,189*
Fees in advance (note 20)	**1,059,917**	*915,611*
Deposits (note 21)	**201,300**	*191,650*
Pension liability	**1,949**	*4,716*
Accruals and other creditors	**1,310,273**	*404,092*
	2,970,119	*2,066,267*

19. Creditors: Amounts falling due after more than one year

	2024 £	2023 £
Pension liability	**-**	*1,711*

20. Fees in advance

Movement of fees in advance:

	2024 £	2023 £
Balance at 1 September	**915,611**	*725,780*
New advance fees received	**1,059,917**	*915,611*
Amounts utilised in payments	**(915,611)**	*(725,780)*
Balance as at 31 August	**1,059,917**	*915,611*

21. Fee deposits

Movement of fee deposits:

	2024 £	*2023* *£*
Balance at 1 September	**191,650**	*187,850*
New deposits received	**42,600**	*34,500*
Deposits utilised	**(32,950)**	*(30,700)*
Balance as at 31 August	**201,300**	*191,650*

The Governors have reviewed the terms of the deposits which are held by the school. Under normal circumstances these will be repaid over future years when the pupils complete their education with the school, however pupils can leave at any date. Therefore, the school has no conditional right to retain the deposits for at least 12 months after the reporting date, in line with the requirements of FRS 102. As such, the balance of all deposits held at 31 August 2024 have been included within creditors due within one year.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2024

22. Statement of funds

Statement of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2024 £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	680,044	-	-	120,000	-	800,044
Loppylugs & Barbara Morrison Trust	-	10,325	-	-	-	10,325
School nursery and four classroom block	2,519,783	-	-	120,000	-	2,639,783
New build fund	1,205,000	-	-	120,000	-	1,325,000
Foundation fund	302,502	-	(369,720)	393,724	-	326,506
	4,707,329	10,325	(369,720)	753,724	-	5,101,658
General funds						
General Funds - all funds	1,461,374	10,136,376	(9,354,832)	(753,724)	186,551	1,675,745
Total Unrestricted funds	6,168,703	10,146,701	(9,724,552)	-	186,551	6,777,403
Endowment funds						
Endowment Funds - all funds	15,124,945	-	(160,687)	-	648,214	15,612,472

22. Statement of funds (continued)

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2024 £
Restricted funds						
Diana Willis memorial prize	165	-	-	-	-	165
Limoges Trust	(7,313)	12,500	(76)	-	-	5,111
John Avins Trust	-	2,000	-	-	-	2,000
Reginal Farrar Fund	506	-	-	-	-	506
Association of Friends BCS	458	11,435	(11,893)	-	-	-
Hatfield Fund	315	-	-	-	-	315
Chris Byrne Memorial Prize Fund	120	-	-	-	-	120
King Fund	150	-	-	-	-	150
Girls Cricket Fund	500	-	-	-	-	500
Kathleen Morrison Fund	-	1,985	-	-	-	1,985
	(5,099)	27,920	(11,969)	-	-	10,852
Total of funds	21,288,549	10,174,621	(9,897,208)	-	834,765	22,400,727

22. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2022 £	*Income* £	*Expenditure* £	*Transfers in/(out)* £	*Gains/ (Losses)* £	*Balance at 31 August 2023* £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	*575,545*	-	-	*104,499*	-	*680,044*
Loppylugs & Barbara Morrison Trust	*8,000*	*8,800*	*(16,800)*	-	-	-
School nursery and four classroom block	*2,399,783*	-	-	*120,000*	-	*2,519,783*
New build fund	*1,085,000*	-	-	*120,000*	-	*1,205,000*
Foundation fund	*263,443*	-	*(333,760)*	*372,819*	-	*302,502*
Old Scholar Donation	*1,326*	-	*(1,326)*	-	-	-
	4,333,097	*8,800*	*(351,886)*	*717,318*	-	*4,707,329*
General funds						
General Funds - all funds	*1,699,510*	*9,038,368*	*(8,478,952)*	*(732,819)*	*(64,733)*	*1,461,374*
Total Unrestricted funds	*6,032,607*	*9,047,168*	*(8,830,838)*	*(15,501)*	*(64,733)*	*6,168,703*

22. Statement of funds (continued)

	Balance at 1 September 2022 £	*Income* £	*Expenditure* £	*Transfers in/(out)* £	*Gains/ (Losses)* £	*Balance at 31 August 2023* £
Endowment funds						
Endowment Funds - all funds	*15,502,144*	-	*(160,171)*	*15,501*	*(232,529)*	*15,124,945*
Restricted funds						
Diana Willis memorial prize	*165*	-	-	-	-	*165*
Limoges Trust	-	*6,924*	*(14,237)*	-	-	*(7,313)*
John Avins Trust	*2,939*	*2,000*	*(4,939)*	-	-	-
Grand piano	*200*	-	*(200)*	-	-	-
Sir John Saville Trust	-	*18,000*	*(18,000)*	-	-	-
Reginal Farrar Fund	*506*	-	-	-	-	*506*
Association of Friends BCS	*413*	*4,000*	*(3,955)*	-	-	*458*
Hatfield Fund	*530*	*40*	*(255)*	-	-	*315*
Chris Byrne Memorial Prize Fund	*120*	-	-	-	-	*120*
King Fund	*150*	-	-	-	-	*150*
Girls Cricket Fund	-	*500*	-	-	-	*500*
	5,023	*31,464*	*(41,586)*	-	-	*(5,099)*
Total of funds	*21,539,774*	*9,078,632*	*(9,032,595)*	-	*(297,262)*	*21,288,549*

22. Summary of funds (continued)

DESIGNATED FUNDS

Extraordinary repair fund - In accordance with the terms of the charity commission the Governors had established a fund by 1 September 2009 to provide for the extraordinary repair, improvement and rebuilding of the school's property. The Governors have made a transfers in of £120,000 *(2023 - £120,000)* this year to the fund to finance repairs and transfers out of £NIL *(2023- £15,501)* to fund capital works on the chapel and the new science building.

Loppylugs and Barbara Morrison Charitable Trust - This donation is available for use at the Headmaster's discretion taking onto account the donors' interests.

School Nursery and Four-Classroom block - Fund set aside by the Governors following the charity commission approval of the use of the £2m of the endowment fund for the development works. This is a capital fund and the future depreciation of the assets constructed will be charged to it. The Governors have made a transfers of £120,000 *(2023 - £120,000)* this year to the fund.

New Build Fund - The Governors have agreed to set aside a sum of money annually to reflect the use of endowment funds which were expended on the School Nursery and Four Classroom Block. The Governors have made a transfers of £120,000 *(2023 - £120,000)* this year to the fund.

Foundation fund - Designated - The Governors have agreed to set aside annually a sum equal to not less than 5% of the net fee income of the previous financial year. The amount set aside is to be applied in the provision of places at the school for children of merit and good character who are in need of financial assistance, and supporting state sector schools in need of additional support to enhance teaching and learning. In the current year the amounts set aside totalled £393,724 *(2023 - £372,819)* and amounts advanced to pupils totalled £289,796 *(2023 - £255,520)*. The value of support provided to state sector schools amounted to £79,924 *(2023 - £78,240)*.

Old Scholar Donation - Donation in memory of Mr Ernest Jones to be spent as seen fit.

ENDOWMENT FUNDS

The Permanent endowment fund has to be held by the Blue Coat School Birmingham (Charity number 1152244-1) indefinitely under the Scheme approved by the Charity Commission on 12 March 1986. There is no power to convert the capital into income.

The transfer relates to additions on endowed property.

22. **Summary of funds (continued)**

RESTRICTED FUNDS

Diana Wills memorial prize - This prize fund was set up a former teacher to reward a pupil's reading ability. The fund was to be used to provide one book prize a year.

Limoges Trust - Grants received to further the development of musical drama within the school.

The John Avins Trust - Fund provided for equipment and resources for the benefit of gifted children in need of financial support within the school.

Grand Piano - Funds provided by the Birmingham Community Foundation and the Loppylugs and Barbara Morrison Charitable Trust to purchase a grand piano. This is a capital fund and the future depreciation of the asset will be charged to it.

Sir John Saville Trust - Funds provided by Mr John Saville towards the continued support of the young people of Birmingham.

The Reginald Farrar Fund - Funds provided by Mr Reginald Farrar towards the advancement of the mathematics department.

Association of Friends - Funds raised by the parents and friends of The Blue Coat School to provide additional equipment, resources and entertainment for the pupils.

Hatfield fund - Donation towards bursaries.

Chris Byrne Memorial Prize Fund - To fund a book prize at annual prize giving.

King Fund - Donation toward the bursaries.

Girls Cricket Fund - Funding received to promote Girls Cricket at the School.

Kathleen Morrison Fund - To fund a prize at the annual prize giving.

22. Summary of funds (continued)

Summary of funds - current year

	Balance at 1 September 2023 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2024 £
Designated funds	**4,707,329**	**10,325**	**(369,720)**	**753,724**	**-**	**5,101,658**
General funds	**1,461,374**	**10,136,376**	**(9,354,832)**	**(753,724)**	**186,551**	**1,675,745**
Endowment funds	**15,124,945**	**-**	**(160,687)**	**-**	**648,214**	**15,612,472**
Restricted funds	**(5,099)**	**27,920**	**(11,969)**	**-**	**-**	**10,852**
	21,288,549	**10,174,621**	**(9,897,208)**	**-**	**834,765**	**22,400,727**

Summary of funds - prior year

	Balance at 1 September 2022 £	*Income £*	*Expenditure £*	*Transfers in/(out) £*	*Gains/ (Losses) £*	*Balance at 31 August 2023 £*
Designated funds	*4,333,097*	*8,800*	*(351,886)*	*717,318*	*-*	*4,707,329*
General funds	*1,699,510*	*9,038,368*	*(8,478,952)*	*(732,819)*	*(64,733)*	*1,461,374*
Endowment funds	*15,502,144*	*-*	*(160,171)*	*15,501*	*(232,529)*	*15,124,945*
Restricted funds	*5,023*	*31,464*	*(41,586)*	*-*	*-*	*(5,099)*
	21,539,774	*9,078,632*	*(9,032,595)*	*-*	*(297,262)*	*21,288,549*

23. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2024 £	Restricted funds 2024 £	Endowment funds 2024 £	Total funds 2024 £
Tangible fixed assets	3,087,913	-	5,170,907	**8,258,820**
Fixed asset investments	4,521,955	-	7,548,329	**12,070,284**
Investment property	-	-	1,415,000	**1,415,000**
Current assets	1,459,208	10,852	2,072,974	**3,543,034**
Creditors due within one year	(2,291,673)	-	(594,738)	**(2,886,411)**
Total	6,777,403	10,852	15,612,472	**22,400,727**

Analysis of net assets between funds - prior period

	Unrestricted funds 2023 £	*Restricted funds 2023 £*	*Endowment funds 2023 £*	*Total funds 2023 £*
Tangible fixed assets	*3,017,949*	-	*3,657,636*	*6,675,585*
Fixed asset investments	*3,183,210*	-	*10,052,309*	*13,235,519*
Investment property	-	-	*1,415,000*	*1,415,000*
Current assets	*2,030,423*	-	-	*2,030,423*
Creditors due within one year	*(2,061,168)*	*(5,099)*	-	*(2,066,267)*
Creditors due in more than one year	*(1,711)*	-	-	*(1,711)*
Total	*6,168,703*	*(5,099)*	*15,124,945*	*21,288,549*

24. Reconciliation of net movement in funds to net cash flow from operating activities

	2024 £	2023 £
Net income/expenditure for the period (as per Statement of Financial Activities)	**1,112,178**	*(251,289)*
Adjustments for:		
Depreciation charges	**427,121**	*382,206*
(Gains)/losses on investments (including investment property)	**(834,765)**	*297,326*
Dividends, interests and rents from investments	**(600,915)**	*(530,045)*
Profit on the sale of fixed assets	**(3,250)**	*(1,920)*
Increase in debtors	**(15,982)**	*(139,266)*
Increase in creditors	**906,619**	*140,559*
Pension scheme	**(4,478)**	*64*
Net cash provided by/(used in) operating activities	**986,528**	*(102,365)*

25. Analysis of cash and cash equivalents

	2024 £	2023 £
Cash at bank and in hand	**1,071,246**	*1,563,883*
CCLA deposit account	**2,072,974**	-
Total cash and cash equivalents	**3,144,220**	*1,563,883*

26. Analysis of changes in net debt

	At 1 September 2023 £	Cash flows £	At 31 August 2024 £
Cash at bank and in hand	**1,563,883**	**(492,637)**	**1,071,246**
CCLA deposit account	**-**	**2,072,974**	**2,072,974**
	1,563,883	**1,580,337**	**3,144,220**

27. Capital commitments

	2024	2023
	£	£
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	**256,778**	*184,839*

28. Pension commitments

The school's employees belong to two principle pensions schemes; the Teachers' Pension Scheme England and Wales ("the TPS") for academic and related staff which is a defined benefit scheme and a defined contribution scheme with The Pensions Trust for non-teaching staff. In addition, the school contributes to the personal pension plans of certain employees.

Teachers' Pension Scheme England and Wales ("the TPS")

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 £793,714 *(2023 - £639,714)* and at the year-end £90,124 *(2023 - £71,503)* was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The employer contribution rate for the TPS is 28.6%, and employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

28. Pension commitments (continued)

The Pension Trust

The school participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupation pension schemes in the UK.

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

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions	
From 1 April 2022 to 31 January 2025	£3,312,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions	
From 1 April 2019 to 30 September 2025	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 liabilities.

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

Present value of provision

	31 August 2024	31 August 2023	31 August 2022
Present value of provision	1,949	6,427	10,836

Reconciliation of opening and closing provisions

	2024 £	*2023 £*
Provision at start of period	**6,427**	*10,836*
Unwinding of the discount factor (interest expense)	**235**	*371*
Deficit contribution paid	**(4,716)**	*(4,716)*
Remeasurements - impact of any change in assumptions	**3**	*(64)*
Remeasurements - amendments to the contribution schedule	**-**	*-*
Provision at the end of period	**1,949**	*6,427*

Pension commitments (continued)

Income and expenditure impact

	2024 £	*2023 £*
Interest expense	**235**	*371*
Remeasurements - impact of any change in assumptions	**3**	*(64)*
Remeasurements - amendments to the contribution schedule	**-**	*-*
Costs recognised in income and expenditure account	**238**	*307*

	31 August 2024 % per annum	31 August 2023 % per annum	31 August 2022 % per annum
Rate of discount	5.13	6.04	4.46

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

The pension charge for the year includes contributions payable to The Pension Trust scheme of £123,773 *(2023 - £88,812)* and at the year-end £1,949 *(2023 - £6,681)* was accrued in respect of contributions to this scheme.

29. Operating lease commitments

At 31 August 2024 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2024 £	2023 £
Not later than 1 year	**10,578**	*17,801*
Later than 1 year and not later than 5 years	**-**	*13,080*
	10,578	*30,881*

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2024 £	2023 £
Operating lease rentals	**12,592**	*17,716*

At 31 August 2024 the total of the group's future minimum lease income receivable under non-cancellable operating leases was:

	2024 £	2023 £
Within 1 year	**6,500**	*33,517*
Between 1 and 5 years	**18,400**	*18,400*
Greater than 5 years	**70,917**	*75,517*
	95,817	*127,434*

30. Security

Included within cash at bank are amounts of £178,244 (2023 - £178,244) held as a guarantee to the Secretary of State to cover all liabilities arising out of The Blue Coat School Birmingham Limited's application to be an accepted school under regulation 134(1)(b) of the Teachers' Pensions Regulations 2010.

31. Financial instruments

	2024 £	2023 £
Financial assets		
Financial assets measured at fair value through income and expenditure	**13,485,284**	*14,650,519*

Financial assets measured at fair value through income and expenditure comprise investments and investment properties.

The Groups income, expense, gains and losses in respect of financial instruments are summarised below:

	2024 £	2023 £
Total investment income for financial assets measured at fair value through income and expenditure	**600,915**	*530,045*
Net gains/(losses) on financial assets measured at fair value through income and expenditure	**834,765**	*(297,326)*
Impairment gains on financial assets measured at amortised cost	**431**	*3,499*

32. Related party transactions

During the year ended 31 August 2024, the value of payroll costs paid to close family members of Key Management Personnel, deemed related parties, was £96,197 *(2023 - £86,816)*.

The School Governors includes a parent, and grandparent of pupils currently at the school. During the year they were charged School Fees on normal commercial terms. The balance outstanding at the year end amounted to £NIL *(2023 - £920)*.

Three members of the Senior Leadership Team are parents of pupils currently at the school. During the year, they were charged School Fees, discounted by the rate each staff member is eligible for per the terms of their employment. The balance outstanding at the year end was £1,859 *(2023 - £1,439)*.

During the year ended 31 August 2024, donations were received by the Limoges Charitable Trust of £8,750, *(2023 - £5,750)* a charity for which M H Dyke and A Milner, Governors, are Trustees. These donations were restricted and were recognised within the Limoges Trust Restricted Fund during the years in which they were received.

During the year ended 31 August 2024, staff time valued at £79,924 (*2023 - £78,420*) was donated to Birmingham Diocesan Multi Academy Trust, an Entity for which Governor Rev. M Thompson is also a Governor. This expenditure has been allocated to the Foundation Designated Fund.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUE COAT SCHOOL BIRMINGHAM LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, 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 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of donation and ancillary income, procurement processes for significant capital projects and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUE COAT SCHOOL BIRMINGHAM LIMITED (CONTINUED)

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Blundell LLB FCA FCIE DChA (Senior statutory auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date:

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

England & Wales - Charity number 1152244

Accounts

Registered number: 08502615
Charity number: 1152244

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2023

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Governors and advisers	1 - 2
Governors' report	3 - 11
Independent auditor's report on the financial statements	12 - 15
Statement of financial activities	16 - 17
Balance sheet	18
Statement of cash flows	19
Notes to the financial statements	20 - 50

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2023

Governors	Mrs K Gilmore DPSN RGN HV, Chair[1] Mr M H Dyke BA, Vice Chair[1] Revd J Allcock BA, Rector of Martin in the Bullring[2] Mrs E Andrews BA PGCE (appointed 16 May 2023)[3] Dr Sarbjit Bahia MBBS MRCP MRCGP DRCOG Dip Occ Med BSc (appointed 18 October 2023) Rev C Butler (appointed 22 March 2023)[2] Mr W G S Hordern MBE MA DipTh JP Reb M Kitto BEd (Hons) MEd PGDip Hon Fellow NSEAD Mrs E Lawson-Bennett LLB MSc Mr A Milner BSC (Hons) Chartered Fellow CISI[1] Prof P Narendran MBBS PhD MRCS FRCP Mr S Page ACA[1] Mrs A K Poole BA[1,4] Mr S M Raine FCA BSocSci[1] Mr A J Roddick FRICS (resigned 18 October 2023)[1] Mr B H Singleton LLB[1,5] The Very Revd M Thompson MA MPhil, Dean of Birmingham[2] [1] Finance & Estates Committee (together with the Headmaster, Bursar and Finance Manager) [2] Ex Officio [3] Designated Safeguarding Governor [4] Governor for SEND [5] Governors' Representative to The Friends of The Blue Coat School
Company registered number	08502615
Charity registered number	1152244
Registered office	Somerset Road Edgbaston Birmingham B17 0HR
Senior management team	Mr N G Neeson BEd NPQH, Headmaster Mr G W Morgan, Bursar & Clerk to the Governors Mr R J Newman BA PGCE, Second Master and Head of Prep Mrs H R West BA PGCE NPHQ, Head Pre-Prep Mrs A Franklin BA, Director of Marketing & Admissions
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

Bankers	Barclays Bank Plc 15 Colmore Row Birmingham B3 2BH
Solicitors	Veale Wasbrough Vizards 3 Brindley Place Brindley Drive Birmingham B1 2JB
Investment managers	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2023

The Governors present their annual report together with the audited financial statements of the Group and the School for the year ended 31 August 2023. The Governors confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

The Charity is a charitable company limited by guarantee. It was incorporated on 24 April 2013 and registered as a charity on 31 May 2013. Its Memorandum of Association, which established its objects and powers, provided that in the event of it being wound up, members are required to contribute an amount not exceeding £1. Membership of the Company is reviewed at the Annual General Meeting as appropriate.

The unincorporated Charity's governing document is The Trust Founding Deed dating 1722. This has been amended over the years; the latest amendment is dated 17 December 2013. The unincorporated charity holds the charitable group's endowment assets. On 19 June 2018, the Charity Commission issued a Direction linking the two charities for the purposes of Part 4 and Part 8 of the Charities Act 2011.

Governors and charity trustees
The Governors of The Blue Coat School Birmingham Limited are the charity trustees and directors of The Blue Coat School Birmingham Limited (the School) and The Blue Coat School charity. They meet at least four times a year as a full Board. The work of implementing most of their policies is carried out by members of five sub-committees: Finance & Estates; Awards; Safeguarding and Health & Safety; Teaching, Learning & Curriculum; Governance & HR. The minutes of these sub-committee meetings are reviewed at full Board meetings. The Bursar, in his capacity of Clerk to the Governors, is responsible for coordinating the work of the Governors and their committees, for the preparation of papers and management accounts and for the review of matters arising.

New Governors are appointed by the existing Board of Governors having identified gaps in expertise. Potential new Co-optative Governors have an initial meeting with the Chair of Governors and then attend a meeting with the Chairs of key subcommittees all of whom sit on the Governance and HR subcommittee. New co-optative Governors are invited to join up to two sub-committees most relevant to their experience and having regard to the existing number of members on each sub-committee.

Induction and Training
All new governors are allocated a mentor, undertake an induction programme and are given access to the Governors Portal which contains key documents and copies of previous sub-committee and committee minutes. All Governors are particularly encouraged to attend various school functions and to meet members of the Senior Leadership Team, in order to be able to understand further the nature of the School's business. An appropriate level of instruction is provided for both new and existing Governors to update their knowledge and place them in a position where they could sensibly identify their powers and responsibilities. From time to time, Governors go on formal training courses that the School and that individual Governors identify are required for that Governor to be able to discharge his/her duty.

All trustees give of their time freely, and no remuneration was paid in the year. Expenses of £676 were paid to three Governors during the year.

Key management personnel
The Governors consider that the Head, the Bursar, the Head of Prep, Head of Pre-Prep, Deputy Heads and the Director of Marketing & Admissions (Senior Leadership Team) comprise the Key Management Personnel (see note 11 to the accounts). The Governors give of their time freely and the pay and remuneration of the Head and Bursar is set by the Remuneration Committee and is kept under annual review. A number of criteria are used in setting pay:

- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay.

Organisational management
The Governors determine the general policy of the School. The day to day running of the School is delegated to the Head, supported by senior staff. The Head undertakes the key leadership role, overseeing the educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of the School is undertaken in line with the policies and procedures approved by the Governors, which provide for significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Head and Bursar attend all Governors meetings and other senior staff are invited to attend Governors' meetings as appropriate.

Other relationships
The Head is a member of IAPS, which exists to share expertise, knowledge and experience across the independent preparatory school sector. The Bursar is a member of the ISBA, which provides professional development, technical support and invaluable reference material.

Other key parties supporting the School include the Independent Schools' Council (ISC) and the Association of Governing Bodies of Independent Schools (AGBIS).

BCS Enterprises is a wholly owned subsidiary undertaking of The Blue Coat School Limited. It is managed by the Governors of the School and its purpose is to generate surplus funds to reinvest in the School. At present this is now a dormant company.

PUBLIC BENEFIT

The Governing Body have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. The main activities to further the charity's purposes for public benefit include:

Foundation places
Each year Governors allocate a sum of money to fund Foundation places. These places are advertised in numerous publications in the Birmingham area as well as being advertised online in various digital applications.

Community Link Programme
The Community Link programme seeks to widen access to our educational resources, by bringing independent and state school communities together.

This year, we made the following facilities and coaching available, at no charge, to benefit pupils attending local state schools:

- Use of the swimming pool for swimming lessons and swimming galas
- Use of the sports fields for sport festival and training
- Use of the School Chapel for musical events and religious observances
- Use of the school facilities and staff to provide outreach opportunities to local schools.

Community access
We all see The Blue Coat School as part of a wider community, and where we can assist the community whilst advancing the education of our pupils we are delighted to do so. Various Sports and Music Camps use the School during school holidays for sports and activities holiday camps. Our outreach programme has included opportunities for local schools to access our facilities at no charge and to take part in 'Experience Days' during which they enjoy a wide variety of activities in specialist areas of learning (such as STEM, Music and Forest School). There is no charge for participation.

OUR AIMS

The object of the School is the provision and conduct, in or near the City of Birmingham, of a day school for boys and girls. Within this object, the School has various permanent endowments and restricted Trust Funds held for special purposes in connection with the development of the School's facilities and for Foundations, scholarships, bursaries, prizes and other educational purposes. The School provides education to boys and girls from the ages of 3 -11 years in two departments: Pre-Prep (3-7 years old); and Prep (7-11 years old).

It is policy for all departments to attain the highest academic levels, commensurate with a pupil's ability, as well as providing a co-curricular programme which aims to broaden a pupil's interest and self-confidence. Instruction in the doctrines of the Church of England is given in the School and religious studies encompass education in the tenets of major world faiths.

OUR OBJECTIVES

Our objectives are set to reflect our educational aims and the ethos of the School. It is important to us that we maintain and enhance the academic success of the School.

The Governors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Governors have considered how planned activities will contribute to the aims and objectives set.

The principal objectives for the coming year are:

1. To continue to make first-class provision for the Early Years (from age three upwards), introducing our youngest children to their educational life in such a way as to allow them to flourish fully as human beings in an ever-changing world.
2. To maintain the current high standards of academic achievement indicated by senior school entrance exam results at 11-plus level and other external measures.
3. To recruit and retain the best teaching and support staff to assist in the continued development and promotion of the School as a leading provider of preparatory education not only locally but nationally.
4. To develop the all-round curricular and co-curricular provision to ensure excellence in all areas; academic, music, sport and performing arts.
5. To widen access to the school through the continued provision of means-tested bursaries.
6. To enhance links with the local community and to encourage the community to access the school.
7. To prepare, in conjunction with the Headmaster, a detailed strategic plan incorporating a five-year financial model to assist in the development, financial management and control of the School.

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and on measures to further widen access to the education the School provides. In taking forward our strategy we:

- Review and benchmark the School's academic syllabus, teaching practices and examination results;
- Ensure that the range of co-curricular activities available to our pupils is stimulating and challenging;
- Invest in technology and the infrastructure of our School;
- Co-operate and share resources with local schools;
- Develop methods for awarding bursaries/ scholarships to ensure wider access to pupils from all backgrounds.

OUR ETHOS

Our ethos is to be a caring Christian School serving our local community and society.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our School will be able to educate and develop that pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, race, religion or disability do not form part of our assessment process.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation. We will make reasonable adjustments to meet the needs of staff or pupils who are or who become disabled.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

SIGNIFICANT ACTIVITIES

Academic achievements
The 2022-2023 academic year was another successful year for the School - continuing to deliver sound academic results whilst investing in infrastructure to ensure the continued provision of first-class facilities.

In addition to the high quality education the School provides for its pupils, it continues to offer an extensive programme of outdoor and co-curricular activities.

Sporting activities
The School continues to develop its sporting provision and ensures that children participate in a range of sports and learn different skills including athletics, chess, cricket, dance, football, gymnastics, hockey, judo, netball, rugby, and swimming.

The School's sports facilities continued to be used by local primary schools for swimming lessons and for outreach programmes and sporting festivals.

Music and drama
Music opportunities for all age groups include individual music lessons, choirs, ensembles and an orchestra. Children in all age-groups participate in a wide variety of drama activities.

The Friends of The Blue Coat School
The Friends of The Blue Coat School (Parents' Association) have again organised a wide-ranging programme of events, designed to foster a sense of community within the School. These have been successful in raising funds both for the School and for local charities.

SOCIAL INVESTMENT

In order to fulfil our aims and objectives of providing an education for boys and girls in or near the City of Birmingham, the School provides bursary and scholarship awards as follows:

Bursaries
The Governors' grant-making policy is, in each accounting year, to set aside part of the Charity's investment income, to maintain Foundation Places. This helps children of merit and good character for whom a funded education would be beneficial but could not be afforded without assistance.

In 2022-2023 the School provided assistance to 22 of our pupils of which 7 pupils benefited from a full remission of fees. The Foundation Awards also assist in funding additional costs such as school trips, co-curricular activities, uniform and other similar expenses.

Scholarships
In addition, the School awards scholarships to pupils based on either their educational or musical merit and potential.

The Governors view our bursary and scholarship awards and our outreach programme as important in widening access to the education our school provides. In developing our plans for this programme, we work closely with the Heads of the schools in our community, ensuring the positive contribution to our shared educational aims continues. Maintaining and, where necessary, developing the fabric and facilities of the School are central to our strategy.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

ACHIEVEMENTS AND PERFORMANCE

Independent Schools Inspectorate (/SI) Inspection May 2021
ISI conducted a Regulatory Compliance Inspection of the School in May 2021. The School was found to be fully compliant and no further actions were required.

An Educational Quality Inspection (EQI) of the School in May 2017. This inspection related to the quality of the pupils' academic and other achievements and to the quality of the pupils' personal development. The school was found to be excellent in every aspect of these inspection judgements - the highest-grade judgement for these inspections. As the school had been judged to be excellent in every respect, the report did not make recommendations, but it did make two suggestions for consideration, both of which dovetailed with the school's own priorities.

Pupil numbers
Our educational activities are carried out through two departments: Pre-Prep (3-7 years old); and Prep (7-11 years old). At the year-end the total pupil number was 626.

FUNDRAISING

There are no material fundraising activities at the School which require disclosure under S162A of the Charities Act 2011.

FINANCIAL REVIEW

The School's key financial objective is to ensure financial stability and continued solvency year on year so that it can pursue its charitable aims and objectives. The Governors have followed SORP (FRS 102) in preparing these financial statements and the statement of financial affairs (SOFA), balance sheet and notes are set out within.

The Schools results for the year show a surplus before investment losses and other recognised gain of £46,037 (2022 - surplus of £321,353). The principal source of funds remains school fees of £7,874,472 (2022 - £7,456,370) which represented 86.7% (2022 - 87.2%) of the total income of £9,078,632 (2022 - £8,550,356).

Unrealised losses on our investments amounted to £297,326 (2022 - losses of £612,236) before movements on the defined benefit pension scheme.

The investments are primarily used to fund the bursary and scholarship awards and other social investment.

INVESTMENTS

Investment activities are managed in line with the requirements of the Trustee Act 2000. The Governors have appointed CCLA as investment manager.

The main investment objectives of the charity are:

- The creation of a sufficient financial return to enable the charity to carry out its purposes effectively and without interruption;
- The maintenance and enhancement of the investment funds over the long term;
- To obtain a balance between capital growth and income to enable the charity to meet current and future needs; and to maintain a balanced risk profile.

The average income return on the portfolio remained uncharged at 2.9%.

KEY RISKS AND UNCERTAINTIES

The Governors and Senior Leadership Team periodically review the major risks facing the charity. Risk registers are maintained and updated at least annually. Risks are considered under the headings of strategic, operational, financial and legal/ regulatory.

Strategic risks include the School not being seen as a positive, modern organisation and it failing to provide education services that are attractive to parents and thus being unable to maintain pupil numbers. These are critical to the charity's aims to provide education and learning opportunities to children in the Birmingham area. These risks are managed by ensuring that the School provides an excellent, first-class education to every child; adopting proactive communication and PR strategies; through Board scrutiny of activities; robust financial controls; and recruitment and retention of high quality teachers and support staff.

Financial risks include failure to meet income targets, particularly from fee income and investments. School fee increases are carefully considered in conjunction with the School's strategic plans, the budget process and wider economic considerations. A conservative approach is taken to estimating the contribution from external sources and non-core activities. In general, financial risks are managed through regular monitoring and review of budgets during the financial year.

Health and Safety risks include fire safety, pool safety and failure to comply with regulatory requirements including areas relating to asbestos management and water management systems. A robust compliance system has been implemented and all of these risks are subject to close monitoring by the senior management team and the SH&S Sub-Committee. A comprehensive Risk Assessment was devised, existing policies were amended and additional policies were written to ensure that the risks associated with the COVID-19 pandemic were managed. These were all regularly reviewed as Government advice and guidance was updated.

The Governors are satisfied that appropriate actions have been taken to control and mitigate the impact of risks where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

SUSTAINABILITY

In line with our 5 year aims as detailed in our Strategic Framework document the school has undertaken to:

- Reduce our carbon footprint and move towards lower overall emissions
- Ensure all future estate projects adhere to our sustainable strategic aims
- Educate and empower pupils to take positive action on sustainability initiatives.
- Instil a whole school approach to the core principles of sustainability: Refuse, Reduce, Reuse, Repurpose and Recycle.

PENSION LIABILITY

The Governors recognise the liability existing in the Pensions Trust pension scheme for non-teaching staff. The Governors are satisfied that existing cash flows are sufficient to meet any anticipated increases in costs. Pension costs have been reported within the accounts in accordance with accounting standard FRS 102. For our non-teaching and support staff we offer a money purchase plan (defined contribution scheme).

RESERVES

The Governors regularly review the finances, budgets and spend against budget and undertake a termly cash flow analysis as part of their effective stewardship of the School.

The total funds held by the School at the end of the reporting period of £21,288,549 included £1,461,374 of unrestricted general reserves and £4,707,329 of designated funds plus a permanent endowment of £15,124,945.

The Governors designate unrestricted funds to fund future specific projects. The Governors are planning to invest substantial sums into new facilities and upgrades in the next five years, with a view to further improving the facilities. The Governors consider that, given the strength of the charity's balance sheet, the stable cash flow from strong student numbers, the ongoing popularity of our School and the available funds, it will not be necessary to seek external funding for these projects.

The Governors aim to ensure that the School has sufficient resources available to support the working capital requirements of the core activities of the School in unforeseen circumstances, giving sufficient time to allow financial policy to adapt to any new circumstances. These working capital reserves equate to approximately one term's total expenditure, £3 million.

Restricted funds are held for the benefit of the children for supporting learning needs and co-curricular activities as set out in the detailed accounts within this report. There was a negative balance of £5,099 at year end, however donations of £7,500 were received a few days after the year end.

There is a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. The closing net book value of our tangible assets, property, plant and equipment was £6,675,585.

CHARITY GOVERNANCE CODE

The Governors are aware of the new charity governance code issued in July 2017. Reviews continue to be undertaken of the guidance requirements in order to ensure that the charity is working in line with the code, in all ways where it is practical to do so.

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also directors of The Blue Coat School Birmingham Limited for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently; observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when the Governors' report is approved has confirmed that:

so far as that Governor is aware, there is no relevant audit information of which the charitable Group's auditor is unaware, and
that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable Group's auditor is aware of that information.

AUDITORS

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved by order of the members of the board of Governors and signed on their behalf by:

Kawan Gilmore

Mrs K Gilmore DPSN RGN HV
Chair of Governors
Date: 31.1.24

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

Opinion

We have audited the financial statements of The Blue Coat School Birmingham Limited (the 'charitable company') for the year ended 31 August 2023 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 charitable company's affairs as at 31 August 2023 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUE COAT SCHOOL BIRMINGHAM LIMITED (CONTINUED)

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, 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 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of donation and ancillary income, procurement processes for significant capital projects and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUE COAT SCHOOL BIRMINGHAM LIMITED (CONTINUED)

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Kerry Brown (Senior statutory auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 12 February 2024

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Income and endowments from:						
Donations and legacies	4	**8,800**	**31,464**	**-**	**40,264**	*46,687*
Charitable activities:						
School fees	5	**7,874,472**	**-**	**-**	**7,874,472**	*7,456,370*
Ancillary trading income	6	**633,851**	**-**	**-**	**633,851**	*567,139*
Investments	7	**530,045**	**-**	**-**	**530,045**	*480,896*
Total income and endowments		**9,047,168**	**31,464**	**-**	**9,078,632**	*8,551,092*
Expenditure on:						
Raising funds:	8					
Financing costs		**(833)**	**-**	**-**	**(833)**	*923*
Charitable activities:	9					
Education and grant making		**8,831,671**	**41,586**	**160,171**	**9,033,428**	*8,228,816*
Total expenditure		**8,830,838**	**41,586**	**160,171**	**9,032,595**	*8,229,739*
Net income/(expenditure) before net losses on investments		**216,330**	**(10,122)**	**(160,171)**	**46,037**	*321,353*
Net losses on investments		**(64,797)**	**-**	**(232,529)**	**(297,326)**	*(612,236)*
Net income/(expenditure)		**151,533**	**(10,122)**	**(392,700)**	**(251,289)**	*(290,883)*
Transfers between funds	21	**(15,501)**	**-**	**15,501**	**-**	*-*
Net movement in funds before other recognised gains		**136,032**	**(10,122)**	**(377,199)**	**(251,289)**	*(290,883)*
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	27	**64**	**-**	**-**	**64**	*478*
Net movement in funds		**136,096**	**(10,122)**	**(377,199)**	**(251,225)**	*(290,405)*

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Reconciliation of funds:						
Total funds brought forward		**6,032,607**	**5,023**	**15,502,144**	**21,539,774**	*21,830,179*
Net movement in funds		**136,096**	**(10,122)**	**(377,199)**	**(251,225)**	*(290,405)*
Total funds carried forward		**6,168,703**	**(5,099)**	**15,124,945**	**21,288,549**	*21,539,774*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 20 to 50 form part of these financial statements.

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 08502615

BALANCE SHEET
AS AT 31 AUGUST 2023

	Note		2023 £		2022 £
Fixed assets					
Tangible assets	13		**6,675,585**		*6,823,585*
Investments	15		**13,235,519**		*13,532,846*
Investment property	14		**1,415,000**		*1,415,000*
			21,326,104		*21,771,431*
Current assets					
Debtors	16	**466,540**		*327,274*	
Cash at bank and in hand		**1,563,883**		*1,368,489*	
		2,030,423		*1,695,763*	
Creditors: amounts falling due within one year	17	**(2,066,267)**		*(1,921,300)*	
Net current (liabilities) / assets			**(35,844)**		*(225,537)*
Total assets less current liabilities			**21,290,260**		*21,545,894*
Creditors: amounts falling due after more than one year	18		**(1,711)**		*(6,120)*
Total net assets			**21,288,549**		*21,539,774*
Charity funds					
Endowment funds	21		**15,124,945**		*15,502,144*
Restricted funds	21		**(5,099)**		*5,023*
Unrestricted funds	21		**6,168,703**		*6,032,607*
Total funds			**21,288,549**		*21,539,774*

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Kevan Gilmore

Mrs K Gilmore DPSN RGN HV

Date: 31.1.24

The notes on pages 20 to 50 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2023

	Note	2023 £	2022 £
Cash flows from operating activities			
Net cash used in operating activities	23	**(102,365)**	*617,255*
Cash flows from investing activities			
Dividends, interests and rents from investments		**530,045**	*480,896*
Proceeds from the sale of tangible fixed assets		**1,950**	-
Purchase of tangible fixed assets		**(234,236)**	*(997,091)*
Purchase of investments		**-**	*(500,000)*
Net cash provided by/(used in) investing activities		**297,759**	**(1,016,195)**
Change in cash and cash equivalents in the year		**195,394**	**(398,940)**
Cash and cash equivalents at the beginning of the year		**1,368,489**	*1,767,429*
Cash and cash equivalents at the end of the year	24	**1,563,883**	*1,368,489*

The notes on pages 20 to 50 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2023

1. General information

The company is a company limited by guarantee (registered number 08502615), which is incorporated and registered in England and Wales. Its charity registration number is 1152244. The registered office and principal place of business is The Blue Coat School Birmingham, Somerset Road, Edgbaston, Birmingham, B17 0HR.

The principal activity is to provide a day school for boys and girls near the City of Birmingham.

In June 2018 the Charity Commission issued a Direction linking The Blue Coat School Birmingham Limited with the charity The Blue Coat School Birmingham (charity registration number 1152244-1). This charity holds the charitable groups endowment assets.

The members of the company are the Governors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Blue Coat School Birmingham Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. Accounting policies (continued)

2.3 Fund accounting (continued)

Endowment funds represent those assets which must be held permanently by the charity, principally investments and deposits. Income arising on the endowment funds can be used in accordance with the object of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund. The endowment funds are all held by the subsidiary charity The Blue Coat School Birmingham.

2.4 Income

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations and legacies
For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this required a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Fees and similar income
Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school from its unrestricted funds. Where income is received in advance it is treated as deferred income and included within creditors.

Income from trading activities
Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying services in order to raise funds and is recognised when entitlement has occurred.

2. Accounting policies (continued)

2.4 Income (continued)

Investment income
Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds;
- Expenditure on charitable activities;
- Other expenditure represents those items not falling into the categories above.

Charitable expenditure comprises those costs incurred by the charitable group in the delivery of activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of The Blue Coat School Birmingham Limited and its subsidiaries, this includes audit fees.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset's use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

2. Accounting policies (continued)

2.5 Expenditure (continued)

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 1.5% - 20% Straight Line
Fixtures and equipment	- 10% - 20% Straight Line
Motor vehicles	- 20% Straight line
Computer equipment	- 10% - 33.3% Straight Line

Depreciation is not charged on freehold land.

2.7 Investment property

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in the heading 'Gains/(losses) on investments' in the Statement of financial activities. No depreciation is charged on investments properties in accordance with the Charities SORP.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

2. Accounting policies (continued)

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.13 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.15 Pensions

Retirement benefits to teachers employed by the school are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme. The TPS is an unfunded scheme and contributions are calculated so as to spread the costs of pensions over employees' working lives with the school in such a way that the pension costs is substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

In preparing these financial statements, the Governors have made the following judgements:

Investment properties
Investment properties are valued on the basis of market value of the freehold interest with vacant possession at the year end.

Recoverability of trade debtors
Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of resources required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, current economic trends and changes in payment terms when making a judgment to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the Statement of financial activities.

4. Income from donations and legacies

	Unrestricted funds 2023 £	Restricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Donations	8,800	31,464	**40,264**	*46,687*
Total 2023	8,800	31,464	**40,264**	*46,687*
Total 2022	*8,000*	*38,687*	*46,687*	

5. Charitable activities - School fees

	2023 £	*2022 £*
Gross tuition fees	**8,358,551**	*7,951,554*
Less: Awards, scholarships and bursaries from unrestricted funds	**(340,586)**	*(348,317)*
Less: Fee discounts	**(143,493)**	*(146,867)*
	7,874,472	*7,456,370*

Awards, scholarships and bursaries were paid to 51 pupils (2022 - 45 pupils). Within this were means tested bursaries totalling £246,813 paid to 22 pupils (2022 - £272,962 to 24 pupils).

The total income from school fees is unrestricted in both years.

6. Charitable activities - Other ancillary trading income

	2023 £	*2022 £*
Extra-curricular activities	**285,737**	*271,534*
Registration fees	**10,200**	*18,200*
School trips	**221,819**	*159,070*
Other income	**116,095**	*118,335*
	633,851	*567,139*

The total ancillary trading income is unrestricted in both years.

7. Investment income

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Rental income	85,121	**85,121**	*88,057*
Dividend income	386,844	**386,844**	*383,829*
Deposit account interest	58,080	**58,080**	*9,010*
Total 2023	530,045	**530,045**	*480,896*
Total 2022	*480,896*	*480,896*	

8. Expenditure on raising funds - Financing costs

	Unrestricted funds 2023 £	Total funds 2023 £	*Total funds 2022 £*
Bad debt (income)/costs	(3,499)	**(3,499)**	*(1,626)*
Property management fees	2,666	**2,666**	*2,549*
Total 2023	(833)	**(833)**	*923*
Total 2022	*923*	*923*	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total 2023 £	*Total 2022 £*
Teaching	4,902,901	41,386	160,171	**5,104,458**	*4,743,157*
Catering	576,906	-	-	**576,906**	*581,891*
Premises	2,076,394	200	-	**2,076,594**	*1,803,571*
Support and governance	1,275,470	-	-	**1,275,470**	*1,100,197*
Total 2023	8,831,671	41,586	160,171	**9,033,428**	*8,228,816*
Total 2022	*8,056,818*	*51,808*	*120,190*	*8,228,816*	

Summary by expenditure type

	Staff costs 2023 £	Depreciation 2023 £	Other costs 2023 £	Total 2023 £	*Total 2022 £*
Teaching	4,142,646	216,928	744,884	**5,104,458**	*4,743,157*
Catering	-	-	576,906	**576,906**	*581,891*
Premises	414,265	147,831	1,514,498	**2,076,594**	*1,803,571*
Support and governance	786,372	17,447	471,651	**1,275,470**	*1,100,197*
Total 2023	5,343,283	382,206	3,307,939	**9,033,428**	*8,228,816*
Total 2022	*4,840,929*	*349,545*	*3,038,342*	*8,228,816*	

10. Auditor's remuneration

	2023 £	2022 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**21,400**	*16,500*
Fees payable to the Company's auditor in respect of:		
Accountancy services	**3,350**	*3,725*

11. Staff costs

	2023 £	2022 £
Wages and salaries	**4,206,780**	*3,844,282*
Social security costs	**407,913**	*378,166*
Contribution to defined contribution pension schemes	**728,590**	*618,481*
	5,343,283	*4,840,929*

During the year there were redundancy or termination payments made which amounted to £Nil (2022 - £Nil). There was nil (2022 - £Nil) outstanding at the year end.

The average number of persons employed by the Company during the year was as follows:

	2023 No.	2022 No.
Teaching staff	**71**	*70*
Administrative/support staff	**51**	*56*
	122	*126*

11. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2023 No.	*2022* *No.*
In the band £60,001 - £70,000	**3**	*3*
In the band £90,001 - £100,000	**-**	*1*
In the band £110,000 - £120,000	**1**	-
In the band £160,001 - £170,000	**-**	*1*
In the band £171,000 - £180,000	**1**	-

The total amount of employee benefits received by key management personnel is £782,504 to 7 staff members (2022 - £797,165, to 8 staff members).

12. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits *(2022 - £NIL)*.

During the year ended 31 August 2023, expenses totalling £676 were reimbursed or paid directly to 3 Governors *(2022 - £1,024 to 3 Governors)* .Expenses related to courses, accommodation and travel expenses.

13. Tangible fixed assets

	Freehold school premises £	Fixtures and equipment £	Computer equipment £	School Minibus £	Assets under construction £	Total £
Cost or valuation						
At 1 September 2022	**9,805,435**	**200,807**	**749,475**	**65,499**	**-**	**10,821,216**
Additions	**15,499**	**10,644**	**161,382**	**-**	**46,711**	**234,236**
Disposals	**-**	**(33,760)**	**(122,233)**	**-**	**-**	**(155,993)**
At 31 August 2023	**9,820,934**	**177,691**	**788,624**	**65,499**	**46,711**	**10,899,459**
Depreciation						
At 1 September 2022	**3,139,498**	**171,274**	**654,688**	**32,171**	**-**	**3,997,631**
Charge for the year	**301,973**	**8,423**	**58,710**	**13,100**	**-**	**382,206**
On disposals	**-**	**(33,760)**	**(122,203)**	**-**	**-**	**(155,963)**
At 31 August 2023	**3,441,471**	**145,937**	**591,195**	**45,271**	**-**	**4,223,874**
Net book value						
At 31 August 2023	**6,379,463**	**31,754**	**197,429**	**20,228**	**46,711**	**6,675,585**
At 31 August 2022	*6,665,937*	*29,533*	*94,787*	*33,328*	*-*	*6,823,585*

14. Investment property

	Freehold investment property £
Valuation	
At 1 September 2022	**1,415,000**
At 31 August 2023	**1,415,000**

Comprising:

	2023 £	*2022 £*
416 Birmingham Road, Wylde Green	**435,000**	*435,000*
119-120 Glover Street	**130,000**	*130,000*
256 Harborne Road, Edgbaston	**850,000**	*850,000*
	1,415,000	*1,415,000*

The investment property consists of buildings held for investment purposes and are not used in the School's own activities, both residential and industrial property are held and are let out on the open market.

The Properties located at 416 Birmingham Road, and 119-120 Glover Street were revalued by Burley Browne Chartered Surveyors in October 2022.

The property located at 256 Harborne Road were revalued by Fishers (Harborne) Limited in November 2022.

The Governors believe that the value of the investment properties at the year end does not materially differ from the value obtained at the dates listed above.

15. Fixed asset investments

	Investments in subsidiary company £	Investments and deposits £	Total £
Cost or valuation			
At 1 September 2022	**100**	**13,532,746**	**13,532,846**
Revaluations	**-**	**(297,327)**	**(297,327)**
At 31 August 2023	**100**	**13,235,419**	**13,235,519**
Net book value			
At 31 August 2023	**100**	**13,235,419**	**13,235,519**
At 31 August 2022	*100*	*13,532,746*	*13,532,846*

Investments and deposits comprise:

	2023 £	*2022 £*
Charities Official Investment Fund - Income shares	**13,235,419**	*13,532,746*

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity	Class of shares	Holding
BCS Enterprises Limited	09109064	The Blue Coat School Birmingham Somerset Road Edgbaston Birmingham B17 0HR.	Dormant in current year	Ordinary	100%

15. Fixed asset investments (continued)

The financial results of the subsidiary for the year were:

Name	Net assets £
BCS Enterprises Limited	**100**

16. Debtors

	2023 £	2022 £
Trade debtors	**210,710**	*195,142*
Other debtors and accrued income	**146,627**	*70,880*
Prepayments	**109,203**	*61,252*
	466,540	*327,274*

An impairment loss of £2,667 (2022 - £6,165) was recognised against fee debtors.

17. Creditors: Amounts falling due within one year

	2023 £	2022 £
Trade creditors	**452,009**	*402,207*
Other taxation and social security	**98,189**	*87,913*
Fees in advance (note 19)	**915,611**	*725,780*
Deposits (note 20)	**191,650**	*187,850*
Pension liability	**4,716**	*4,716*
Accruals and other creditors	**404,092**	*512,834*
	2,066,267	*1,921,300*

18. Creditors: Amounts falling due after more than one year

	2023 £	2022 £
Pension liability	**1,711**	*6,120*

19. Fees in advance

Movement of fees in advance:

	2023 £	2022 £
Balance at 1 September	**725,780**	*668,233*
New advance fees received	**915,611**	*725,780*
Amounts utilised in payments	**(725,780)**	*(668,233)*
Balance as at 31 August	**915,611**	*725,780*

20. Fee deposits

Movement of fee deposits:

	2023 £	2022 £
Balance at 1 September	**187,850**	*185,400*
New deposits received	**34,500**	*36,000*
Deposits utilised	**(30,700)**	*(33,550)*
Balance as at 31 August	**191,650**	*187,850*

The Governors have reviewed the terms of the deposits which are held by the school. Under normal circumstances these will be repaid over future years when the pupils complete their education with the school, however pupils can leave at any date. Therefore, the school has no conditional right to retain the deposits for at least 12 months after the reporting date, in line with the requirements of FRS 102. As such, the balance of all deposits held at 31 August 2023 have been included within creditors due within one year.

21. Statement of funds

Statement of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2023 £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	**575,545**	-	-	**104,499**	-	**680,044**
Loppylugs & Barbara Morrison Trust	**8,000**	**8,800**	**(16,800)**	-	-	-
School nursery and four classroom block	**2,399,783**	-	-	**120,000**	-	**2,519,783**
New build fund	**1,085,000**	-	-	**120,000**	-	**1,205,000**
Foundation fund	**263,443**	-	**(333,760)**	**372,819**	-	**302,502**
Old Scholar Donation	**1,326**	-	**(1,326)**	-	-	-
	4,333,097	**8,800**	**(351,886)**	**717,318**	-	**4,707,329**

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2023 £
General funds						
General Funds - all funds	**1,699,510**	**9,038,368**	**(8,478,952)**	**(732,819)**	**(64,733)**	**1,461,374**
Total Unrestricted funds	**6,032,607**	**9,047,168**	**(8,830,838)**	**(15,501)**	**(64,733)**	**6,168,703**
Endowment funds						
Endowment Funds - all funds	**15,502,144**	-	**(160,171)**	**15,501**	**(232,529)**	**15,124,945**

21. Statement of funds (continued)

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2023 £
Restricted funds						
Diana Willis memorial prize	165	-	-	-	-	165
Limoges Trust	-	6,924	(14,237)	-	-	(7,313)
John Avins Trust	2,939	2,000	(4,939)	-	-	-
Grand piano	200	-	(200)	-	-	-
Sir John Saville Trust	-	18,000	(18,000)	-	-	-
Reginal Farrar Fund	506	-	-	-	-	506
Association of Friends BCS	413	4,000	(3,955)	-	-	458
Hatfield Fund	530	40	(255)	-	-	315
Chris Byrne Memorial Prize Fund	120	-	-	-	-	120
King Fund	150	-	-	-	-	150
Girls Cricket Fund	-	500	-	-	-	500
	5,023	31,464	(41,586)	-	-	(5,099)
Total of funds	21,539,774	9,078,632	(9,032,595)	-	(297,262)	21,288,549

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2021 £	*Income* £	*Expenditure* £	*Transfers in/(out)* £	*Gains/ (Losses)* £	*Balance at 31 August 2022* £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	*1,414,311*	-	-	*(838,766)*	-	*575,545*
Loppylugs & Barbara Morrison Trust	-	*8,000*	-	-	-	*8,000*
School nursery and four classroom block	*2,279,783*	-	-	*120,000*	-	*2,399,783*
New build fund	*965,000*	-	-	*120,000*	-	*1,085,000*
Foundation fund	*220,512*	-	*(272,962)*	*315,893*	-	*263,443*
Old Scholar Donation	*1,326*	-	-	-	-	*1,326*
	4,880,932	*8,000*	*(272,962)*	*(282,873)*	-	*4,333,097*
General funds						
General Funds - all funds	*2,120,052*	*8,504,405*	*(7,784,779)*	*(488,583)*	*(651,585)*	*1,699,510*
Total Unrestricted funds	*7,000,984*	*8,512,405*	*(8,057,741)*	*(771,456)*	*(651,585)*	*6,032,607*

21. Statement of funds (continued)

Endowment funds						
Endowment Funds - all funds	*14,811,051*	*-*	*(120,190)*	*771,456*	*39,827*	*15,502,144*

	Balance at 1 September 2021 £	*Income £*	*Expenditure £*	*Transfers in/(out) £*	*Gains/ (Losses) £*	*Balance at 31 August 2022 £*
Restricted funds						
Diana Willis memorial prize	*165*	*-*	*-*	*-*	*-*	*165*
Limoges Trust	*7,019*	*5,000*	*(12,019)*	*-*	*-*	*-*
Chapel fund	*1,214*	*-*	*(1,214)*	*-*	*-*	*-*
John Avins Trust	*939*	*2,000*	*-*	*-*	*-*	*2,939*
Grand piano	*800*	*-*	*(600)*	*-*	*-*	*200*
Sir John Saville Trust	*6,892*	*550*	*(7,442)*	*-*	*-*	*-*
Reginal Farrar Fund	*506*	*-*	*-*	*-*	*-*	*506*
Association of Friends BCS	*89*	*2,250*	*(1,926)*	*-*	*-*	*413*
King Fund	*100*	*50*	*-*	*-*	*-*	*150*
Hatfield Fund	*300*	*230*	*-*	*-*	*-*	*530*
Chris Byrne Memorial Prize Fund	*120*	*-*	*-*	*-*	*-*	*120*
300th Celebration Funds	*-*	*28,607*	*(28,607)*	*-*	*-*	*-*
	18,144	*38,687*	*(51,808)*	*-*	*-*	*5,023*
Total of funds	*21,830,179*	*8,551,092*	*(8,229,739)*	*-*	*(611,758)*	*21,539,774*

21. Summary of funds (continued)

DESIGNATED FUNDS

Extraordinary repair fund - In accordance with the terms of the charity commission the Governors had established a fund by 1 September 2009 to provide for the extraordinary repair, improvement and rebuilding of the school's property. The Governors have made a transfers in of £120,000 (2022 - £120,000) this year to the fund to finance repairs and transfers out of £15,501 (2022- £958,766) to fund capital works on the chapel and the new science building.

Loppylugs and Barbara Morrison Charitable Trust - This donation is available for use at the Headmaster's discretion taking onto account the donors' interests.

School Nursery and Four-Classroom block - Fund set aside by the Governors following the charity commission approval of the use of the £2m of the endowment fund for the development works. This is a capital fund and the future depreciation of the assets constructed will be charged to it. The Governors have made a transfers of £120,000 (2022 - £120,000) this year to the fund.

New Build Fund - The Governors have agreed to set aside a sum of money annually to reflect the use of endowment funds which were expended on the School Nursery and Four Classroom Block. The Governors have made a transfers of £120,000 (2022 - £120,000) this year to the fund.

Foundation fund - Designated - The Governors have agreed to set aside annually a sum equal to not less than 5% of the net fee income of the previous financial year. The amount set aside is to be applied in the provision of places at the school for children of merit and good character who are in need of financial assistance, and supporting state sector schools in need of additional support to enhance teaching and learning. In the current year the amounts set aside totalled £372,819 (2022 - £393,264) and amounts advanced to pupils totalled £255,520 (2022 - £272,230). The value of support provided to state sector schools amounted to £78,240 (2022: £Nil).

Old Scholar Donation - Donation in memory of Mr Ernest Jones to be spent as seen fit.

ENDOWMENT FUNDS

The Permanent endowment fund has to be held by the Blue Coat School Birmingham (Charity number 1152244-1) indefinitely under the Scheme approved by the Charity Commission on 12 March 1986. There is no power to convert the capital into income.

The transfer relates to additions on endowed property.

21. Summary of funds (continued)

RESTRICTED FUNDS

Diana Wills memorial prize - This prize fund was set up a former teacher to reward a pupil's reading ability. The fund was to be used to provide one book prize a year.

Limoges Trust - Grants received to further the development of musical drama within the school. This fund is temporarily in deficit at year end however post year end funds have received to clear this.

The John Avins Trust - Fund provided for equipment and resources for the benefit of gifted children in need of financial support within the school.

Grand Piano - Funds provided by the Birmingham Community Foundation and the Loppylugs and Barbara Morrison Charitable Trust to purchase a grand piano. This is a capital fund and the future depreciation of the asset will be charged to it.

Sir John Saville Trust - Funds provided by Mr John Saville towards the continued support of the young people of Birmingham.

The Reginald Farrar Fund - Funds provided by Mr Reginald Farrar towards the advancement of the mathematics department.

Association of Friends - Funds raised by the parents and friends of The Blue Coat School to provide additional equipment, resources and entertainment for the pupils.

Hatfield fund - Donation towards bursaries.

Chris Byrne Memorial Prize Fund - To fund a book prize at annual prize giving.

King Fund - Donation toward the bursaries.

Girls Cricket Fund - Funding received to promote Girls Cricket at the School.

Chapel Fund - Donations provided for the equipping of the School Chapel.

300th Celebration Fund - Funds generated during the Tercentenary celebrations, raising funds for chapel renovations.

21. Summary of funds (continued)

Summary of funds - current year

	Balance at 1 September 2022 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2023 £
Designated funds	**4,333,097**	**8,800**	**(351,886)**	**717,318**	**-**	**4,707,329**
General funds	**1,699,510**	**9,038,368**	**(8,478,952)**	**(732,819)**	**(64,733)**	**1,461,374**
Endowment funds	**15,502,144**	**-**	**(160,171)**	**15,501**	**(232,529)**	**15,124,945**
Restricted funds	**5,023**	**31,464**	**(41,586)**	**-**	**-**	**(5,099)**
	21,539,774	**9,078,632**	**(9,032,595)**	**-**	**(297,262)**	**21,288,549**

Summary of funds - prior year

	Balance at 1 September 2021 £	*Income £*	*Expenditure £*	*Transfers in/(out) £*	*Gains/ (Losses) £*	*Balance at 31 August 2022 £*
Designated funds	*4,880,932*	*8,000*	*(272,962)*	*(282,873)*	*-*	*4,333,097*
General funds	*2,120,052*	*8,504,405*	*(7,784,779)*	*(488,583)*	*(651,585)*	*1,699,510*
Endowment funds	*14,811,051*	*-*	*(120,190)*	*771,456*	*39,827*	*15,502,144*
Restricted funds	*18,144*	*38,687*	*(51,808)*	*-*	*-*	*5,023*
	21,830,179	*8,551,092*	*(8,229,739)*	*-*	*(611,758)*	*21,539,774*

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2023 £	Restricted funds 2023 £	Endowment funds 2023 £	Total funds 2023 £
Tangible fixed assets	3,017,949	-	3,657,636	**6,675,585**
Fixed asset investments	3,183,210	-	10,052,309	**13,235,519**
Investment property	-	-	1,415,000	**1,415,000**
Current assets	1,995,423	-	-	**1,995,423**
Creditors due within one year	(2,026,168)	(5,099)	-	**(2,031,267)**
Creditors due in more than one year	(1,711)	-	-	**(1,711)**
Total	6,168,703	(5,099)	15,124,945	**21,288,549**

Analysis of net assets between funds - prior year

	Unrestricted funds 2022 £	*Restricted funds 2022 £*	*Endowment funds 2022 £*	*Total funds 2022 £*
Tangible fixed assets	*3,021,079*	*200*	*3,802,306*	*6,823,585*
Fixed asset investments	*3,248,008*	-	*10,284,838*	*13,532,846*
Investment property	-	-	*1,415,000*	*1,415,000*
Current assets	*1,690,940*	*4,823*	-	*1,695,763*
Creditors due within one year	*(1,921,300)*	-	-	*(1,921,300)*
Creditors due in more than one year	*(6,120)*	-	-	*(6,120)*
Total	*6,032,607*	*5,023*	*15,502,144*	*21,539,774*

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2023 £	2022 £
Net expenditure for the year (as per Statement of Financial Activities)	**(251,289)**	*(290,883)*
Adjustments for:		
Depreciation charges	**382,206**	*349,545*
(Gains)/losses on investments (including investment property)	**297,326**	*612,236*
Dividends, interests and rents from investments	**(530,045)**	*(480,896)*
Profit on the sale of fixed assets	**(1,920)**	-
Increase in debtors	**(139,266)**	*(106,460)*
Increase in creditors	**140,559**	*533,235*
Pension scheme	**64**	*478*
Net cash provided by/(used in) operating activities	**(102,365)**	*617,255*

24. Analysis of cash and cash equivalents

	2023 £	2022 £
Cash in hand	**1,563,883**	*1,368,489*
Total cash and cash equivalents	**1,563,883**	*1,368,489*

25. Analysis of changes in net debt

	At 1 September 2022 £	Cash flows £	At 31 August 2023 £
Cash at bank and in hand	**1,368,489**	**195,394**	**1,563,883**
	1,368,489	**195,394**	**1,563,883**

26. Capital commitments

	2023 £	*2022* *£*
Contracted for but not provided in these financial statements		
Acquisition of tangible fixed assets	**184,839**	-

27. Pension commitments

The school's employees belong to two principle pensions schemes; the Teachers' Pension Scheme England and Wales ("the TPS") for academic and related staff which is a defined benefit scheme and a defined contribution scheme with The Pensions Trust for non-teaching staff. In addition, the school contributes to the personal pension plans of certain employees.

Teachers' Pension Scheme England and Wales ("the TPS")

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 £639,714 (2022: £560,801) and at the year-end £71,503 (2022 - £65,629) was accrued in respect of contributions to this scheme.

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

The employer contribution rate is set by the Secretary of State following scheme valuations undertaken by the Government Actuary's Department. The most recent actuarial valuation of the TPS was prepared as at 31 March 2020 and the Valuation Report, which was published in October 2023.

Following the McCloud judgement, the remedy proposed that when benefits become payable, eligible members can select to receive them from either the reformed or legacy schemes for the period 1 April 2015 to 31 March 2022. The actuaries have assumed that members are likely to choose the option that provides them with the greater benefits, and in preparing the 2020 valuation have valued the 'greater value' benefits for groups of relevant members.

The valuation confirmed that the employer contribution rate for the TPS would increase from 23.6% to 28.6% from 1 April 2024. Employers are also required to pay a scheme administration levy of 0.08% giving a total employer contribution rate of 28.68%.

The Pension Trust

The school participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupation pension schemes in the UK.

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

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

27. Pension commitments (continued)

Deficit contributions

From 1 April 2022 to 31 January 2025	£3,312,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 liabilities.

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

Pension commitments (continued)

Present value of provision

	31 August 2023	31 August 2022	31 August 2021
Present value of provision	6,427	10,836	54,705

Reconciliation of opening and closing provisions

	2023 £	2022 £
Provision at start of period	**10,836**	*54,705*
Unwinding of the discount factor (interest expense)	**371**	*310*
Deficit contribution paid	**(4,716)**	*(10,962)*
Remeasurements - impact of any change in assumptions	**(64)**	*(478)*
Remeasurements - amendments to the contribution schedule	**-**	*(32,739)*
Provision at the end of period	**6,427**	*10,836*

Income and expenditure impact

	2023 £	2022 £
Interest expense	**371**	*310*
Remeasurements - impact of any change in assumptions	**(64)**	*(478)*
Remeasurements - amendments to the contribution schedule	**-**	*(32,739)*
Costs recognised in income and expenditure account	**307**	*(32,907)*

	31 August 2023 % per annum	31 August 2022 % per annum	31 August 2021 % per annum
Rate of discount	6.04	4.46	0.63

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

The pension charge for the year includes contributions payable to The Pension Trust scheme of £88,812 (2022 - £83,454) and at the year-end £6,681 (2022 - £11,854) was accrued in respect of contributions to this scheme.

28. Operating lease commitments

At 31 August 2023 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2023 £	2022 £
Not later than 1 year	**17,801**	*13,051*
Later than 1 year and not later than 5 years	**13,080**	*24,135*
	30,881	*37,186*

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2023 £	2022 £
Operating lease rentals	**17,716**	*23,354*

At 31 August 2022 the total of the group's future minimum lease income receivable under non-cancellable operating leases was:

	2023 £	2022 £
Within 1 year	**33,517**	*38,600*
Between 1 and 5 years	**18,400**	*43,817*
Greater than 5 years	**75,517**	*80,117*
	127,434	*162,534*

29. Security

Included within cash at bank are amounts of £178,244 (2022 - £181,043) held as a guarantee to the Secretary of State to cover all liabilities arising out of The Blue Coat School Birmingham Limited's application to be an accepted school under regulation 134(1)(b) of the Teachers' Pensions Regulations 2010.

30. Financial instruments

	2023 £	2022 £
Financial assets		
Financial assets measured at fair value through income and expenditure	**14,650,519**	*14,947,846*

Financial assets measured at fair value through income and expenditure comprise investments and investment properties.

The Groups income, expense, gains and losses in respect of financial instruments are summarised below:

	2023 £	2022 £
Total investment income for financial assets measured at fair value through income and expenditure	**530,045**	*480,896*
Net (losses)/gains on financial assets measured at fair value through income and expenditure	**(297,326)**	*(612,236)*
Impairment gains on financial assets measured at amortised cost	**3,499**	*1,626*

31. Related party transactions

During the year ended 31 August 2023, the value of payroll costs paid to close family members of Key Management Personnel, deemed related parties, was £86,816 (2022: £81,643).

The School Governors includes a parent, and grandparent of pupils currently at the school. During the year they were charged School Fees on normal commercial terms. The balance outstanding at the year end amounted to £920.

Three members of the Senior Leadership Team are parents of pupils currently at the school. During the year, they were charged School Fees, discounted by the rate each staff member is eligible for per the terms of their employment. The balance outstanding at the year end was £1,439.

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

England & Wales - Charity number 1152244

Accounts

Registered number: 08502615
Charity number: 1152244

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2022

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Governors and advisers	1 - 2
Governors' report	3 - 10
Independent auditor's report on the financial statements	11 - 14
Statement of financial activities	15 - 16
Balance sheet	17
Statement of cash flows	18
Notes to the financial statements	19 - 48

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2022

Governors	Mrs K Gilmore DPSN RGN HV, Chair from 26 January 2022[1,3] Mr B H Singleton LLB, Chair until 26 January 2022[1,2] Mrs E Cook BA (Hons) (resigned 22 June 2022) Mr M H Dyke BA, Vice Chair[1] Her Honour F M Kirkham CBE, BA AKC CAb FCI Arb (resigned 22 June 2022) Mr W G S Hordern MBE MA DipTh JP Reb M Kitto BEd (Hons) MEd PGDip Hon Fellow NSEAD Mrs E Lawson-Bennett LLB MSc (appointed 6 June 2022) Mr A Milner BSC (Hons) Chartered Fellow CISI (appointed 25 April 2022)[1] Prof P Narendran MBBS PhD MRCS FRCP Mr S Page ACA[1] Mrs A K Poole BA[1,4] Mr S M Raine FCA BSocSci[1] Mr A J Roddick FRICS[1] Revd J Allcock BA, Rector of Martin in the Bullring[5] The Very Revd M Thompson MA MPhil, Dean of Birmingham[5] The Revd Dr N Tucker BSc MTh PhD, Vicar of Edgbaston (resigned 22 June 2022)[5] [1] Finance & Estates Committee (together with the Headmaster, Bursar and Finance Manager) [2] Governors' Representative to The Friends of The Blue Coat School [3] Designated Safeguarding Governor [4] Governor for SEND [5] Ex Officio
Company registered number	08502615
Charity registered number	1152244
Registered office	Somerset Road Edgbaston Birmingham B17 0HR
Senior management team	Mr N G Neeson BEd NPQH, Headmaster Mr R J Newman BA PGCE, Second Master and Head of Prep Mrs H R West BA PGCE NPHQ, Head Pre-Prep Mr G W Morgan, Bursar & Clerk to the Governors Mrs A Franklin BA, Director of Marketing & Admissions
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

Bankers	Barclays Bank Plc 15 Colmore Row Birmingham B3 2BH
Solicitors	Veale Wasbrough Vizards 3 Brindley Place Brindley Drive Birmingham B1 2JB
Investment managers	CCLA Senator House 85 Queen Victoria Street London EC4V 4ET

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2022

The Governors present their annual report together with the audited financial statements of the Group and the School for the year ended 31 August 2022. The Governors confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

The Charity is a charitable company limited by guarantee. It was incorporated on 24 April 2013 and registered as a charity on 31 May 2013. Its Memorandum of Association, which established its objects and powers, provided that in the event of it being wound up, members are required to contribute an amount not exceeding £1. Membership of the Company is reviewed at the Annual General Meeting as appropriate.

The unincorporated Charity's governing document is The Trust Founding Deed dating 1722. This has been amended over the years; the latest amendment is dated 17 December 2013. The unincorporated charity holds the charitable group's endowment assets. On 19 June 2018, the Charity Commission issued a Direction linking the two charities for the purposes of Part 4 and Part 8 of the Charities Act 2011.

Governors and charity trustees
The Governors of The Blue Coat School Birmingham Limited are the charity trustees and directors of The Blue Coat School Birmingham Limited (the School) and The Blue Coat School charity. They meet at least four times a year as a full Board. The work of implementing most of their policies is carried out by members of five sub-committees: Finance & Estates; Awards; Safeguarding and Health & Safety; Teaching, Learning & Curriculum; Governance & HR. The minutes of these sub-committee meetings are reviewed at full Board meetings. The Bursar, in his capacity of Clerk to the Governors, is responsible for coordinating the work of the Governors and their committees, for the preparation of papers and management accounts and for the review of matters arising.

New Governors are appointed by the existing Board of Governors having identified gaps in expertise. Potential new Co-optative Governors have an initial meeting with the Chair of Governors and then attend a meeting with the Chairs of key subcommittees all of whom sit on the Governance and HR subcommittee. New co-optative Governors are invited to join up to two sub-committees most relevant to their experience and having regard to the existing number of members on each sub-committee.

Induction and Training
All new governors are allocated a mentor, undertake an induction programme and are given access to the Governors Portal which contains key documents and copies of previous sub-committee and committee minutes. All Governors are particularly encouraged to attend various school functions and to meet members of the Senior Leadership Team, in order to be able to understand further the nature of the School's business. An appropriate level of instruction is provided for both new and existing Governors to update their knowledge and place them in a position where they could sensibly identify their powers and responsibilities. From time to time, Governors go on formal training courses that the School and that individual Governors identify are required for that Governor to be able to discharge his/her duty.

All trustees give of their time freely, and no remuneration was paid in the year. Expenses of £1,024 were paid to three Governors during the year.

Key management personnel
The Governors consider that the Head, the Bursar, the Head of Prep, Deputy Heads and the Director of Marketing & Admissions (Senior Leadership Team) comprise the Key Management Personnel (see note 11 to the accounts). The Governors give of their time freely and the pay and remuneration of the Head and Bursar is set by the Remuneration Committee and is kept under annual review. A number of criteria are used in setting pay:

- Nature of the role and responsibilities

- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay.

Organisational management
The Governors determine the general policy of the School. The day to day running of the School is delegated to the Head, supported by senior staff. The Head undertakes the key leadership role, overseeing the educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of the School is undertaken in line with the policies and procedures approved by the Governors, which provide for significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Head and Bursar attend all Governors meetings and other senior staff are invited to attend Governors' meetings as appropriate.

Other relationships
The Head is a member of IAPS, which exists to share expertise, knowledge and experience across the independent preparatory school sector. The Bursar is a member of the ISBA, which provides professional development, technical support and invaluable reference material.

Other key parties supporting the School include the Independent Schools' Council (ISC) and the Association of Governing Bodies of Independent Schools (AGBIS).

BCS Enterprises is a wholly owned subsidiary undertaking of The Blue Coat School Limited. It is managed by the Governors of the School and its purpose is to generate surplus funds to reinvest in the School. At present this is now a dormant company.

PUBLIC BENEFIT

The Governing Body have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. The main activities to further the charity's purposes for public benefit include:

Foundation places
Each year Governors allocate a sum of money equal to 5% of the previous year’s net income to fund Foundation places. These places are advertised in numerous publications in the Birmingham area as well as being advertised on line in various digital applications.

Community Link Programme
The Community Link programme seeks to widen access to our educational resources, by bringing independent and state school communities together.

This year, we made the following facilities and coaching available, at no charge, to benefit pupils attending local state schools:

- Use of the swimming pool for swimming lessons and swimming galas Use of the sports fields for sport festival
- Use of the School Chapel for musical events
- Use of the school facilities and staff to provide outreach opportunities to local schools.

Community access
We all see The Blue Coat School as part of a wider community, and where we can assist the community whilst advancing the education of our pupils we are delighted to do so. Various Sports and Music Camps use the School during school holidays for sports and activities holiday camps. Our outreach programme has included opportunities for local schools to access our facilities at no charge.

OUR AIMS

The object of the School is the provision and conduct, in or near the City of Birmingham, of a day school for boys and girls. Within this object, the School has various permanent endowments and restricted Trust Funds held for special purposes in connection with the development of the School's facilities and for Foundations, scholarships, bursaries, prizes and other educational purposes. The School provides education to boys and girls from the ages of 3 -11 years in two departments: Pre-Prep (3-7 years old); and Prep (7-11 years old).

It is policy for all departments to attain the highest academic levels, commensurate with a pupil's ability, as well as providing a co-curricular programme which aims to broaden a pupil's interest and self-confidence. Instruction in the doctrines of the Church of England is given in the School and religious studies encompass education in the tenets of major world faiths.

OUR OBJECTIVES

Our objectives are set to reflect our educational aims and the ethos of the School. It is important to us that we maintain and enhance the academic success of the School.

The Governors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Governors have considered how planned activities will contribute to the aims and objectives set.

The principal objectives for the coming year are:

1. To continue to make first-class provision for the Early Years (from age three upwards), introducing our youngest children to their educational life in such a way as to allow them to flourish fully as human beings in an ever-changing world.
2. To maintain the current high standards of academic achievement indicated by senior school entrance exam results at 11-plus level and other external measures.
3. To recruit and retain the best teaching and support staff to assist in the continued development and promotion of the School as a leading provider of preparatory education not only locally but nationally.
4. To develop the all-round curricular and co-curricular provision to ensure excellence in all areas; academic, music, sport and performing arts.
5. To widen access to the school through the continued provision of means-tested bursaries.
6. To enhance links with the local community and to encourage the community to access the school.
7. To prepare, in conjunction with the Headmaster, a detailed strategic plan incorporating a five-year financial model to assist in the development, financial management and control of the School.

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and on measures to further widen access to the education the School provides. In taking forward our strategy we:

- Review and benchmark the School's academic syllabus, teaching practices and examination results;
- Ensure that the range of co-curricular activities available to our pupils is stimulating and challenging;
- Invest in technology and the infrastructure of our School;
- Co-operate and share resources with local schools;
- Develop methods for awarding bursaries/ scholarships to ensure wider access to pupils from all backgrounds.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

OUR ETHOS

Our ethos is to be a caring Christian School serving our local community and society.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our School will be able to educate and develop that pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, race, religion or disability do not form part of our assessment process.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation. We will make reasonable adjustments to meet the needs of staff or pupils who are or who become disabled.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

SIGNIFICANT ACTIVITIES

Academic achievements
The 2021-2022 academic year was another successful year for the School - continuing to deliver sound academic results whilst investing in infrastructure to ensure the continued provision of first-class facilities.

In addition to the high quality education the School provides for its pupils, it continues to offer an extensive programme of outdoor and co-curricular activities.

Sporting activities
The School continues to develop its sporting provision and ensures that children participate in a range of sports and learn different skills including athletics, chess, cricket, dance, football, gymnastics, hockey, judo, netball, rugby, and swimming.

The School's sports facilities continued to be used by local primary schools for swimming lessons and for outreach programmes and sporting festivals.

Music and drama
Music opportunities for all age groups include individual music lessons, choirs, ensembles and an orchestra. Children in all age-groups participate in a wide variety of drama activities.

The Friends of The Blue Coat School
The Friends of The Blue Coat School (Parents' Association) have again organised a wide-ranging programme of events, designed to foster a sense of community within the School. These have been successful in raising funds both for the School and for local charities.

SOCIAL INVESTMENT

In order to fulfil our aims and objectives of providing an education for boys and girls in or near the City of Birmingham, the School provides bursary and scholarship awards as follows:

Bursaries
The Governors' grant-making policy is, in each accounting year, to set aside part of the Charity's investment income, to maintain Foundation Places. This helps children of merit and good character for whom a funded education would be beneficial but could not be afforded without assistance.

In 2021-2022 the School provided assistance to 24 of our pupils of which 5 pupils benefited from a full remission of fees. The Foundation Awards also assist in funding additional costs such as school trips, co-curricular activities, uniform and other similar expenses.

Scholarships
In addition, the School awards scholarships to pupils based on either their educational or musical merit and potential.

The Governors view our bursary and scholarship awards and our outreach programme as important in widening access to the education our school provides. In developing our plans for this programme, we work closely with the Heads of the schools in our community, ensuring the positive contribution to our shared educational aims continues. Maintaining and, where necessary, developing the fabric and facilities of the School are central to our strategy.

ACHIEVEMENTS AND PERFORMANCE

Independent Schools Inspectorate (/SI) Inspection May 2021
ISI conducted a Regulatory Compliance Inspection of the School in May 2021. The School was found to be fully compliant and no further actions were required.

An Educational Quality Inspection (EQI) of the School in May 2017. This inspection related to the quality of the pupils' academic and other achievements and to the quality of the pupils' personal development. The school was found to be excellent in every aspect of these inspection judgements - the highest-grade judgement for these inspections. As the school had been judged to be excellent in every respect, the report did not make recommendations, but it did make two suggestions for consideration, both of which dovetailed with the school's own priorities.

Pupil numbers
Our educational activities are carried out through two departments: Pre-Prep (3-7 years old); and Prep (7-11 years old). At the year-end the total pupil number was 623.

FUNDRAISING

There are no material fundraising activities at the School which require disclosure under S162A of the Charities Act 2011.

FINANCIAL REVIEW

The School's key financial objective is to ensure financial stability and continued solvency year on year so that it can pursue its charitable aims and objectives. The Governors have followed SORP (FRS 102) in preparing these financial statements and the statement of financial affairs (SOFA), balance sheet and notes are set out within.

The Schools results for the year show a surplus before investment losses and other recognised gain of £321,353 (2021-surplus of £477,165). The principal source of funds remains school fees of £7,456,370 (2021 - £7,155,015) which represented 87.2% (2021 - 90.9%) of the total income of £8,550,356 (2021 - £7,865,285).

Unrealised losses on our investments amounted to £612,236 (2021 - gain of £1,951,229) before movements on the defined benefit pension scheme.

The investments are primarily used to fund the bursary and scholarship awards and other social investment.

INVESTMENTS

Investment activities are managed in line with the requirements of the Trustee Act 2000. The Governors have appointed CCLA as investment manager.

The main investment objectives of the charity are:

- The creation of a sufficient financial return to enable the charity to carry out its purposes effectively and without interruption;
- The maintenance and enhancement of the investment funds over the long term;
- To obtain a balance between capital growth and income to enable the charity to meet current and future needs; and to maintain a balanced risk profile.

The average income return on the portfolio was 2.9% compared to 2.52% in the previous year.

KEY RISKS AND UNCERTAINTIES

The Governors and Senior Leadership Team periodically review the major risks facing the charity. Risk registers are maintained and updated at least annually. Risks are considered under the headings of strategic, operational, financial and legal/ regulatory.

Strategic risks include the School not being seen as a positive, modern organisation and it failing to provide education services that are attractive to parents and thus being unable to maintain pupil numbers. These are critical to the charity's aims to provide education and learning opportunities to children in the Birmingham area. These risks are managed by ensuring that the School provides an excellent, first-class education to every child; adopting proactive communication and PR strategies; through Board scrutiny of activities; robust financial controls; and recruitment and retention of high quality teachers and support staff.

Financial risks include failure to meet income targets, particularly from fee income and investments. School fee increases are carefully considered in conjunction with the School's strategic plans, the budget process and wider economic considerations. A conservative approach is taken to estimating the contribution from external sources and non-core activities. In general, financial risks are managed through regular monitoring and review of budgets during the financial year.

Health and Safety risks include fire safety, pool safety and failure to comply with regulatory requirements including areas relating to asbestos management and water management systems. A robust compliance system has been implemented and all of these risks are subject to close monitoring by the senior management team and the SH&S Sub-Committee. A comprehensive Risk Assessment was devised, existing policies were amended and additional policies were written to ensure that the risks associated with the COVID-19 pandemic were managed. These were all regularly reviewed as Government advice and guidance was updated.

The Governors are satisfied that appropriate actions have been taken to control and mitigate the impact of risks where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

SUSTAINABILITY

In line with our 5 year aims as detailed in our Strategic Framework document the school has undertaken to:

- Reduce our carbon footprint and move towards lower overall emissions
- Ensure all future estate projects adhere to our sustainable strategic aims
- Educate and empower pupils to take positive action on sustainability initiatives.
- Instil a whole school approach to the core principles of sustainability: Refuse, Reduce, Reuse, Repurpose and Recycle.

PENSION LIABILITY

The Governors recognise the liability existing in the Pensions Trust pension scheme for non-teaching staff. The Governors are satisfied that existing cash flows are sufficient to meet any anticipated increases in costs. Pension costs have been reported within the accounts in accordance with accounting standard FRS 102. For our non-teaching and support staff we offer a money purchase plan (defined contribution scheme).

RESERVES

The Governors regularly review the finances, budgets and spend against budget and undertake a termly cash flow analysis as part of their effective stewardship of the School.

The total funds held by the School at the end of the reporting period of £21,539,774 included £1,699,510 of unrestricted general reserves and £4,333,097 designated funds plus a permanent endowment of £15,502,144.

The Governors designate unrestricted funds to fund future specific projects. The Governors are planning to invest substantial sums into new facilities and upgrades in the next five years, with a view to further improving the facilities. The Governors consider that, given the strength of the charity's balance sheet, the stable cash flow from strong student numbers, the ongoing popularity of our School and the available funds, it will not be necessary to seek external funding for these projects.

The Governors aim to ensure that the School has sufficient resources available to support the working capital requirements of the core activities of the School in unforeseen circumstances, giving sufficient time to allow financial policy to adapt to any new circumstances. These working capital reserves equate to approximately one term's total expenditure, £2 million.

Restricted funds of £5,023 are held for the benefit of the children for supporting learning needs and extra-curricular activities as set out in the detailed accounts within this report.

There is a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. The closing net book value of our tangible assets, property, plant and equipment was £6,823,585.

CHARITY GOVERNANCE CODE

The Governors are aware of the new charity governance code issued in July 2017. Reviews continue to be undertaken of the guidance requirements in order to ensure that the charity is working in line with the code, in all ways where it is practical to do so.

GOVERNORS' RESPONSIBILITIES STATEMENT

The Governors (who are also directors of The Blue Coat School Birmingham Limited for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently; observe the methods and principles

in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when the Governors' report is approved has confirmed that:

so far as that Governor is aware, there is no relevant audit information of which the charitable Group's auditor is unaware, and
that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable Group's auditor is aware of that information.

AUDITORS

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved by order of the members of the board of Governors and signed on their behalf by:

.....
Mrs K Gilmore DPSN RGN HV
Chair of Governors

Date:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

Opinion

We have audited the financial statements of The Blue Coat School Birmingham Limited (the 'charitable company') for the year ended 31 August 2022 which comprise the Statement of financial activities, the Balance sheet, the Statement of cash flows and the related notes, 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 charitable company's affairs as at 31 August 2022 and of its incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, 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 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 Governors either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of donation and ancillary income, procurement processes for significant capital projects and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUE COAT SCHOOL BIRMINGHAM LIMITED (CONTINUED)

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Kerry Brown (Senior statutory auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date:

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Income and endowments from:						
Donations and legacies	4	**8,000**	**38,687**	**-**	**46,687**	*24,060*
Charitable activities:						
School fees	5	**7,456,370**	**-**	**-**	**7,456,370**	*7,155,015*
Ancillary trading income	6	**567,139**	**-**	**-**	**567,139**	*243,185*
Investments	7	**480,896**	**-**	**-**	**480,896**	*443,025*
Total income and endowments		**8,512,405**	**38,687**	**-**	**8,551,092**	*7,865,285*
Expenditure on:						
Raising funds:	8					
Financing costs		**923**	**-**	**-**	**923**	*(1,501)*
Charitable activities:	9					
Education and grant making		**8,056,818**	**51,808**	**120,190**	**8,228,816**	*7,389,621*
Total expenditure		**8,057,741**	**51,808**	**120,190**	**8,229,739**	*7,388,120*
Net income/(expenditure) before net (losses)/gains on investments		**454,664**	**(13,121)**	**(120,190)**	**321,353**	*477,165*
Net (losses)/gains on investments		**(652,063)**	**-**	**39,827**	**(612,236)**	*1,951,229*
Net (expenditure)/income		**(197,399)**	**(13,121)**	**(80,363)**	**(290,883)**	*2,428,394*
Transfers between funds	21	**(771,456)**	**-**	**771,456**	**-**	*-*
Net movement in funds before other recognised gains		**(968,855)**	**(13,121)**	**691,093**	**(290,883)**	*2,428,394*
Other recognised gains:						
Actuarial gains on defined benefit pension schemes	26	**478**	**-**	**-**	**478**	*74*
Net movement in funds		**(968,377)**	**(13,121)**	**691,093**	**(290,405)**	*2,428,468*

STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Reconciliation of funds:						
Total funds brought forward		**7,000,984**	**18,144**	**14,811,051**	**21,830,179**	*19,401,711*
Net movement in funds		**(968,377)**	**(13,121)**	**691,093**	**(290,405)**	*2,428,468*
Total funds carried forward		**6,032,607**	**5,023**	**15,502,144**	**21,539,774**	*21,830,179*

The Statement of Financial Activities includes all gains and losses recognised in the year.

The notes on pages 19 to 48 form part of these financial statements.

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 08502615

BALANCE SHEET
AS AT 31 AUGUST 2022

	Note		2022 £		*2021 £*
Fixed assets					
Tangible assets	13		**6,823,585**		*6,176,039*
Investments	15		**13,532,846**		*13,645,081*
Investment property	14		**1,415,000**		*1,415,000*
			21,771,431		*21,236,120*
Current assets					
Debtors	16	**327,274**		*220,814*	
Cash at bank and in hand		**1,368,489**		*1,767,429*	
		1,695,763		*1,988,243*	
Creditors: amounts falling due within one year	17	**(1,921,300)**		*(1,355,095)*	
Net current (liabilities) / assets			**(225,537)**		*633,148*
Total assets less current liabilities			**21,545,894**		*21,869,268*
Creditors: amounts falling due after more than one year	18		**(6,120)**		*(39,089)*
Total net assets			**21,539,774**		*21,830,179*
Charity funds					
Endowment funds	21		**15,502,144**		*14,811,051*
Restricted funds	21		**5,023**		*18,144*
Unrestricted funds	21		**6,032,607**		*7,000,984*
Total funds			**21,539,774**		*21,830,179*

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Mrs K Gilmore DPSN RGN HV

Date:
The notes on pages 19 to 48 form part of these financial statements.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2022

	Note	2022 £	*2021 £*
Cash flows from operating activities			
Net cash used in operating activities	23	**617,255**	*536,840*
Cash flows from investing activities			
Dividends, interests and rents from investments		**480,896**	*443,025*
Purchase of tangible fixed assets		**(997,091)**	*(133,718)*
Purchase of investments		**(500,000)**	*(500,000)*
Net cash used in investing activities		**(1,016,195)**	**(190,693)**
Change in cash and cash equivalents in the year		**(398,940)**	**346,147**
Cash and cash equivalents at the beginning of the year		**1,767,429**	*1,421,282*
Cash and cash equivalents at the end of the year	24	**1,368,489**	*1,767,429*

The notes on pages 19 to 48 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

1. General information

The company is a company limited by guarantee (registered number 08502615), which is incorporated and registered in England and Wales. Its charity registration number is 1152244. The registered office and principal place of business is The Blue Coat School Birmingham, Somerset Road, Edgbaston, Birmingham, B17 0HR.

The principal activity is to provide a day school for boys and girls near the City of Birmingham.

In June 2018 the Charity Commission issued a Direction linking The Blue Coat School Birmingham Limited with the charity The Blue Coat School Birmingham (charity registration number 1152244-1). This charity holds the charitable groups endowment assets.

The members of the company are the Governors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Blue Coat School Birmingham Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Company and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Company for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

2. Accounting policies (continued)

2.3 Fund accounting (continued)

Endowment funds represent those assets which must be held permanently by the charity, principally investments and deposits. Income arising on the endowment funds can be used in accordance with the object of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund. The endowment funds are all held by the subsidiary charity The Blue Coat School Birmingham.

2.4 Income

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations and legacies
For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this required a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Fees and similar income
Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school from its unrestricted funds. Where income is received in advance it is treated as deferred income and included within creditors.

Income from trading activities
Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying services in order to raise funds and is recognised when entitlement has occurred.

Investment income
Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment

2. Accounting policies (continued)

2.4 Income (continued)

management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds;
- Expenditure on charitable activities;
- Other expenditure represents those items not falling into the categories above.

Charitable expenditure comprises those costs incurred by the charitable group in the delivery of activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of The Blue Coat School Birmingham Limited and its subsidiaries, this includes audit fees.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on raising funds includes all expenditure incurred by the Company to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Company's objectives, as well as any associated support costs.

2. Accounting policies (continued)

2.6 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 1.5% - 10% Straight Line
Fixtures and equipment	- 10% - 20% Straight Line
Motor vehicles	- 20% Straight line
Computer equipment	- 10% - 33.3% Straight Line

Depreciation is not charged on freehold land.

2.7 Investment property

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in the heading ‘Gains/(losses) on investments’ in the Statement of financial activities. No depreciation is charged on investments properties in accordance with the Charities SORP.

2.8 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the Statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.9 Operating leases

Rentals paid under operating leases are charged to the Statement of financial activities on a straight-line basis over the lease term.

2.10 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2. Accounting policies (continued)

2.11 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.12 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Statement of financial activities as a finance cost.

2.13 Financial instruments

The Company only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.14 Taxation

The Company is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Company is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes.

2.15 Pensions

Retirement benefits to teachers employed by the school are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme. The TPS is an unfunded scheme and contributions are calculated so as to spread the costs of pensions over employees' working lives with the school in such a way that the pension costs is substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 26, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Retirement benefits for non-teachers are provided by a defined contribution scheme administered by The Pensions Trust. Payments to the scheme are charged to the Statement of financial activities in the year incurred.

Contributions are made to personal pension plans of certain employees. Payments to these plans are

2. Accounting policies (continued)

2.15 Pensions (continued)

charges to the Statement of financial activities in the year incurred.

3. Critical accounting estimates and areas of judgment

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

Critical accounting estimates and assumptions:

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

In preparing these financial statements, the Governors have made the following judgments:

Investment properties
Investment properties are valued on the basis of market value of the freehold interest with vacant possession at the year end.

Recoverability of trade debtors
Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of resources required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, current economic trends and changes in payment terms when making a judgment to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the Statement of financial activities.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

4. Income from donations and legacies

	Unrestricted funds 2022 £	Restricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Donations	8,000	38,687	**46,687**	*24,060*
Total 2022	8,000	38,687	**46,687**	*24,060*
Total 2021	*5,500*	*18,560*	*24,060*	

5. Charitable activities - School fees

	2022 £	*2021 £*
Gross tuition fees	**7,951,554**	*7,642,538*
Less: Awards, scholarships and bursaries from unrestricted funds	**(348,317)**	*(342,709)*
Less: Fee discounts	**(146,867)**	*(144,814)*
	7,456,370	*7,155,015*

Awards, scholarships and bursaries were paid to 45 pupils (2021 - 48 pupils). Within this means tested bursaries totalling £272,962 were paid to 24 pupils (2021 - £265,451 to 26 pupils).

The total income from school fees is unrestricted in both years.

6. Charitable activities - Other ancillary trading income

	2022 £	*2021 £*
Extra-curricular activities	**271,534**	*183,131*
Registration fees	**18,200**	*11,700*
School trips	**159,070**	*8,722*
Other income	**118,335**	*39,632*
	567,139	*243,185*

The total ancillary trading income is unrestricted in both years.

7. Investment income

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Rental income	88,057	**88,057**	*93,497*
Dividend income	383,829	**383,829**	*349,528*
Deposit account interest	9,010	**9,010**	-
Total 2022	480,896	**480,896**	*443,025*
Total 2021	*443,025*	*443,025*	

8. Expenditure on raising funds - Financing costs

	Unrestricted funds 2022 £	Total funds 2022 £	*Total funds 2021 £*
Bad debt (income)/costs	(1,626)	**(1,626)**	*(3,570)*
Property management fees	2,549	**2,549**	*2,069*
Total 2022	923	**923**	*(1,501)*
Total 2021	*(1,501)*	*(1,501)*	

9. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2022 £	Restricted funds 2022 £	Endowment funds 2022 £	Total 2022 £	*Total 2021 £*
Teaching	4,571,759	51,208	120,190	**4,743,157**	*4,266,592*
Catering	581,891	-	-	**581,891**	*491,541*
Premises	1,802,971	600	-	**1,803,571**	*1,633,796*
Support and governance	1,100,197	-	-	**1,100,197**	*997,692*
Total 2022	8,056,818	51,808	120,190	**8,228,816**	*7,389,621*
Total 2021	*7,252,101*	*16,997*	*120,523*	*7,389,621*	

Summary by expenditure type

	Staff costs 2022 £	Depreciation 2022 £	Other costs 2022 £	Total 2022 £	*Total 2021 £*
School fees	3,919,413	183,515	640,229	**4,743,157**	*4,266,592*
Catering	-	-	581,891	**581,891**	*491,541*
Premises	367,912	136,630	1,299,029	**1,803,571**	*1,633,796*
Support and governance	553,604	29,400	517,193	**1,100,197**	*997,692*
Total 2022	4,840,929	349,545	3,038,342	**8,228,816**	*7,389,621*
Total 2021	*4,707,085*	*394,832*	*2,287,704*	*7,389,621*	

10. Auditor's remuneration

	2022 £	2021 £
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**16,500**	*15,000*
Fees payable to the Company's auditor in respect of:		
Accountancy services	**3,725**	*5,325*

11. Staff costs

	2022 £	2021 £
Wages and salaries	**3,844,282**	*3,709,146*
Social security costs	**378,166**	*356,398*
Contribution to defined contribution pension schemes	**618,481**	*641,541*
	4,840,929	*4,707,085*

During the year there were redundancy or termination payments made which amounted to nil (2021 - £12,367). There was nil (2021 - £Nil) outstanding at the year end.

The average number of persons employed by the Company during the year was as follows:

	2022 No.	2021 No.
Teaching staff	**70**	*71*
Administrative/support staff	**56**	*51*
	126	*122*

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	2022 No.	2021 No.
In the band £60,001 - £70,000	**3**	*2*
In the band £90,001 - £100,000	**1**	*1*
In the band £160,001 - £170,000	**1**	*1*

The total amount of employee benefits received by key management personnel is £797,165 to 8 staff members (2021 - £788,639, to 8 staff members).

12. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits *(2021 - £NIL)*.

During the year ended 31 August 2022, expenses totalling £1,024 were reimbursed or paid directly to 3 Governors *(2021 - £753 to 4 Governors)* .Expenses related to courses, accommodation and travel expenses.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2022

13. Tangible fixed assets

	Freehold school premises £	Fixtures and equipment £	Computer equipment £	School minibus £	Total £
Cost or valuation					
At 1 September 2021	**8,846,668**	**184,057**	**727,901**	**65,499**	**9,824,125**
Additions	**958,767**	**16,750**	**21,574**	**-**	**997,091**
At 31 August 2022	**9,805,435**	**200,807**	**749,475**	**65,499**	**10,821,216**
Depreciation					
At 1 September 2021	**2,895,948**	**155,787**	**577,280**	**19,071**	**3,648,086**
Charge for the year	**243,550**	**15,487**	**77,408**	**13,100**	**349,545**
At 31 August 2022	**3,139,498**	**171,274**	**654,688**	**32,171**	**3,997,631**
Net book value					
At 31 August 2022	**6,665,937**	**29,533**	**94,787**	**33,328**	**6,823,585**
At 31 August 2021	*5,950,720*	*28,270*	*150,621*	*46,428*	*6,176,039*

The costs of freehold school premises includes both freehold land and buildings. The school records do not provide a reliable split of freehold land and buildings and the Governors do not consider that the cost involved in obtaining such information is justifiable for the benefit gained.

14. Investment property

	Freehold investment property £
Valuation	
At 1 September 2021	**1,415,000**
At 31 August 2022	**1,415,000**

Comprising:

	2022 £	*2021 £*
416 Birmingham Road, Wylde Green	**435,000**	*435,000*
119-120 Glover Street	**130,000**	*130,000*
256 Harbourne Road, Edgbaston	**850,000**	*850,000*
	1,415,000	*1,415,000*

The investment property consists of buildings held for investment purposes and are not used in the School's own activities, both residential and industrial property are held and are let out on the open market.

The Properties located at 416 Birmingham Road, and 119-120 Glover Street were revalued by Burley Browne Chartered Surveyors in October 2022.

The property located at 256 Harborne Road were revalued by Fishers (Harborne) Limited in November 2022.

The governors believe that the value of the investment properties at the year end does not materially differ from the value obtained at the dates listed above.

15. Fixed asset investments

	Investments in subsidiary company £	Investments and deposits £	Total £
Cost or valuation			
At 1 September 2021	**100**	**13,644,981**	**13,645,081**
Additions	**-**	**500,000**	**500,000**
Revaluations	**-**	**(612,235)**	**(612,235)**
At 31 August 2022	**100**	**13,532,746**	**13,532,846**
Net book value			
At 31 August 2022	**100**	**13,532,746**	**13,532,846**
At 31 August 2021	*100*	*13,644,981*	*13,645,081*

Investments and deposits comprise:

	2022 £	*2021 £*
Charities Official Investment Fund - Income shares	**13,532,746**	*13,644,981*

Principal subsidiaries

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity	Class of shares	Holding
BCS Enterprises Limited	09109064	The Blue Coat School Birmingham Somerset Road Edgbaston Birmingham B17 0HR.	Dormant in current year	Ordinary	100%

15. Fixed asset investments (continued)

The financial results of the subsidiary for the year were:

Name	Net assets £
BCS Enterprises Limited	**100**

16. Debtors

	2022 £	*2021 £*
Trade debtors	**195,142**	*86,781*
Other debtors and accrued income	**70,880**	*57,218*
Prepayments	**61,252**	*76,815*
	327,274	*220,814*

An impairment loss of £6,165 (2021 - £7,791) was recognised against fee debtors.

17. Creditors: Amounts falling due within one year

	2022 £	*2021 £*
Trade creditors	**402,207**	*207,300*
Other taxation and social security	**87,913**	*81,520*
Fees in advance (note 19)	**725,780**	*668,233*
Deposits (note 20)	**187,850**	*185,400*
Pension liability	**4,716**	*15,616*
Accruals and other creditors	**512,834**	*197,026*
	1,921,300	*1,355,095*

18. Creditors: Amounts falling due after more than one year

	2022 £	*2021 £*
Pension liability	**6,120**	*39,089*

19. Fees in advance

Movement of fees in advance:

	2022 £	*2021 £*
Balance at 1 September	**668,233**	*537,865*
New advance fees received	**725,780**	*668,233*
Amounts utilised in payments	**(668,233)**	*(537,865)*
Balance as at 31 August	**725,780**	*668,233*

20. Fee deposits

Movement of fee deposits:

	2022 £	*2021 £*
Balance at 1 September	**185,400**	*180,150*
New deposits received	**36,000**	*33,300*
Deposits utilised	**(33,550)**	*(28,050)*
Balance as at 31 August	**187,850**	*185,400*

21. Statement of funds

Statement of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2022 £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	**1,414,311**	**-**	**-**	**(838,766)**	**-**	**575,545**
Loppylugs & Barbara Morrison Trust	**-**	**8,000**	**-**	**-**	**-**	**8,000**
School nursery and four classroom block	**2,279,783**	**-**	**-**	**120,000**	**-**	**2,399,783**
New build fund	**965,000**	**-**	**-**	**120,000**	**-**	**1,085,000**
Foundation fund	**220,512**	**-**	**(272,962)**	**315,893**	**-**	**263,443**
Old Scholar Donation	**1,326**	**-**	**-**	**-**	**-**	**1,326**
	4,880,932	**8,000**	**(272,962)**	**(282,873)**	**-**	**4,333,097**
General funds						
General Funds - all funds	**2,120,052**	**8,504,405**	**(7,784,779)**	**(488,583)**	**(651,585)**	**1,699,510**
Total Unrestricted funds	**7,000,984**	**8,512,405**	**(8,057,741)**	**(771,456)**	**(651,585)**	**6,032,607**
Endowment funds						
Endowment Funds - all funds	**14,811,051**	**-**	**(120,190)**	**771,456**	**39,827**	**15,502,144**

21. Statement of funds (continued)

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2022 £
Restricted funds						
Diana Willis memorial prize	**165**	**-**	**-**	**-**	**-**	**165**
Limoges Trust	**7,019**	**5,000**	**(12,019)**	**-**	**-**	**-**
Chapel fund	**1,214**	**-**	**(1,214)**	**-**	**-**	**-**
John Avins Trust	**939**	**2,000**	**-**	**-**	**-**	**2,939**
Grand piano	**800**	**-**	**(600)**	**-**	**-**	**200**
Sir John Saville Trust	**6,892**	**550**	**(7,442)**	**-**	**-**	**-**
Reginal Farrar Fund	**506**	**-**	**-**	**-**	**-**	**506**
Association of Friends BCS	**89**	**2,250**	**(1,926)**	**-**	**-**	**413**
King Fund	**100**	**50**	**-**	**-**	**-**	**150**
Hatfield Fund	**300**	**230**	**-**	**-**	**-**	**530**
Chris Byrne Memorial Prize Fund	**120**	**-**	**-**	**-**	**-**	**120**
300th Celebration Funds	**-**	**28,607**	**(28,607)**	**-**	**-**	**-**
	18,144	**38,687**	**(51,808)**	**-**	**-**	**5,023**
Total of funds	**21,830,179**	**8,551,092**	**(8,229,739)**	**-**	**(611,758)**	**21,539,774**

21. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2020 £	*Income* £	*Expenditure* £	*Transfers in/(out)* £	*Gains/ (Losses)* £	*Balance at 31 August 2021* £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	*1,294,311*	*-*	*-*	*120,000*	*-*	*1,414,311*
Loppylugs & Barbara Morrison Trust	*9,000*	*5,500*	*(14,500)*	*-*	*-*	*-*
School nursery and four classroom block	*2,159,783*	*-*	*-*	*120,000*	*-*	*2,279,783*
New build fund	*845,000*	*-*	*-*	*120,000*	*-*	*965,000*
Foundation fund	*134,453*	*-*	*(266,234)*	*352,293*	*-*	*220,512*
Old Scholar Donation	*1,326*	*-*	*-*	*-*	*-*	*1,326*
	4,443,873	*5,500*	*(280,734)*	*712,293*	*-*	*4,880,932*
General funds						
General Funds - all funds	*1,524,858*	*7,841,225*	*(6,969,866)*	*(712,293)*	*436,128*	*2,120,052*
Total Unrestricted funds	*5,968,731*	*7,846,725*	*(7,250,600)*	*-*	*436,128*	*7,000,984*
Endowment funds						
Endowment Funds - all funds	*13,416,399*	*-*	*(120,523)*	*-*	*1,515,175*	*14,811,051*

21. Statement of funds (continued)

	Balance at 1 September 2020 £	*Income* £	*Expenditure* £	*Transfers in/(out)* £	*Gains/ (Losses)* £	*Balance at 31 August 2021* £
Restricted funds						
Diana Willis memorial prize	*165*	*-*	*-*	*-*	*-*	*165*
Limoges Trust	*2,019*	*5,000*	*-*	*-*	*-*	*7,019*
Chapel fund	*1,214*	*-*	*-*	*-*	*-*	*1,214*
John Avins Trust	*2,875*	*2,000*	*(3,936)*	*-*	*-*	*939*
Grand piano	*1,400*	*-*	*(600)*	*-*	*-*	*800*
Sir John Saville Trust	*8,292*	*10,000*	*(11,400)*	*-*	*-*	*6,892*
Reginal Farrar Fund	*506*	*-*	*-*	*-*	*-*	*506*
Association of Friends BCS	*-*	*1,120*	*(1,031)*	*-*	*-*	*89*
King Fund	*50*	*50*	*-*	*-*	*-*	*100*
Hatfield Fund	*60*	*240*	*-*	*-*	*-*	*300*
Chris Byrne Memorial Prize Fund	*-*	*150*	*(30)*	*-*	*-*	*120*
300th Celebration Funds	*-*	*28,607*	*(28,607)*	*-*	*-*	*-*
	16,581	*47,167*	*(45,604)*	*-*	*-*	*18,144*
Total of funds	*19,401,711*	*7,893,892*	*(7,416,727)*	*-*	*1,951,303*	*21,830,179*

Statement of funds (continued)

FUNDS

Extraordinary repair fund - In accordance with the terms of the charity commission the Governors had established a fund by 1 September 2009 to provide for the extraordinary repair, improvement and rebuilding of the school's property. The Governors have made a transfers in of £120,000 (2021 - £120,000) this year to the fund to finance repairs and transfers out of £958,766 to fund capital works on the chapel and the new science building.

Loppylugs and Barbara Morrison Charitable Trust - This donation is available for use at the Headmaster's discretion taking onto account the donors' interests.

School Nursery and Four-Classroom block - Fund set aside by the Governors following the charity commission approval of the use of the £2m of the endowment fund for the development works. This is a capital fund and the future depreciation of the assets constructed will be charged to it. The Governors have made a transfers of £120,000 (2021 - £120,000) this year to the fund.

New Build Fund - The Governors have agreed to set aside a sum of money annually to reflect the use of endowment funds which were expended on the School Nursery and Four Classroom Block. The Governors have made a transfers of £120,000 (2021 - £120,000) this year to the fund.

Foundation fund - Designated - The Governors have agreed to set aside annually a sum equal to not less than 5% of the fee income of the previous financial year. The amount set aside is to be applied in the provision of places at the school for children of merit and good character who are in need of financial assistance. In the current year the amounts set aside totalled £393,264 (2021 - £352,293) and amounts advanced to pupils totalled £272,230 (2021 - £265,451).

Old Scholar Donation - Donation in memory of Mr Ernest Jones to be spent as seen fit.

ENDOWMENT FUNDS
The Permanent endowment fund has to be held by the Blue Coat School Birmingham (Charity number 1152244-1) indefinitely under the Scheme approved by the Charity Commission on 12 March 1986. There is no power to convert the capital into income.

The transfer relates to additions on endowed property.

RESTRICTED FUNDS
Diana Wills memorial prize - This prize fund was set up a former teacher to reward a pupil's reading ability. The fund was to be used to provide one book prize a year.

Limoges Trust - Grants received to further the development of musical drama within the school.

Chapel Fund - Donations provided for the equipping of the School Chapel.

The John Avins Trust - Fund provided for equipment and resources for the benefit of gifted children in need of financial support within the school.

Association of Friends - Minibus - Funds raised by the parents and friends of The Blue Coat School to provide funds to subsidise the lease of a minibus.

Grand Piano - Funds provided by the Birmingham Community Foundation and the Loppylugs and Barbara Morrison Charitable Trust to purchase a grand piano. This is a capital fund and the future depreciation of the asset will be charged to it.

Statement of funds (continued)

RESTRICTED FUNDS
Sir John Saville Trust - Funds provided by Mr John Saville towards the continued support of the young people of Birmingham.

The Reginald Farrar Fund - Funds provided by Mr Reginald Farrar towards the advancement of the mathematics department.

Association of Friends - Funds raised by the parents and friends of The Blue Coat School to provide additional equipment, resources and entertainment for the pupils.

King Fund - Donation toward the bursaries.

Hatfield fund - Donation towards bursaries.

Chris Byrne Memorial Prize Fund - To fund a book prize at annual prize giving.

300th Celebration Fund - Funds generated during the Tercentenary celebrations, raising funds for chapel renovations.

Summary of funds - current year

	Balance at 1 September 2021 £	Income £	Expenditure £	Transfers in/(out) £	Gains/ (Losses) £	Balance at 31 August 2022 £
Designated funds	**4,880,932**	**8,000**	**(272,962)**	**(282,873)**	**-**	**4,333,097**
General funds	**2,120,052**	**8,504,405**	**(7,784,779)**	**(488,583)**	**(651,585)**	**1,699,510**
Endowment funds	**14,811,051**	**-**	**(120,190)**	**771,456**	**39,827**	**15,502,144**
Restricted funds	**18,144**	**38,687**	**(51,808)**	**-**	**-**	**5,023**
	21,830,179	**8,551,092**	**(8,229,739)**	**-**	**(611,758)**	**21,539,774**

. **Summary of funds (continued)**

Summary of funds - prior year

	Balance at 1 September 2020 £	*Income* £	*Expenditure* £	*Transfers in/(out)* £	*Gains/ (Losses)* £	*Balance at 31 August 2021* £
Designated funds	*4,443,873*	*5,500*	*(280,734)*	*712,293*	*-*	*4,880,932*
General funds	*1,524,858*	*7,841,225*	*(6,969,866)*	*(712,293)*	*436,128*	*2,120,052*
Endowment funds	*13,416,399*	*-*	*(120,523)*	*-*	*1,515,175*	*14,811,051*
Restricted funds	*16,581*	*47,167*	*(45,604)*	*-*	*-*	*18,144*
	19,401,711	*7,893,892*	*(7,416,727)*	*-*	*1,951,303*	*21,830,179*

22. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2022 £	**Restricted funds 2022** £	**Endowment funds 2022** £	**Total funds 2022** £
Tangible fixed assets	3,021,079	200	3,802,306	**6,823,585**
Fixed asset investments	3,248,008	-	10,284,838	**13,532,846**
Investment property	-	-	1,415,000	**1,415,000**
Current assets	1,690,940	4,823	-	**1,695,763**
Creditors due within one year	(1,921,300)	-	-	**(1,921,300)**
Creditors due in more than one year	(6,120)	-	-	**(6,120)**
Total	6,032,607	5,023	15,502,144	**21,539,774**

22. Analysis of net assets between funds (continued)

Analysis of net assets between funds - prior year

	Unrestricted funds 2021 £	*Restricted funds 2021 £*	*Endowment funds 2021 £*	*Total funds 2021 £*
Tangible fixed assets	*3,024,199*	*800*	*3,151,040*	*6,176,039*
Fixed asset investments	*3,400,070*	*-*	*10,245,011*	*13,645,081*
Investment property	*-*	*-*	*1,415,000*	*1,415,000*
Current assets	*1,970,899*	*17,344*	*-*	*1,988,243*
Creditors due within one year	*(1,355,095)*	*-*	*-*	*(1,355,095)*
Creditors due in more than one year	*(39,089)*	*-*	*-*	*(39,089)*
Total	*7,000,984*	*18,144*	*14,811,051*	*21,830,179*

23. Reconciliation of net movement in funds to net cash flow from operating activities

	2022 £	*2021 £*
Net income/expenditure for the year (as per Statement of Financial Activities)	**(290,883)**	*2,428,394*
Adjustments for:		
Depreciation charges	**349,545**	*394,832*
(Gains)/losses on investments (including investment property)	**612,236**	*(1,951,229)*
Dividends, interests and rents from investments	**(480,896)**	*(443,025)*
Loss on the sale of fixed assets	**-**	*3,745*
Increase in debtors	**(106,460)**	*(40,075)*
Increase in creditors	**533,235**	*144,124*
Pension scheme	**478**	*74*
Net cash provided by operating activities	**617,255**	*536,840*

24. Analysis of cash and cash equivalents

	2022	*2021*
	£	*£*
Cash in hand	**1,368,489**	*1,767,429*
Total cash and cash equivalents	**1,368,489**	*1,767,429*

25. Analysis of changes in net debt

	At 1 September 2021	Cash flows	At 31 August 2022
	£	£	£
Cash at bank and in hand	**1,767,429**	**(398,940)**	**1,368,489**
	1,767,429	**(398,940)**	**1,368,489**

26. Pension commitments

The school's employees belong to two principle pensions schemes; the Teachers' Pension Scheme England and Wales ("the TPS") for academic and related staff which is a defined benefit scheme and a defined contribution scheme with The Pensions Trust for non-teaching staff. In addition, the school contributes to the personal pension plans of certain employees.

Teachers' Pension Scheme England and Wales ("the TPS")

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 £560,801 (2021: £533,440) and at the year-end £65,629 (2021 - £63,157) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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

The 2016 cost control valuations have since been completed in January 2022, and the results indicated that there would be no changes to benefits or member contributions required. The results of the cost cap valuation are not used to set the employer contribution rate, and HM Treasury has confirmed that any

26. Pension commitments (continued)

changes to the employer contribution rate resulting from the 2020 valuations will take effect in April 2024.

Until the 2020 valuation is completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

The Pension Trust

The school participates in the scheme, a multi-employer scheme which provides benefits to some 638 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupation pension schemes in the UK.

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

A full actuarial valuation for the scheme was carried out at 30 September 2020. This valuation showed assets of £800.3m, liabilities of £831.9m and a deficit of £31.6m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2022 to 31 January 2025	£3,312,000 per annum (payable monthly)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 30 September 2025	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 liabilities.

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

Pension commitments (continued)

Present value of provision

	31 August 2022	31 August 2021	31 August 2020
Present value of provision	10,836	54,705	69,602

Reconciliation of opening and closing provisions

	2022 £	*2021 £*
Provision at start of period	**54,705**	*69,602*
Unwinding of the discount factor (interest expense)	**310**	*338*
Deficit contribution paid	**(10,962)**	*(15,161)*
Remeasurements - impact of any change in assumptions	**(478)**	*(74)*
Remeasurements - amendments to the contribution schedule	**(32,739)**	*-*
Provision at the end of period	**10,836**	*54,705*

Income and expenditure impact

	2022 £	*2021 £*
Interest expense	**310**	*338*
Remeasurements - impact of any change in assumptions	**(478)**	*(74)*
Remeasurements - amendments to the contribution schedule	**(32,739)**	*-*
Costs recognised in income and expenditure account	**(32,907)**	*264*

Assumptions

	31 August 2022 % per annum	31 August 2021 % per annum	31 August 2020 % per annum
Rate of discount	4.46	0.63	0.55

Pension commitments (continued)

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

The pension charge for the year includes contributions payable to The Pension Trust scheme of £83,454 (2021 - £82,921) and at the year-end £11,854 (2021 - £13,038) was accrued in respect of contributions to this scheme.

27. Operating lease commitments

At 31 August 2022 the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	2022 £	*2021* *£*
Not later than 1 year	**13,051**	*23,354*
Later than 1 year and not later than 5 years	**24,135**	*37,186*
	37,186	*60,540*

The following lease payments have been recognised as an expense in the Statement of financial activities:

	2022 £	*2021* *£*
Operating lease rentals	**23,354**	*25,104*

At 31 August 2022 the total of the group's future minimum lease income receivable under non-cancellable operating leases was:

	2022 £	*2021* *£*
Within 1 year	**38,600**	*63,000*
Between 1 and 5 years	**43,817**	*56,525*
Greater than 5 years	**80,117**	*67,083*
	162,534	*186,608*

28. Security

Included within cash at bank are amounts of £181,043 (2021 - £180,914) held as a guarantee to the Secretary of State to cover all liabilities arising out of The Blue Coat School Birmingham Limited's application to be an accepted school under regulation 134(1)(b) of the Teachers' Pensions Regulations 2010.

29. Financial instruments

	2022	*As restated 2021*
	£	*£*
Financial assets		
Financial assets measured at fair value through income and expenditure	**14,947,846**	*15,060,081*

Financial assets measured at fair value through income and expenditure comprise investments and investment properties.

The Groups income, expense, gains and losses in respect of financial instruments are summarised below:

	2022	*As restated 2021*
	£	*£*
Total investment income for financial assets measured at fair value through income and expenditure	**480,896**	*443,025*
Net (losses)/gains on financial assets measured at fair value through income and expenditure	**(612,236)**	*1,951,229*
Impairment gains on financial assets measured at amortised cost	**1,626**	*3,570*

30. Related party transactions

There were no other related party transactions other than those disclosed in notes 11 and 12.

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

England & Wales - Charity number 1152244

Accounts

Registered number: 08502615
Charity number: 1152244

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2021

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Governors and advisers	1 - 2
Governors' report	3 - 10
Independent auditor's report on the financial statements	11 - 14
Consolidated statement of financial activities	15 - 16
Consolidated balance sheet	17 - 18
Company balance sheet	19 - 20
Consolidated statement of cash flows	21
Notes to the financial statements	22 - 54

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2021

Governors	Mr B H Singleton LLB, Chairman[1] Mrs E J Cook BA (Hons)[1] Mr M H Dyke BA, Vice Chairman[1] Mrs K Gilmore DPSN RGN HV[1,2] Mr W G S Hordern MBE MA Dip Th JP Rev M Kitto BEd (hons) FNSEAD Mrs A K Poole BA[1] Mr S M Raine FCA BSocSci[1] Miss J Ward (formerly Wheeler) BA NPQH (resigned 23 June 2021) The Very Revd M Thompson, the Dean of Birmingham, MA MPhil The Revd Dr N Tucker, Vicar of Edgbaston, BSc Mth Phd Revd J Allcock BA, Vicar of Martins in the Bull Ring Mr S Page ACA[1] Mr M J Cotter (resigned 17 September 2020) Mr A J Roddick FRICS[1] Dr P Narendran BSc MBBS MRCS Phd FRCP (appointed 25 November 2020) Her Honour F M Kirkham CBE, BA AKC CAb FCI Arb (appointed 24 March 2021) [1] Finance & Estates Committee (together with the Headmaster, Bursar and Finance Manager) [2] Governors' Representative to The Friends of The Blue Coat School and Designated Safeguarding Governor and Governor for SEND
Company registered number	08502615
Charity registered number	1152244
Registered office	Somerset Road Edgbaston Birmingham B17 0HR
Senior management team	Mr N G Neeson BEd NPQH, Headmaster Mr R J Newman, Head of Prep Mrs E H Andrews, Head Pre-Prep & Second Master/Lead DSL Mrs H R West, Deputy Head Academic Mr G W Morgan, Bursar & Clerk to the Governors
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

Other advisors

Bankers:
Barclays Bank Plc
15 Colmore Row
Birmingham
B3 2BH

Investment managers:
CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Solicitors:
Veale Wasbrough Vizards
3 Brindley Place
Brindley Drive
Birmingham
B1 2JB

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2021

The Governors present their annual report together with the audited financial statements of the Group and the School for the year ended 31 August 2021. The Governors confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

The Charity is a charitable company limited by guarantee. It was incorporated on 24 April 2013 and registered as a charity on 31 May 2013. Its Memorandum of Association, which established its objects and powers, provided that in the event of it being wound up, members are required to contribute an amount not exceeding £1. Membership of the Company is reviewed at the Annual General Meeting as appropriate.

The unincorporated Charity's governing document is The Trust Founding Deed dating 1722. This has been amended over the years; the latest amendment is dated 17 December 2013. The unincorporated charity holds the charitable group's endowment assets. On 19 June 2018, the Charity Commission issued a Direction linking the two charities for the purposes of Part 4 and Part 8 of the Charities Act 2011.

Governors and charity trustees
The Governors of The Blue Coat School Birmingham Limited are the charity trustees and directors of The Blue Coat School Birmingham Limited (the School) and The Blue Coat School charity. They meet at least four times a year as a full Board. The work of implementing most of their policies is carried out by members of six sub-committees: Finance & Estates; Awards; Safeguarding and Health & Safety; Teaching, Learning & Curriculum; Governance & HR; 1722 (300 years Centenary celebrations). The minutes of these sub-committee meetings are reviewed at full Board meetings. The Bursar, in their capacity of Clerk to the Governors, is responsible for coordinating the work of the Governors and their committees, for the preparation of papers and management accounts and for the review of matters arising.

New Governors are appointed by the existing Board of Governors. Potential new Co-optative Governors are identified by the Governors. A sub-committee is selected from existing members of the Board by reference to their availability, suitability and range of experience. Having identified the gaps in experience to be filled, the Appointments sub-committee then undertakes an appropriate interview process to select new Governors from the list of possible candidates. New co-optative Governors are invited to join up to two sub-committees most relevant to their experience and having regard to the existing number of members on each sub-committee.

Induction and Training
The induction process for Governors involves briefing as necessary with copies of previous sub-committee and committee minutes relevant to their specialisms. All Governors are particularly encouraged to attend various school functions and to meet members of the Senior Leadership Team, in order to be able to understand further the nature of the School's business. An appropriate level of instruction is provided for both new and existing Governors to update their knowledge and place them in a position where they could sensibly identify their powers and responsibilities. From time to time, Governors go on formal training courses that the School and that individual Governors identify are required for that Governor to be able to discharge his/her duty.

All trustees give of their time freely, and no remuneration was paid in the year. Travel expenses of £117.00 were paid to four Governors during the year.

Key management personnel
The Governors consider that the Head, the Bursar, the Head of Pre-Prep and the Deputy Heads (Senior Leadership Team) comprise the Key Management Personnel (see note 14 to the accounts). The Governors give of their time freely and the pay and remuneration of the Head and Bursar is set by the Finance & Estates Committee and is kept under annual review. A number of criteria are used in setting pay:
- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay

Organisational management
The Governors determine the general policy of the School. The day to day running of the School is delegated to the Head, supported by senior staff. The Head undertakes the key leadership role, overseeing the educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of the School is undertaken in line with the policies and procedures approved by the Governors, which provide for significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Head and Bursar attend all Governors meetings and other senior staff are invited to attend Governors' meetings as appropriate.

Other relationships
The Head is a member of IAPS, which exists to share expertise, knowledge and experience across the independent preparatory school sector. The Bursar is a member of the ISBA, which provides professional development, technical support and invaluable reference material.

Other key parties supporting the School include the Independent Schools' Council (ISC) and the Association of Governing Bodies of Independent Schools (AGBIS).

BCS Enterprises is a wholly owned subsidiary undertaking of The Blue Coat School Limited. It is managed by the Governors of the School and its purpose is to generate surplus funds to reinvest in the School. At present this is now a dormant company owing to the cessation of the lettings of the facilities due to the Covid-19 pandemic.

PUBLIC BENEFIT

The Governing Body have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. The main activities to further the charity's purposes for public benefit include:

Foundation places

Each year Governors allocate a sum of money equal to 5% of the previous years net income to fund Foundation places. These places are advertised in numerous publications in the Birmingham area as well as being advertised on line in various digital applications.

Community Link programme
The Community Link programme seeks to widen access to our educational resources, by bringing independent and state school communities together.

This year, we were not able to make our facilities available due to the national lockdown. However, prior to the national lockdown, we made the following facilities and coaching available, at no charge, to benefit pupils attending local state schools:
- Use of the swimming pool for swimming lessons and swimming galas
- Use of the sports fields for sport festivals

- Use of the School Chapel for musical events
- Use of the school facilities and staff to provide outreach opportunities to local schools.

Community access
We all see The Blue Coat School as part of a wider community, and where we can assist the community whilst advancing the education of our pupils we are delighted to do so. Various Sports and Music Camps use the School during school holidays for sports and activities holiday camps. Our outreach programme has included opportunities for local schools to access our facilities at no charge.

OUR AIMS

The object of the School is the provision and conduct, in or near the City of Birmingham, of a day school for boys and girls. Within this object, the School has various permanent endowments and restricted Trust Funds held for special purposes in connection with the development of the School's facilities and for Foundations, scholarships, bursaries, prizes and other educational purposes. The School provides education to boys and girls from the ages of 3 -11 years in two departments: Pre-Prep (3-7 years old); and Prep (7-11 years old).

It is policy for all departments to attain the highest academic levels, commensurate with a pupil's ability, as well as providing a co-curricular programme which aims to broaden a pupil's interest and self-confidence. Instruction in the doctrines of the Church of England is given in the School and religious studies encompass education in the tenets of major world faiths.

OUR OBJECTIVES

Our objectives are set to reflect our educational aims and the ethos of the School. It is important to us that we maintain and enhance the academic success of the School.

The Governors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Governors have considered how planned activities will contribute to the aims and objectives set.

The principal objectives for the coming year are:

1. To continue to make first-class provision for the Early Years (from age three upwards), introducing our youngest children to their educational life in such a way as to allow them to flourish fully as human beings in an ever-changing world.
2. To maintain the current high standards of academic achievement indicated by senior school entrance exam results at 11-plus level and other external measures.
3. To recruit and retain the best teaching and support staff to assist in the continued development and promotion of the School as a leading provider of preparatory education not only locally but nationally.
4. To develop the all-round curricular and co-curricular provision to ensure excellence in all areas; academic, music, sport and performing arts.
5. To widen access to the school through the continued provision of means-tested bursaries.
6. To enhance links with the local community and to encourage the community to access the school.
7. To prepare, in conjunction with the Headmaster, a detailed strategic plan incorporating a five-year financial model to assist in the development, financial management and control of the School.

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and on measures to further widen access to the education the School provides. In taking forward our strategy we:

- Review and benchmark the School's academic syllabus, teaching practices and examination results;

- Ensure that the range of co-curricular activities available to our pupils is stimulating and challenging;
- Invest in technology and the infrastructure of our School;
- Co-operate and share resources with local schools;
- Develop methods for awarding bursaries/ scholarships to ensure wider access to pupils from all backgrounds.

OUR ETHOS

Our ethos is to be a caring Christian School serving our local community and society.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our School will be able to educate and develop that pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, race, religion or disability do not form part of our assessment process.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation. We will make reasonable adjustments to meet the needs of staff or pupils who are or who become disabled.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

SIGNIFICANT ACTIVITIES

Academic achievements

The 2020-2021 academic year was another successful year for the School – continuing to deliver sound academic results whilst investing in infrastructure to ensure the continued provision of first-class facilities.

In addition to the high quality education the School provides for its pupils, it continues to offer an extensive programme of outdoor and co-curricular activities.

Sporting activities

The School continues to develop its sporting provision and ensures that children participate in a range of sports and learn different skills including athletics, chess, cricket, dance, football, gymnastics, hockey, judo, netball, rugby, and swimming.

The School's sports facilities continued to be used by local primary schools for swimming lessons and for outreach programmes and sporting festivals until the national lockdown.

Music and drama

Music opportunities for all age groups include individual music lessons, choirs, ensembles and an orchestra. Children in all age-groups participate in a wide variety of drama activities.

The Friends of The Blue Coat School

The Friends of The Blue Coat School (Parents' Association) have again organised a wide-ranging programme of events, designed to foster a sense of community within the School. These have been successful in raising funds both for the School and for local charities. These were curtailed for the 2020-21 year by the COVID-19 pandemic.

SOCIAL INVESTMENT

In order to fulfil our aims and objectives of providing an education for boys and girls in or near the City of

Birmingham, the School provides bursary and scholarship awards as follows:

Bursaries
The Governors' grant-making policy is, in each accounting year, to set aside part of the Charity's investment income, to maintain Foundation Places. This helps children of merit and good character for whom a funded education would be beneficial but could not be afforded without assistance.

In 2020-21 the School provided assistance to 26 of our pupils of which 8 pupils benefited from a full remission of fees. The Foundation Awards also assist in funding additional costs such as school trips, co-curricular activities, uniform and other similar expenses.

Scholarships
In addition, the School awards scholarships to pupils based on either their educational or musical merit and potential.

The Governors view our bursary and scholarship awards and our outreach programme as important in widening access to the education our school provides. In developing our plans for this programme, we work closely with the Heads of the schools in our community, ensuring the positive contribution to our shared educational aims continues. Maintaining and, where necessary, developing the fabric and facilities of the School are central to our strategy.

ACHIEVEMENTS AND PERFORMANCE

Independent Schools Inspectorate (ISI) Inspection May 2020
ISI conducted a Regulatory Compliance Inspection of the School in May 2020.The School was found to be fully compliant and no further actions were required.

An Educational Quality Inspection (EQI) of the School in May 2017. This inspection related to the quality of the pupils' academic and other achievements and to the quality of the pupils' personal development. The school was found to be excellent in every aspect of these inspection judgements - the highest-grade judgement for these inspections. As the school had been judged to be excellent in every respect, the report did not make recommendations, but it did make two suggestions for consideration, both of which dovetailed with the school's own priorities.

Pupil numbers
Our educational activities are carried out through two departments: Pre-Prep (3-7 years old); and Prep (7-11 years old). At the year-end the total pupil number was 621.

FUNDRAISING
There are no material fundraising activities at the School which require disclosure under S162A of the Charities Act 2011.

FINANCIAL REVIEW

The School's key financial objective is to ensure financial stability and continued solvency year on year so that it can pursue its charitable aims and objectives. The Governors have followed SORP (FRS 102) in preparing these financial statements and the statement of financial affairs (SOFA), balance sheet and notes are set out within.

The Schools results for the year show a surplus before investment gains of £477,165 (2020-surplus of £21,305). The principal source of funds remains school fees of £7,155,015 (2020-£6,208,722) which represented 90.9% (2019/20- 85.1%) of the total income of £7,865,285 (2020- £7,292,162).
Unrealised gains on our investments amounted to £1,951,229 (2020-£342,604) before movements on the defined benefit pension scheme.
The investments are primarily used to fund the bursary and scholarship awards and other social investment.

INVESTMENTS

Investment activities are managed in line with the requirements of the Trustee Act 2000. The Governors have appointed CCLA as investment manager.

The main investment objectives of the charity are:

- The creation of a sufficient financial return to enable the charity to carry out its purposes effectively and without interruption;
- The maintenance and enhancement of the investment funds over the long term;
- To obtain a balance between capital growth and income to enable the charity to meet current and future needs; and
- To maintain a balanced risk profile.

The average income return on the portfolio was 2.52% compared to 3.17% in the previous year.

KEY RISKS AND UNCERTAINTIES

The Governors and Senior Leadership Team periodically review the major risks facing the charity. Risk registers are maintained and updated at least annually. Risks are considered under the headings of strategic, operational, financial and legal / regulatory.

Strategic risks include the School not being seen as a positive, modern organisation and it failing to provide education services that are attractive to parents and thus being unable to maintain pupil numbers. These are critical to the charity's aims to provide education and learning opportunities to children in the Birmingham area. These risks are managed by ensuring that the School provides an excellent, first-class education to every child; adopting proactive communication and PR strategies; through Board scrutiny of activities; robust financial controls; and recruitment and retention of high quality teachers and support staff.

Financial risks include failure to meet income targets, particularly from fee income and investments. School fee increases are carefully considered in conjunction with the School's strategic plans, the budget process and wider economic considerations. A conservative approach is taken to estimating the contribution from external sources and non-core activities. In general, financial risks are managed through regular monitoring and review of budgets during the financial year.

Health and Safety risks include fire safety, pool safety and failure to comply with regulatory requirements including areas relating to asbestos management and water management systems. A robust compliance system has been implemented and all of these risks are subject to close monitoring by the senior management team and the H&S Sub-Committee. A comprehensive Risk Assessment was devised, existing policies were amended and additional policies were written to ensure that the risks associated with the COVID-19 pandemic were managed. These were all regularly reviewed as Government advice and guidance was updated.

The Governors are satisfied that appropriate actions have been taken to control and mitigate the impact of risks where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

FUTURE PLANS

In 2022 the School will be 300 years old. This is a significant milestone for the organisation and one which the Governors and Senior Leadership Team want to mark. Ideas are being finalised, but projects, plans and the associated funding are at the forefront of the Governors' thoughts.

PENSION LIABILITY

The Governors recognise the liability existing in the Pensions Trust pension scheme for non-teaching staff. The Governors are satisfied that existing cash flows are sufficient to meet any anticipated increases in costs. Pension costs have been reported within the accounts in accordance with accounting standard FRS 102. For our non-teaching and support staff we offer a money purchase plan (defined contribution scheme).

RESERVES

The Governors regularly review the finances, budgets and spend against budget and undertake a termly cash flow analysis as part of their effective stewardship of the School.

The total funds held by the School at the end of the reporting period of £21,830,179 included £2,120,052 unrestricted general reserves and £4,880,932 designated funds plus a permanent endowment of £14,811,051.

The Governors designate unrestricted funds to fund future specific projects. The Governors are planning to invest substantial sums into new facilities and upgrades in the next five years, with a view to further improving the facilities. The Governors consider that, given the strength of the charity's balance sheet, the stable cash flow from strong student numbers, the ongoing popularity of our School and the available funds, it will not be necessary to seek external funding for these projects.

The Governors aim to ensure that the School has sufficient resources available to support the working capital requirements of the core activities of the School in unforeseen circumstances, giving sufficient time to allow financial policy to adapt to any new circumstances. These working capital reserves equate to approximately one term's total expenditure, £2 million.

Restricted funds of £18,144 are held for the benefit of the children for supporting learning needs and extra-curricular activities as set out in the detailed accounts within this report.

There is a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. The closing net book value of our tangible assets, property, plant and equipment was £6,176,039.

CHARITY GOVERNANCE CODE

The Governors are aware of the new charity governance code issued in July 2017. Reviews continue to be undertaken of the guidance requirements in order to ensure that the charity is working in line with the code, in all ways where it is practical to do so.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of The Blue Coat School Birmingham Limited for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);

- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when the Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable Group's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable Group's auditor is aware of that information.

AUDITORS

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

Approved by order of the members of the board of Governors and signed on their behalf by:

Mr B H Singleton LLB

Date:

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

Opinion

We have audited the financial statements of The Blue Coat School Birmingham Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, 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 of the parent charitable company's affairs as at 31 August 2021 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

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

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

Other information

The other information comprises the information included in the Annual report other than the financial statements and our Auditor's report thereon. The Governors are responsible for the other information contained within the Annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or

otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

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

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, 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 Governors either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the charitable company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006, taxation legislation, together with the Charities SORP (FRS 102). We assessed the required compliance with these laws and regulations as part of our audit procedures on the related financial statement items.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which might be fundamental to the charitable company's ability to operate or to avoid a material penalty. We also considered the opportunities and incentives that may exist within the charitable company for fraud. The laws and regulations we considered in this context for the UK operations were The Education (Independent School Standards) Regulations 2014, General Data Protection Regulation (GDPR), Health and safety legislation, and Employment legislation.

Auditing standards limit the required audit procedures to identify non-compliance with these laws and regulations to enquiry of the Trustees and other management and inspection of regulatory and legal correspondence, if any. We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be within the timing of recognition of donation and ancillary income, procurement processes for significant capital projects and the override of controls by management. Our audit procedures to respond to these risks included enquiries of management, and the Finance Committee about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases, reviewing regulatory correspondence with the Charity Commission, Independent Schools Inspectorate, Ofsted and reading minutes of meetings of those charged with governance.

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. For example, the further removed non-compliance with laws and regulations (irregularities) is from the events and transactions reflected in the financial statements, the less likely the inherently limited procedures required by auditing standards would identify it. In addition, as with any audit, there remained a higher risk of non-detection of irregularities, as these may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUE COAT SCHOOL BIRMINGHAM LIMITED (CONTINUED)

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.

Helen Drew (Senior statutory auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House
Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date:

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Income and endowments from:						
Donations and legacies	4	**5,500**	**18,560**	**-**	**24,060**	*31,596*
Charitable activities:						
School fees		**7,155,015**	**-**	**-**	**7,155,015**	*6,208,722*
Ancillary trading income		**243,185**	**-**	**-**	**243,185**	*275,559*
Trading activities	7	**-**	**-**	**-**	**-**	*90,602*
Investments	8	**443,025**	**-**	**-**	**443,025**	*439,390*
Other income	9	**-**	**-**	**-**	**-**	*246,293*
Total income and endowments		**7,846,725**	**18,560**	**-**	**7,865,285**	*7,292,162*
Expenditure on:						
Raising funds:						
Financing costs	10	**(1,501)**	**-**	**-**	**(1,501)**	*4,969*
Trading activities	11	**-**	**-**	**-**	**-**	*84,058*
Charitable activities:						
Education and grant making	12	**7,252,101**	**16,997**	**120,523**	**7,389,621**	*7,181,830*
Total expenditure		**7,250,600**	**16,997**	**120,523**	**7,388,120**	*7,270,857*
Net income before investment gains		**596,125**	**1,563**	**(120,523)**	**477,165**	*21,305*
Net gains on investments		**436,054**	**-**	**1,515,175**	**1,951,229**	*342,604*
Net movement in funds before other recognised gains/(losses)		**1,032,179**	**1,563**	**1,394,652**	**2,428,394**	*363,909*
Other recognised gains/(losses):						
Actuarial gains/(losses) on defined benefit pension schemes	29	**74**	**-**	**-**	**74**	*(636)*
Net movement in funds		**1,032,253**	**1,563**	**1,394,652**	**2,428,468**	*363,273*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Reconciliation of funds:						
Total funds brought forward		**5,968,731**	**16,581**	**13,416,399**	**19,401,711**	*19,038,438*
Net movement in funds		**1,032,253**	**1,563**	**1,394,652**	**2,428,468**	*363,273*
Total funds carried forward		**7,000,984**	**18,144**	**14,811,051**	**21,830,179**	*19,401,711*

The notes on pages 22 to 54 form part of these financial statements.

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 08502615

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2021

	Note		2021 £		*2020* *£*
Fixed assets					
Tangible assets	16		**6,176,039**		*6,440,898*
Investments	18		**13,644,981**		*11,193,752*
Investment property	17		**1,415,000**		*1,415,000*
			21,236,020		*19,049,650*
Current assets					
Debtors	19	**220,814**		*175,279*	
Cash at bank and in hand		**1,767,529**		*1,426,842*	
		1,988,343		*1,602,121*	
Creditors: amounts falling due within one year	20	**(1,355,095)**		*(1,195,619)*	
Net current assets			**633,248**		*406,502*
Total assets less current liabilities			**21,869,268**		*19,456,152*
Creditors: amounts falling due after more than one year	21		**(39,089)**		*(54,441)*
Total net assets			**21,830,179**		*19,401,711*
Charity funds					
Endowment funds	24		**14,811,051**		*13,416,399*
Restricted funds	24		**18,144**		*16,581*
Unrestricted funds	24		**7,000,984**		*5,968,731*
Total funds			**21,830,179**		*19,401,711*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Mr B H Singleton LLB

Date:

The notes on pages 22 to 54 form part of these financial statements.

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 08502615

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2021

	Note		2021 £		*2020 £*
Fixed assets					
Tangible assets	16		**6,176,039**		*6,440,898*
Investments	18		**13,645,081**		*11,193,852*
Investment property	17		**1,415,000**		*1,415,000*
			21,236,120		*19,049,750*
Current assets					
Debtors	19	**220,814**		*180,739*	
Cash at bank and in hand		**1,767,429**		*1,421,282*	
		1,988,243		*1,602,021*	
Creditors: amounts falling due within one year	20	**(1,355,095)**		*(1,195,619)*	
Net current assets			**633,148**		*406,402*
Total assets less current liabilities			**21,869,268**		*19,456,152*
Creditors: amounts falling due after more than one year	21		**(39,089)**		*(54,441)*
Total net assets			**21,830,179**		*19,401,711*
Charity funds					
Endowment funds	24		**14,811,051**		*13,416,399*
Restricted funds	24		**18,144**		*16,581*
Unrestricted funds	24		**7,000,984**		*5,968,731*
Total funds			**21,830,179**		*19,401,711*

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2021

The Company's net movement in funds for the year was £2,428,468 *(2020 - £363,273)*.

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Mr B H Singleton LLB

Date:

The notes on pages 22 to 54 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2021

	Note	2021 £	2020 £
Cash flows from operating activities			
Net cash used in operating activities	26	**531,380**	*(236,004)*
Cash flows from investing activities			
Dividends, interests and rents from investments		**443,025**	*439,390*
Purchase of tangible fixed assets		**(133,718)**	*(110,823)*
Purchase of investments		**(500,000)**	-
Net cash (used in)/provided by investing activities		**(190,693)**	**328,567**
Change in cash and cash equivalents in the year		**340,687**	**92,563**
Cash and cash equivalents at the beginning of the year		**1,426,842**	*1,334,279*
Cash and cash equivalents at the end of the year	27	**1,767,529**	*1,426,842*

The notes on pages 22 to 54 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

1. General information

The company is a company limited by guarantee (registered number 08502615), which is incorporated and registered in England and Wales. Its charity registration number is 1152244. The registered office and principal place of business is The Blue Coat School Birmingham, Somerset Road, Edgbaston, Birmingham, B17 0HR.

The principal activity is to provide a day school for boys and girls near the City of Birmingham.

In June 2018 the Charity Commission issued a Direction linking The Blue Coat School Birmingham Limited with the charity The Blue Coat School Birmingham (charity registration number 1152244-1). This charity holds the charitable groups endowment assets.

The members of the company are the Governors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Blue Coat School Birmingham Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. Accounting policies (continued)

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally investments and deposits. Income arising on the endowment funds can be used in accordance with the object of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund. The endowment funds are all held by the subsidiary charity The Blue Coat School Birmingham.

2. Accounting policies (continued)

2.4 Income

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations and legacies
For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this required a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Fees and similar income
Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school from its unrestricted funds. Where income is received in advance it is treated as deferred income and included within creditors.

Income from trading activities
Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying services in order to raise funds and is recognised when entitlement has occurred.

Investment income
Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

Other income is recognised in the period in which it is receivable and to the extent the goods have been provided or on completion of the service.

2. Accounting policies (continued)

2.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds;
- Expenditure on charitable activities;
- Other expenditure represents those items not falling into the categories above.

Charitable expenditure comprises those costs incurred by the charitable group in the delivery of activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of The Blue Coat School Birmingham Limited and its subsidiaries, this includes audit fees.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

Expenditure is recognised once there is a legal or constructive obligation to transfer economic benefit to a third party, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is classified by activity. The costs of each activity are made up of the total of direct costs and shared costs, including support costs involved in undertaking each activity. Direct costs attributable to a single activity are allocated directly to that activity. Shared costs which contribute to more than one activity and support costs which are not attributable to a single activity are apportioned between those activities on a basis consistent with the use of resources. Central staff costs are allocated on the basis of time spent, and depreciation charges allocated on the portion of the asset’s use.

Expenditure on raising funds includes all expenditure incurred by the Group to raise funds for its charitable purposes and includes costs of all fundraising activities events and non-charitable trading.

Expenditure on charitable activities is incurred on directly undertaking the activities which further the Group's objectives, as well as any associated support costs.

2.6 Government grants

Government grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2. Accounting policies (continued)

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 1.5 - 20% straight line
Fixtures and equipment	- 10 - 20% straight line
Computer equipment	- 10 - 33.33% straight line
Minibus	- 20% straight line

Depreciation is not charged on freehold land.

2.8 Investment property

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in the heading ‘Gains/(losses) on investments’ in the Statement of financial activities. No depreciation is charged on investments properties in accordance with the Charities SORP.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as ‘Gains/(Losses) on investments’ in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2. Accounting policies (continued)

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Taxation

The Blue Coat School Birmingham Limited and The Blue Coat School Birmingham is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Blue Coat School Birmingham Limited and The Blue Coat School Birmingham is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. BCS Enterprises Limited is subject to corporation tax.

Value added tax is not recoverable by the charity and as such is included in the relevant costs in the Statement of financial activities and fixed assets.

2. Accounting policies (continued)

2.16 Pensions

Retirement benefits to teachers employed by the school are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme. The TPS is an unfunded scheme and contributions are calculated so as to spread the costs of pensions over employees' working lives with the school in such a way that the pension costs is substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 30, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Retirement benefits for non-teachers are provided by a defined contribution scheme administered by The Pensions Trust. Payments to the scheme are charged to the Statement of financial activities in the year incurred.

Contributions are made to personal pension plans of certain employees. Payments to these plans are charges to the Statement of financial activities in the year incurred.

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

In preparing these financial statements, the Governors have made the following judgments:

Investment properties
Investment properties are valued on the basis of market value of the freehold interest with vacant possession at the year end.

Recoverability of trade debtors
Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of resources required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, current economic trends and changes in payment terms when making a judgment to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the Statement of financial activities.

4. Income from donations and legacies

	Unrestricted funds 2021 £	Restricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Donations	5,500	18,560	**24,060**	*31,596*
Total 2021	5,500	18,560	**24,060**	*31,596*
Total 2020	*9,720*	*21,876*	*31,596*	

5. Charitable activities - School fees

	2021 £	*2020 £*
Gross tuition fees	**7,642,538**	*6,736,426*
Less: Awards, scholarships and bursaries from unrestricted funds	**(342,709)**	*(387,805)*
Less: Fee discounts	**(144,814)**	*(139,899)*
	7,155,015	*6,208,722*

Awards, scholarships and bursaries were paid to 48 pupils (2020 - 59 pupils). Within this means tested bursaries totalling £265,451 were paid to 26 pupils (2020 - £313,279 to 32 pupils).

The total income from school fees is unrestricted in both years.

6. Charitable activities - Other ancillary trading income

	2021 £	*2020 £*
Extra-curricular activities	**191,365**	*136,695*
Registration fees	**11,700**	*8,500*
Fees in lieu of notice	**-**	*7,722*
SEN income	**287**	*9,125*
Holiday clubs	**688**	*2,179*
School trips	**488**	*18,043*
Other income	**38,657**	*93,295*
	243,185	*275,559*

The total ancillary trading income is unrestricted in both years.

7. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
BCS Enterprises Limited	-	**-**	*90,602*
Total 2021	-	**-**	*90,602*
Total 2020	*90,602*	*90,602*	

8. Investment income

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Rental income	93,497	**93,497**	*104,658*
Dividend income	349,528	**349,528**	*329,300*
Deposit account interest	-	**-**	*5,432*
Total 2021	443,025	**443,025**	*439,390*
Total 2020	*439,390*	*439,390*	

9. Other incoming resources

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Government grant	-	**-**	*246,293*
Total 2021	-	**-**	*246,293*
Total 2020	*246,293*	*246,293*	

The government grant received related to the Coronavirus Job Retention Scheme.

10. Expenditure on raising funds - Financing costs

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Bad debt (income)/costs	(3,570)	**(3,570)**	*1,629*
Property management fees	2,069	**2,069**	*3,340*
Total 2021	(1,501)	**(1,501)**	*4,969*
Total 2020	*4,969*	*4,969*	

11. Expenditure on raising funds - Trading activities

	Unrestricted funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Staff costs	-	**-**	*73,598*
Other costs	-	**-**	*10,460*
Total 2021	-	**-**	*84,058*
Total 2020	*84,058*	*84,058*	

12. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £	*Total funds 2020 £*
Teaching	4,141,072	4,997	120,523	**4,266,592**	*4,441,078*
Catering	491,541	-	-	**491,541**	*395,446*
Premises	1,621,796	12,000	-	**1,633,796**	*1,328,059*
Support and governance	997,692	-	-	**997,692**	*1,017,247*
Total 2021	7,252,101	16,997	120,523	**7,389,621**	*7,181,830*
Total 2020	*7,039,772*	*21,538*	*120,520*	*7,181,830*	

Summary by expenditure type

	Staff costs 2021 £	Depreciation 2021 £	Other costs 2021 £	Total funds 2021 £	*Total funds 2020 £*
Teaching	3,778,281	216,521	271,790	**4,266,592**	*4,441,078*
Catering	-	-	491,541	**491,541**	*395,446*
Premises	345,823	140,436	1,147,537	**1,633,796**	*1,328,059*
Support and governance	582,981	37,875	376,836	**997,692**	*1,017,247*
Total 2021	4,707,085	394,832	2,287,704	**7,389,621**	*7,181,830*
Total 2020	*4,875,869*	*425,791*	*1,880,170*	*7,181,830*	

13. Auditor's remuneration

	2021 £	*2020 £*
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**17,000**	*14,000*
Fees payable to the Company's auditor in respect of:		
Accountancy services	**3,325**	*2,900*

14. Staff costs

	Group 2021 £	*Group 2020 £*
Wages and salaries	**3,709,146**	*3,940,659*
Social security costs	**356,398**	*358,349*
Contribution to defined contribution pension schemes	**641,541**	*650,459*
	4,707,085	*4,949,467*

During the year there were redundancy or termination payments made which amounted to £12,367 *(2020 - £Nil)*. There was £Nil *(2020 - £Nil)* outstanding at the year end.

The average number of persons employed by the Company during the year was as follows:

	Group 2021 No.	*Group 2020 No.*
Teaching staff	**71**	*73*
Administrative/support staff	**51**	*70*
	122	*143*

14. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2021 No.	*Group 2020 No.*
In the band £60,001 - £70,000	**2**	*2*
In the band £90,001 - £100,000	**1**	*1*
In the band £160,001 - £170,000	**1**	*-*
In the band £170,001 - £180,000	**-**	*1*

The total amount of employee benefits received by key management personnel is £788,639 to 8 staff members *(2020 - £848,170, to 9 staff members)*.

15. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits *(2020 - £NIL)*.

During the year ended 31 August 2021, expenses totalling £753 were reimbursed or paid directly to 4 Governors *(2020 - £869 to 4 Governors)*. Expenses related to courses, accommodation and travel expenses.

16. Tangible fixed assets

Group and Company

	Freehold school premises £	Fixtures and equipment £	Computer equipment £	School minibus £	Total £
Cost or valuation					
At 1 September 2020	**8,856,668**	**173,031**	**768,531**	**30,821**	**9,829,051**
Additions	**-**	**11,026**	**88,014**	**34,678**	**133,718**
Disposals	**(10,000)**	**-**	**(128,644)**	**-**	**(138,644)**
At 31 August 2021	**8,846,668**	**184,057**	**727,901**	**65,499**	**9,824,125**
Depreciation					
At 1 September 2020	**2,653,109**	**141,560**	**581,155**	**12,329**	**3,388,153**
Charge for the year	**249,166**	**14,227**	**124,697**	**6,742**	**394,832**
On disposals	**(6,327)**	**-**	**(128,572)**	**-**	**(134,899)**
At 31 August 2021	**2,895,948**	**155,787**	**577,280**	**19,071**	**3,648,086**
Net book value					
At 31 August 2021	**5,950,720**	**28,270**	**150,621**	**46,428**	**6,176,039**
At 31 August 2020	*6,203,559*	*31,471*	*187,376*	*18,492*	*6,440,898*

The costs of freehold school premises includes both freehold land and buildings. The school records do not provide a reliable split of freehold land and buildings and the Governors do not consider that the cost involved in obtaining such information is justifiable for the benefit gained.

17. Investment property

Group

	Freehold investment property £
Valuation	
At 1 September 2020	**1,415,000**
At 31 August 2021	**1,415,000**

Company

	Freehold investment property £
Valuation	
At 1 September 2020	**1,415,000**
At 31 August 2021	**1,415,000**

Comprising:

	2021 £	*2020 £*
416 Birmingham Road, Wylde Green	**435,000**	*435,000*
Properties acquired by gift	**130,000**	*130,000*
256 Harbourne Road, Edgbaston	**850,000**	*850,000*
	1,415,000	*1,415,000*

The investment property consists of buildings held for investment purposes and are not used in the School's own activities, both residential and industrial property are held and are let out on the open market.

All properties were revalued by Burley Browne Chartered Surveyors in November 2019.

18. Fixed asset investments

Group	Investments and deposits £
Cost or valuation	
At 1 September 2020	**11,193,752**
Additions	**500,000**
Revaluations	**1,951,229**
At 31 August 2021	**13,644,981**
Net book value	
At 31 August 2021	**13,644,981**
At 31 August 2020	*11,193,752*

Company	Investment in subsidiary company £	Investments and deposits £	Total £
Cost or valuation			
At 1 September 2020	**100**	**11,193,752**	**11,193,852**
Additions	**-**	**500,000**	**500,000**
Revaluations	**-**	**1,951,229**	**1,951,229**
At 31 August 2021	**100**	**13,644,981**	**13,645,081**
Net book value			
At 31 August 2021	**100**	**13,644,981**	**13,645,081**
At 31 August 2020	*100*	*11,193,752*	*11,193,852*

18. Fixed asset investments (continued)

Investments and deposits comprise:

	2021 £	*2020 £*
Charities Official Investment Fund - Income shares	**13,644,981**	*11,193,752*
	13,644,981	*11,193,752*

The following was a subsidiary undertaking of the Company:

Name	Company number	Registered office or principal place of business	Principal activity	Class of shares	Holding
BCS Enterprises Limited	09109064	The Blue Coat School Birmingham Somerset Road Edgbaston Birmingham B17 0HR.	Dormant in current year	Ordinary	100%

The financial results of the subsidiary for the year were:

Name	Net assets £
BCS Enterprises Limited	**100**

At the year end BCS Enterprises Limited owed The Blue Coat School £Nil (2020 - £5,460).

19. Debtors

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Trade debtors	**86,781**	*15,518*	**86,781**	*15,518*
Amounts owed by group undertakings	**-**	*-*	**-**	*5,460*
Other debtors and accrued income	**57,218**	*91,644*	**57,218**	*91,644*
Prepayments	**76,815**	*68,117*	**76,815**	*68,117*
	220,814	*175,279*	**220,814**	*180,739*

An impairment loss of £7,791 (2020 - £11,511) was recognised against fee debtors.

20. Creditors: Amounts falling due within one year

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Trade creditors	**207,300**	*187,228*	**207,300**	*187,228*
Other taxation and social security	**81,520**	*95,975*	**81,520**	*95,975*
Fees in advance (note 22)	**668,233**	*537,865*	**668,233**	*537,865*
Deposits (note 23)	**185,400**	*180,150*	**185,400**	*180,150*
Pension liability	**15,616**	*15,161*	**15,616**	*15,161*
Accruals and other creditors	**197,026**	*179,240*	**197,026**	*179,240*
	1,355,095	*1,195,619*	**1,355,095**	*1,195,619*

21. Creditors: Amounts falling due after more than one year

	Group 2021 £	*Group 2020 £*	Company 2021 £	*Company 2020 £*
Pension liability	**39,089**	*54,441*	**39,089**	*54,441*

22. Fees in advance

Movement of fees in advance:

	2021 £	*2020* *£*
Balance at 1 September 2020	**537,865**	*677,778*
New advance fees received	**668,233**	*537,865*
Amounts utilised in payments	**(537,865)**	*(677,778)*
Balance as at 31 August 2021	**668,233**	*537,865*

23. Fee deposits

Movement of fee deposits:

	2021 £	*2020* *£*
Balance at 1 September 2019	**180,150**	*177,650*
New deposits received	**33,300**	*34,800*
Deposits utilised	**(28,050)**	*(32,300)*
Balance as at 31 August 2020	**185,400**	*180,150*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2021

24. Statement of funds

Statement of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	**1,294,311**	**-**	**-**	**120,000**	**-**	**1,414,311**
Loopylugs & Barbara Morrison Trust	**9,000**	**5,500**	**(14,500)**	**-**	**-**	**-**
School nursery and four classroom block	**2,159,783**	**-**	**-**	**120,000**	**-**	**2,279,783**
New build fund	**845,000**	**-**	**-**	**120,000**	**-**	**965,000**
Foundation fund	**134,453**	**-**	**(266,234)**	**352,293**	**-**	**220,512**
Old Scholar Donation	**1,326**	**-**	**-**	**-**	**-**	**1,326**
	4,443,873	**5,500**	**(280,734)**	**712,293**	**-**	**4,880,932**
General funds						
General Funds - all funds	**1,524,858**	**7,841,225**	**(6,969,866)**	**(712,293)**	**436,128**	**2,120,052**
Total Unrestricted funds	**5,968,731**	**7,846,725**	**(7,250,600)**	**-**	**436,128**	**7,000,984**
Endowment funds						
Endowment Funds - all funds	**13,416,399**	**-**	**(120,523)**	**-**	**1,515,175**	**14,811,051**

24. Statement of funds (continued)

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Restricted funds						
Diana Willis memorial prize	**165**	**-**	**-**	**-**	**-**	**165**
Limoges Trust	**2,019**	**5,000**	**-**	**-**	**-**	**7,019**
Chapel fund	**1,214**	**-**	**-**	**-**	**-**	**1,214**
John Avins Trust	**2,875**	**2,000**	**(3,936)**	**-**	**-**	**939**
Grand piano	**1,400**	**-**	**(600)**	**-**	**-**	**800**
Sir John Saville Trust	**8,292**	**10,000**	**(11,400)**	**-**	**-**	**6,892**
Reginal Farrar Fund	**506**	**-**	**-**	**-**	**-**	**506**
Association of Friends BCS	**-**	**1,120**	**(1,031)**	**-**	**-**	**89**
King Fund	**50**	**50**	**-**	**-**	**-**	**100**
Hatfield Fund	**60**	**240**	**-**	**-**	**-**	**300**
Chris Byrne Memorial Prize Fund	**-**	**150**	**(30)**	**-**	**-**	**120**
	16,581	**18,560**	**(16,997)**	**-**	**-**	**18,144**
Total of funds	**19,401,711**	**7,865,285**	**(7,388,120)**	**-**	**1,951,303**	**21,830,179**

24. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2019 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2020* £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	*1,174,311*	*-*	*-*	*120,000*	*-*	*1,294,311*
Loopylugs & Barbara Morrison Trust	*25,803*	*9,000*	*(25,803)*	*-*	*-*	*9,000*
School nursery and four classroom block	*2,039,783*	*-*	*-*	*120,000*	*-*	*2,159,783*
New build fund	*725,000*	*-*	*-*	*120,000*	*-*	*845,000*
Foundation fund	*86,567*	*-*	*(314,353)*	*362,239*	*-*	*134,453*
Old Scholar Donation	*1,500*	*-*	*(174)*	*-*	*-*	*1,326*
	4,052,964	*9,000*	*(340,330)*	*722,239*	*-*	*4,443,873*
General funds						
General funds	*1,698,352*	*7,261,286*	*(6,788,469)*	*(722,239)*	*75,928*	*1,524,858*
Total Unrestricted funds	*5,751,316*	*7,270,286*	*(7,128,799)*	*-*	*75,928*	*5,968,731*
Endowment funds						
Permanent endowment	*13,270,879*	*-*	*(120,520)*	*-*	*266,040*	*13,416,399*

24. Statement of funds (continued)

	Balance at 1 September 2019 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2020* £
Restricted funds						
Diana Willis memorial prize	*165*	*-*	*-*	*-*	*-*	*165*
Limoges Trust	*19*	*2,000*	*-*	*-*	*-*	*2,019*
Chapel fund	*1,214*	*-*	*-*	*-*	*-*	*1,214*
John Avins Trust	*875*	*2,000*	*-*	*-*	*-*	*2,875*
Association of Friends Minibus	*1,750*	*-*	*(1,750)*	*-*	*-*	*-*
Grand piano	*2,000*	*-*	*(600)*	*-*	*-*	*1,400*
Sir John Saville Trust	*8,000*	*4,000*	*(3,708)*	*-*	*-*	*8,292*
Reginal Farrar Fund	*506*	*-*	*-*	*-*	*-*	*506*
Association of Friends BCS	*1,714*	*13,766*	*(15,480)*	*-*	*-*	*-*
King Fund	*-*	*50*	*-*	*-*	*-*	*50*
Hatfield Fund	*-*	*60*	*-*	*-*	*-*	*60*
	16,243	*21,876*	*(21,538)*	*-*	*-*	*16,581*
Total of funds	*19,038,438*	*7,292,162*	*(7,270,857)*	*-*	*341,968*	*19,401,711*

24. Statement of funds - prior year (continued)

FUNDS

Extraordinary repair fund - In accordance with the terms of the charity commission the Governors had established a fund by 1 September 2009 to provide for the extraordinary repair, improvement and rebuilding of the school's property. The Governors have made a transfers of £120,000 (2020 - £120,000) this year to the fund to finance repairs.

Loppylugs and Barbara Morrison Charitable Trust - This donation is available for use at the Headmaster's discretion taking onto account the donors' interests.

School Nursery and Four-Classroom block - Fund set aside by the Governors following the charity commission approval of the use of the £2m of the endowment fund for the development works. This is a capital fund and the future depreciation of the assets constructed will be charged to it. The Governors have made a transfers of £120,000 (2020 - £120,000) this year to the fund.

New Build Fund - The Governors have agreed to set aside a sum of money annually to reflect the use of endowment funds which were expended on the School Nursery and Four Classroom Block. The Governors have made a transfers of £120,000 (2020 - £120,000) this year to the fund.

Foundation fund - Designated - The Governors have agreed to set aside annually a sum equal to not less than 5% of the fee income of the previous financial year. The amount set aside is to be applied in the provision of places at the school for children of merit and good character who are in need of financial assistance. In the current year the amounts set aside totalled £352,293 (2020 - £362,239) and amounts advanced to pupils totalled £265,451 (2020 - £313,279).

Old Scholar Donation - Donation in memory of Mr Ernest Jones to be spent as seen fit.

ENDOWMENT FUNDS
The Permanent endowment fund has to be held by the Blue Coat School Birmingham (Charity number 1152244-1) indefinitely under the Scheme approved by the Charity Commission on 12 March 1986. There is no power to convert the capital into income.

The transfer relates to additions on endowed property.

RESTRICTED FUNDS
Diana Wills memorial prize - This prize fund was set up a former teacher to reward a pupil's reading ability. The fund was to be used to provide one book prize a year.

Limoges Trust - Grants received to further the development of musical drama within the school.

Chapel Fund - Donations provided for the equipping of the School Chapel.

The John Avins Trust - Fund provided for equipment and resources for the benefit of gifted children in need of financial support within the school.

Association of Friends - Minibus - Funds raised by the parents and friends of The Blue Coat School to provide funds to subsidise the lease of a minibus.

Grand Piano - Funds provided by the Birmingham Community Foundation and the Loppylugs and Barbara Morrison Charitable Trust to purchase a grand piano. This is a capital fund and the future depreciation of the asset will be charged to it.

24. Statement of funds - prior year (continued)

RESTRICTED FUNDS
Sir John Saville Trust - Funds provided by Mr John Saville towards the continued support of the young people of Birmingham.

The Reginald Farrar Fund - Funds provided by Mr Reginald Farrar towards the advancement of the mathematics department.

Association of Friends - Funds raised by the parents and friends of The Blue Coat School to provide additional equipment, resources and entertainment for the pupils.

King Fund - Donation toward the bursaries.

Hatfield fund -Donation towards bursaries.

Chris Byrne Memorial Prize Fund - To fund a book prize at annual prize giving.

Summary of funds - current year

	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2021 £
Designated funds	**4,443,873**	**5,500**	**(280,734)**	**712,293**	**-**	**4,880,932**
General funds	**1,524,858**	**7,841,225**	**(6,969,866)**	**(712,293)**	**436,128**	**2,120,052**
Endowment funds	**13,416,399**	**-**	**(120,523)**	**-**	**1,515,175**	**14,811,051**
Restricted funds	**16,581**	**18,560**	**(16,997)**	**-**	**-**	**18,144**
	19,401,711	**7,865,285**	**(7,388,120)**	**-**	**1,951,303**	**21,830,179**

Summary of funds - prior year

	Balance at 1 September 2019 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Gains/ (Losses) £*	*Balance at 31 August 2020 £*
Designated funds	*4,052,964*	*9,000*	*(340,330)*	*722,239*	*-*	*4,443,873*
General funds	*1,698,352*	*7,261,286*	*(6,788,469)*	*(722,239)*	*75,928*	*1,524,858*
Endowment funds	*13,270,879*	*-*	*(120,520)*	*-*	*266,040*	*13,416,399*
Restricted funds	*16,243*	*21,876*	*(21,538)*	*-*	*-*	*16,581*
	19,038,438	*7,292,162*	*(7,270,857)*	*-*	*341,968*	*19,401,711*

25. Analysis of net assets between funds

Analysis of net assets between funds - current year

	Unrestricted funds 2021 £	Restricted funds 2021 £	Endowment funds 2021 £	Total funds 2021 £
Tangible fixed assets	3,024,199	800	3,151,040	**6,176,039**
Fixed asset investments	3,399,970	-	10,245,011	**13,644,981**
Investment property	-	-	1,415,000	**1,415,000**
Current assets	1,970,999	17,344	-	**1,988,343**
Creditors due within one year	(1,355,095)	-	-	**(1,355,095)**
Creditors due in more than one year	(39,089)	-	-	**(39,089)**
Total	7,000,984	18,144	14,811,051	**21,830,179**

Analysis of net assets between funds - prior year

	Unrestricted funds 2020 £	*Restricted funds 2020 £*	*Endowment funds 2020 £*	*Total funds 2020 £*
Tangible fixed assets	*3,167,935*	*1,400*	*3,271,563*	*6,440,898*
Fixed asset investments	*2,463,916*	*-*	*8,729,836*	*11,193,752*
Investment property	*-*	*-*	*1,415,000*	*1,415,000*
Current assets	*1,586,940*	*15,181*	*-*	*1,602,121*
Creditors due within one year	*(1,195,619)*	*-*	*-*	*(1,195,619)*
Creditors due in more than one year	*(54,441)*	*-*	*-*	*(54,441)*
Total	*5,968,731*	*16,581*	*13,416,399*	*19,401,711*

26. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2021 £	*Group 2020 £*
Net income for the year (as per Statement of Financial Activities)	**2,428,394**	*363,909*
Adjustments for:		
Depreciation charges	**394,832**	*425,791*
Surplus on investments	**(1,951,229)**	*(342,604)*
Dividends, interests and rents from investments	**(443,025)**	*(439,390)*
Loss on the sale of fixed assets	**3,745**	*-*
Decrease/(increase) in debtors	**(45,535)**	*13,663*
Increase/(decrease) in creditors	**144,124**	*(256,737)*
Pension scheme	**74**	*(636)*
Net cash provided by/(used in) operating activities	**531,380**	*(236,004)*

27. Analysis of cash and cash equivalents

	Group 2021 £	*Group 2020 £*
Cash in hand	**1,767,529**	*1,426,842*
Total cash and cash equivalents	**1,767,529**	*1,426,842*

28. Analysis of changes in net debt

	At 1 September 2020 £	Cash flows £	At 31 August 2021 £
Cash at bank and in hand	**1,426,842**	**340,687**	**1,767,529**
	1,426,842	**340,687**	**1,767,529**

29. Pension commitments

The school's employees belong to two principle pensions schemes; the Teachers' Pension Scheme England and Wales ("the TPS") for academic and related staff which is a defined benefit scheme and a defined contribution scheme with The Pensions Trust for non-teaching staff. In addition, the school contributes to the personal pension plans of certain employees.

Teachers' Pension Scheme England and Wales ("the TPS")

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 £553,440 (2020: £551,900) and at the year-end £63,157 (2020 - £65,774) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable.

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

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

29. Pension commitments (continued)

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

The Pension Trust

The school participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupation pension schemes in the UK.

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 31 January 2025	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 31 January 2028	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 liabilities.

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

29. Pension commitments (continued)

Present value of provision

	31 August 2021	31 August 2020	31 August 2019
Present value of provision	54,705	69,602	82,957

Reconciliation of opening and closing provisions

	2021 £	*2020 £*
Provision at start of period	**69,602**	*82,957*
Unwinding of the discount factor (interest expense)	**338**	*729*
Deficit contribution paid	**(15,161)**	*(14,720)*
Remeasurements - impact of any change in assumptions	**(74)**	*636*
Provision at the end of period	**54,705**	*69,602*

Income and expenditure impact

	2021 £	*2020 £*
Interest expense	**338**	*729*
Remeasurements - impact of any change in assumptions	**(74)**	*636*
Costs recognised in income and expenditure account	**264**	*1,365*

Assumptions

	31 August 2021 % per annum	31 August 2020 % per annum	31 August 2019 % per annum
Rate of discount	0.63	0.55	0.97

29. Pension commitments (continued)

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

The pension charge for the year includes contributions payable to The Pension Trust scheme of £82,921 (2020 - £92,702) and at the year-end £13,038 (2020 - £Nil) was accrued in respect of contributions to this scheme.

30. Operating leases

At 31 August 2021 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2021 £	*Group 2020 £*	**Company 2021 £**	*Company 2020 £*
Not later than 1 year	**23,354**	*25,651*	**23,354**	*25,651*
Later than 1 year and not later than 5 years	**37,186**	*53,522*	**37,186**	*53,522*
	60,540	*79,173*	**60,540**	*79,173*

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 2021 £	*Group 2020 £*	**Company 2021 £**	*Company 2020 £*
Operating lease rentals	**25,104**	*25,944*	**25,104**	*18,941*

At 31 August 2020 the total of the group's future minimum lease income receivable under non-cancellable operating leases was:

	2021 £	*2020 £*
Within 1 year	**63,000**	*63,000*
Between 1 and 5 years	**56,525**	*87,025*
Greater than 5 years	**67,083**	*85,483*
	186,608	*235,508*

Rental income recognised during the year can be seen in note 8.

31. Security

Included within cash at bank are amounts of £180,914 (2020 - £180,896) held as a guarantee to the Secretary of State to cover all liabilities arising out of The Blue Coat School Birmingham Limited's application to be an accepted school under regulation 134(1)(b) of the Teachers' Pensions Regulations 2010.

32. Financial instruments

	Group 2021 £	*Group 2020 £*	**Company 2021 £**	*Company 2020 £*
Financial assets				
Financial assets measured at fair value through income and expenditure	**13,666,844**	*11,193,752*	**13,666,944**	*11,193,852*

Financial assets measured at fair value through income and expenditure comprise investments.

The Groups income, expense, gains and losses in respect of financial instruments are summarised below:

	Group 2021 £	*Group 2020 £*	**Company 2021 £**	*Company 2020 £*
Total investment income for financial assets measured at fair value through income and expenditure	**443,025**	*439,390*	**443,025**	*439,390*
Net gains/(losses) on financial assets measured at fair value through income and expenditure	**1,973,092**	*342,604*	**1,973,092**	*341,604*
Impairment losses on financial assets measured at amortised cost	**(3,570)**	*1,629*	**(3,570)**	*1,629*

33. Related party transactions

There were no other related party transactions other than those disclosed in notes 14 and 15.

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

England & Wales - Charity number 1152244

Accounts

Registered number: 08502615
Charity number: 1152244

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

GOVERNORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 AUGUST 2020

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED
(A company limited by guarantee)

CONTENTS

	Page
Reference and administrative details of the Company, its Governors and advisers	1 - 2
Governors' report	3 - 11
Independent auditor's report on the financial statements	12 - 14
Consolidated statement of financial activities	15 - 16
Consolidated balance sheet	17 - 18
Company balance sheet	19 - 20
Consolidated statement of cash flows	21
Notes to the financial statements	22 - 53

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS FOR THE YEAR ENDED 31 AUGUST 2020

Governors	Mr B H Singleton LLB, Chairman[1] Mr M Abraham BEd (resigned 30 January 2020) Mrs E J Cook BA (Hons)[1] Mr M H Dyke BA, Vice Chairman[1] Mrs K Gilmore DPSN RGN HV[2] Mr W G S Hordern MBE MA Dip Th JP Mrs M Kitto BEd (hons) FNSEAD Mrs A K Poole BA[1] Mr S M Raine FCA BSocSci[1] Mrs J Wheeler BA NPQH The Very Revd M Thompson, the Dean of Birmingham The Revd Dr N Tucker, Vicar of Edgbaston Revd J Allcock BA Mr S Page[1] Mr M J Cotter (resigned 17 September 2020) Mr A J Roddick (appointed 30 January 2020)[1] Dr P Narendran (appointed 28 November 2020)
	[1] Finance & Estates Committee (together with the Headmaster, Bursar and Finance Manager) [2] Governors' Representative to The Friends of The Blue Coat School and Safeguarding Governor
Company registered number	08502615
Charity registered number	1152244
Registered office	Somerset Road Edgbaston Birmingham B17 0HR
Head Master	Mr N G Neeson BEd NPQH
Bursar	Mr G W Morgan
Independent auditor	Crowe U.K. LLP Black Country House Rounds Green Road Oldbury West Midlands B69 2DG

REFERENCE AND ADMINISTRATIVE DETAILS OF THE COMPANY, ITS GOVERNORS AND ADVISERS (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

Other advisors

Bankers:
Barclays Bank Plc
15 Colmore Row
Birmingham
B3 2BH

Investment managers:
CCLA
Senator House
85 Queen Victoria Street
London
EC4V 4ET

Solicitors:
Veale Wasbrough Vizards
3 Brindley Place
Brindley Drive
Birmingham
B1 2JB

GOVERNORS' REPORT
FOR THE YEAR ENDED 31 AUGUST 2020

The Governors present their annual report together with the audited financial statements of the Group and the School for the year ended 31 August 2020. The Governors confirm that the Annual Report and financial statements of the company comply with the current statutory requirements, the requirements of the company's governing document and the provisions of the Statement of Recommended Practice (SORP), applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2015) as amended by Update Bulletin 1 (effective 1 January 2015).

The Charity is a charitable company limited by guarantee. It was incorporated on 24 April 2013 and registered as a charity on 31 May 2013. Its Memorandum of Association, which established its objects and powers, provided that in the event of it being wound up, members are required to contribute an amount not exceeding £1. Membership of the Company is reviewed at the Annual General Meeting as appropriate.

The unincorporated Charity's governing document is The Trust Founding Deed dating 1722. This has been amended over the years; the latest amendment is dated 17 December 2013. The unincorporated charity holds the charitable group's endowment assets. On 19 June 2018, the Charity Commission issued a Direction linking the two charities for the purposes of Part 4 and Part 8 of the Charities Act 2011.

Governors and charity trustees
The Governors of The Blue Coat School Birmingham Limited are the charity trustees and directors of The Blue Coat School Birmingham Limited (the School) and The Blue Coat School charity. They meet at least four times a year as a full Board. The work of implementing most of their policies is carried out by members of six sub-committees: Finance & Estates; Awards; Safeguarding and Health & Safety; Teaching, Learning & Curriculum; Governance & HR; 1722 (300 years Centenary celebrations). The minutes of these sub-committee meetings are reviewed at full Board meetings. The Bursar, in their capacity of Clerk to the Governors, is responsible for coordinating the work of the Governors and their committees, for the preparation of papers and management accounts and for the review of matters arising.

New Governors are appointed by the existing Board of Governors. Potential new Co-optative Governors are identified by the Governors. A sub-committee is selected from existing members of the Board by reference to their availability, suitability and range of experience. Having identified the gaps in experience to be filled, the Appointments sub-committee then undertakes an appropriate interview process to select new Governors from the list of possible candidates. New co-optative Governors are invited to join up to two sub-committees most relevant to their experience and having regard to the existing number of members on each sub-committee.

Induction and Training
The induction process for Governors involves briefing as necessary with copies of previous sub-committee and committee minutes relevant to their specialisms. All Governors are particularly encouraged to attend various school functions and to meet members of the Senior Leadership Team, in order to be able to understand further the nature of the School's business. An appropriate level of instruction is provided for both new and existing Governors to update their knowledge and place them in a position where they could sensibly identify their powers and responsibilities. From time to time, Governors go on formal training courses that the School and that individual Governors identify are required for that Governor to be able to discharge his/her duty.

All trustees give of their time freely, and no remuneration was paid in the year. Travel expenses of £868.95 were paid to four Governors during the year. One Ex-Officio Governor benefited from a Foundation award commencing September 2016, which was assessed and awarded upon its own merits. The Governor concerned is not a member of the Finance & Estates or Awards sub-committee. Professional advice was taken on the matter at the time of the award and it was confirmed that the making of the award was appropriate in the circumstances.

Key management personnel
The Governors consider that they, together with the Head, the Bursar, the Head of Pre-Prep and the Deputy Heads (Senior Leadership Team) comprise the Key Management Personnel (see note 14 to the accounts). The Governors give of their time freely and the pay and remuneration of the Head and senior staff is set by the Finance & Estates Committee and is kept under annual review. A number of criteria are used in setting pay:
- Nature of the role and responsibilities
- Competitor salaries in the region
- The sector average salary for comparable positions
- Trends in pay

Organisational management
The Governors determine the general policy of the School. The day to day running of the School is delegated to the Head, supported by senior staff. The Head undertakes the key leadership role, overseeing the educational, pastoral and administrative functions in consultation with the senior staff. The day to day administration of the School is undertaken in line with the policies and procedures approved by the Governors, which provide for significant expenditure decisions and major capital projects to be referred to the Governors for prior approval.

The Head, the Bursar and other senior staff are invited to attend Governors' meetings.

Other relationships
The Head is a member of IAPS, which exists to share expertise, knowledge and experience across the independent preparatory school sector. The Bursar is a member of the ISBA, which provides professional development, technical support and invaluable reference material.

Other key parties supporting the School include the Independent Schools' Council (ISC) and the Association of Governing Bodies of Independent Schools (AGBIS).

BCS Enterprises is a wholly owned subsidiary undertaking of The Blue Coat School Limited. It is managed by the Governors of the School and its purpose is to generate surplus funds to reinvest in the School.

PUBLIC BENEFIT

The Governing Body have given due consideration to the Charity Commission's published guidance on the Public Benefit requirement under the Charities Act 2011. The main activities to further the charity's purposes for public benefit include:

Community Link programme
The Community Link programme seeks to widen access to our educational resources, by bringing independent and state school communities together.

This year, we were not able to make our facilities available from 20th March 2020 due to the national lockdown. However, prior to the national lockdown, we made the following facilities and coaching available, at no charge, to benefit pupils attending local state schools:
- Use of the swimming pool for swimming lessons and swimming galas
- Use of the sports fields for sport festivals
- Use of the School Chapel for musical events
- Use of the school facilities and staff to provide outreach opportunities to local schools.

Community access
We all see The Blue Coat School as part of a wider community, and where we can assist the community whilst advancing the education of our pupils we are delighted to do so. Various Sports and Music Camps use the School during school holidays for sports and activities holiday camps. Our outreach programme has included opportunities for local schools to access our facilities at no charge.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

OUR AIMS

The object of the School is the provision and conduct, in or near the City of Birmingham, of a day school for boys and girls. Within this object, the School has various permanent endowments and restricted Trust Funds held for special purposes in connection with the development of the School's facilities and for Foundations, scholarships, bursaries, prizes and other educational purposes. The School provides education to boys and girls from the ages of 2 -11 years in three departments: Buttons Nursery (2-3 years old); Pre-Prep (3-7 years old); and Prep (7-11 years old).

It is policy for all departments to attain the highest academic levels, commensurate with a pupil's ability, as well as providing a co-curricular programme which aims to broaden a pupil's interest and self-confidence. Instruction in the doctrines of the Church of England is given in the School and religious studies encompass education in the tenets of major world faiths.

OUR OBJECTIVES

Our objectives are set to reflect our educational aims and the ethos of the School. It is important to us that we maintain and enhance the academic success of the School.

The Governors have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing the charity's aims and objectives and in planning future activities. In particular, the Governors have considered how planned activities will contribute to the aims and objectives set.

The principal objectives for the coming year are:

1. To continue to make first-class provision for the Early Years (from age three upwards), introducing our youngest children to their educational life in such a way as to allow them to flourish fully as human beings in an ever-changing world.
2. To maintain the current high standards of academic achievement indicated by senior school entrance exam results at 11-plus level and other external measures.
3. To recruit and retain the best teaching and support staff to assist in the continued development and promotion of the School as a leading provider of preparatory education not only locally but nationally.
4. To develop the all-round curricular and co-curricular provision to ensure excellence in all areas; academic, music, sport and performing arts.
5. To widen access to the school through the continued provision of means-tested bursaries.
6. To enhance links with the local community and to encourage the community to access the school's facilities.
7. To prepare, in conjunction with the Headmaster, a detailed strategic plan incorporating a five-year financial model to assist in the development, financial management and control of the School.

The Governors are responsible for setting a strategy for achieving the objectives they have set. The focus of our strategy is on the development of our pupils, their continued high levels of academic and co-curricular achievement and on measures to further widen access to the education the School provides. In taking forward our strategy we:

- Review and benchmark the School's academic syllabus, teaching practices and examination results;
- Ensure that the range of co-curricular activities available to our pupils is stimulating and challenging;
- Invest in technology and the infrastructure of our School;
- Co-operate and share resources with local schools; and
- Continue to review and develop our methods for awarding bursaries and scholarships to ensure wider access to pupils from all backgrounds.

OUR ETHOS

Our ethos is to be a caring Christian School serving our local community and society.

Our School welcomes pupils from all backgrounds. To admit a prospective pupil, we need to be satisfied that our School will be able to educate and develop that pupil to the best of their potential and in line with the general standards achieved by their peers. Entrance assessments are undertaken to satisfy ourselves and parents that potential pupils can cope with the pace of learning and benefit from the education we provide. An individual's economic status, gender, race, religion or disability do not form part of our assessment process.

We are an equal opportunity organisation and are committed to a working environment that is free from any form of discrimination on the grounds of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex or sexual orientation. We will make reasonable adjustments to meet the needs of staff or pupils who are or who become disabled.

Our School is committed to safeguarding and promoting the welfare of our pupils and expects all staff and volunteers to share this commitment.

SIGNIFICANT ACTIVITIES

Academic achievements

The 2019-20 academic year was another successful year for the School – continuing to deliver sound academic results whilst investing in infrastructure to ensure the continued provision of first-class facilities.

In addition to the high quality education the School provides for its pupils, it continues to offer an extensive programme of outdoor and co-curricular activities. Prior to the national lockdown and school closure for normal operations on 23rd March 2020, several trips to local attractions or places of interest and enrichment days in school ensured that the pupils received a well-balanced and rewarding educational experience.

COVID-19 global pandemic

Following the national lockdown and enforced school closure with effect from 23rd March 2020, the school moved to a distance learning programme to ensure continuity of education for the children. During the two weeks at the end of the Lent term, the children were provided with packs of work to complete at home. During the first half of the Trinity term children in Reception and Years 1 – 6 were provided with online lessons in most subjects through Google classrooms and assemblies were also delivered for the children online. Their work was marked by their teachers and feedback was provided. Children in Transition and Buttons Nursery were provided with daily suggested activities and worksheets where appropriate. Throughout this period, the school remained open to all key worker children and vulnerable children. The school also remained open for these children during the Easter holiday period, other than Good Friday and Easter Monday at no charge to parents.

Parents of children in Transition and Buttons Nursery were not charged fees for the Trinity term until school re-opened for Transition children with effect from 1 June 2020. Transition parents were then charged a reduced pro rata rate for the remainder of the term depending on when their child returned to school. Work was provided for those children whose parents chose not to send their child(ren) back to school.

Parents of children in Reception, Year 1 – 6 were charged fees at a reduced rate for the Trinity term. A phased return to school commenced on 1 June 2020 with children in Reception, Year 1 and Year 6 (together with Transition children) returning to school if their parents chose to send them. Children in Year 5 could return to school on Wednesday 17 June and children in Years 2, 4 and 6 could return to school on Monday 22 June for the final three weeks of term.

The resultant loss of gross fee income was £800,320. This represented nearly 11% of gross fee income. Use of Government support schemes and strict financial controls reduced the financial impact.

Sporting activities
The School continues to develop its sporting provision and ensures that children participate in a range of sports and learn different skills including athletics, chess, cricket, dance, football, gymnastics, hockey, judo, netball, rugby, and swimming.

The School's sports facilities continued to be used by local primary schools for swimming lessons and for outreach programmes and sporting festivals until the national lockdown.

Music and drama
Music opportunities for all age groups include individual music lessons, choirs, ensembles and an orchestra. Children in all age-groups participate in a wide variety of drama activities.

The Friends of The Blue Coat School
The Friends of The Blue Coat School (Parents' Association) have again organised a wide-ranging programme of events, designed to foster a sense of community within the School. These have been successful in raising funds both for the School and for local charities. These were curtailed for the 2019-20 year by the COVID-19 pandemic.

SOCIAL INVESTMENT

In order to fulfil our aims and objectives of providing an education for boys and girls in or near the City of Birmingham, the School provides bursary and scholarship awards as follows:

Bursaries
The Governors' grant-making policy is, in each accounting year, to set aside part of the Charity's investment income, to maintain Foundation Places. This helps children of merit and good character for whom a funded education would be beneficial but could not be afforded without assistance.

In 2019-20 the School provided assistance to 26 of our pupils of which 8 pupils benefited from a full remission of fees. The Foundation Awards also assist in funding additional costs such as school trips, co-curricular activities, uniform and other similar expenses.

Scholarships
In addition, the School awards scholarships to pupils based on either their educational or musical merit and potential.

The Governors view our bursary and scholarship awards and our outreach programme as important in widening access to the education our school provides. In developing our plans for this programme, we work closely with the Heads of the schools in our community, ensuring the positive contribution to our shared educational aims continues. Maintaining and, where necessary, developing the fabric and facilities of the School are central to our strategy.

ACHIEVEMENTS AND PERFORMANCE

It had been expected that the school would have a further inspection from the independent Schools Inspectorate (ISI) during the Trinity term 2020 as part of the cycle of ISI inspections but all inspections were suspended because of the COVID-19 pandemic.

Independent Schools Inspectorate (ISI) Inspection May 2017
ISI conducted a Focused Compliance Inspection (FCI) of the School and an Educational Quality Inspection (EQI) of the School in May 2017. The FCI took place on 3 and 4 May. The School was found to be fully compliant and no further actions were required. The EQI inspection took place on 4 and 5 May. This inspection related to the quality of the pupils' academic and other achievements and to the quality of the pupils' personal development. The school was found to be excellent in every aspect of these inspection judgements - the highest-grade

judgement for these inspections. As the school had been judged to be excellent in every respect, the report did not make recommendations, but it did make two suggestions for consideration, both of which dovetailed with the school's own priorities.

Pupil numbers
Our educational activities are carried out through three departments: Buttons Nursery (2-3 years old); Pre-Prep (3-7 years old); and Prep (7-11 years old). At the year-end, Prep had 352 pupils, Pre-Prep had 241 pupils and Buttons had 32 pupils (not all of whom were full time).

FUNDRAISING
There are no material fundraising activities at the School which require disclosure under S162A of the Charities Act 2011.

FINANCIAL REVIEW
The School's key financial objective is to ensure financial stability and continued solvency year on year so that it can pursue its charitable aims and objectives. The Governors have followed SORP (FRS 102) in preparing these financial statements and the statement of financial affairs (SOFA), balance sheet and notes are set out within.

The Schools results for the year show a surplus before investment gains of £21,305 (2019-£243,307). The principal source of funds remains school fees of £6,208,722 (2019-£6,381,240) which represented 85.1% (2018/19- 88.0%) of the total income of £7,292,162 (2019-£7,244,788).
Unrealised gains on our investments amounted to £342,604 (2019- £1,165,241).
The School's funds increased by £363,909 (2019-£1,408,548) before movements on the defined benefit pension scheme.
The investments are primarily used to fund the bursary and scholarship awards and other social investment.

INVESTMENTS
Investment activities are managed in line with the requirements of the Trustee Act 2000. The Governors have appointed CCLA as investment manager.

The main investment objectives of the charity are:

- The creation of a sufficient financial return to enable the charity to carry out its purposes effectively and without interruption;
- The maintenance and enhancement of the investment funds over the long term;
- To obtain a balance between capital growth and income to enable the charity to meet current and future needs; and
- To maintain a low to medium risk profile.

The income return on the portfolio was 2.95% compared to 3.17% in the previous year.

KEY RISKS AND UNCERTAINTIES

The Governors and Senior Leadership Team periodically review the major risks facing the charity. Risk registers are maintained and updated at least annually. Risks are considered under the headings of strategic, operational, financial and legal / regulatory.

During 2019-20, the school faced the additional financial risks from the COVID-19 pandemic with the potential for loss of income and reduction of pupil numbers. Due to the excellent online provision, the pupil numbers remained constant and fee income remained high, although reduced from normal expectations due to the lack of income from Buttons Nursery and Transition pupils and the fee reduction for all other pupils. Some of the losses of income were offset by careful management of the finances including the furloughing of non-essential staff, and through streamlining of staffing requirements and curtailing all non-essential spends.

Strategic risks include the School not being seen as a positive, modern organisation and it failing to provide education services that are attractive to parents and thus being unable to maintain pupil numbers. These are critical to the charity's aims to provide education and learning opportunities to children in the Birmingham area. These risks are managed by ensuring that the School provides an excellent, first-class education to every child; adopting proactive communication and PR strategies; through Board scrutiny of activities; robust financial controls; and recruitment and retention of high quality teachers and support staff.

Financial risks include failure to meet income targets, particularly from fee income and investments. School fee increases are carefully considered in conjunction with the School's strategic plans, the budget process and wider economic considerations. A conservative approach is taken to estimating the contribution from external sources and non-core activities. In general, financial risks are managed through regular monitoring and review of budgets during the financial year.

Health and Safety risks include fire safety, pool safety and failure to comply with regulatory requirements relating to asbestos management and water management systems. A robust compliance system has been implemented and all of these risks are subject to close monitoring by the management team and the H&S Sub-Committee. A comprehensive Risk Assessment was devised, existing policies were amended and additional policies were written to ensure that the risks associated with the COVID-19 pandemic were managed. These were all regularly reviewed as Government advice and guidance was updated.

The Governors are satisfied that appropriate actions have been taken to control and mitigate the impact of risks where possible. It is recognised that systems can only provide reasonable but not absolute assurance that major risks have been adequately managed.

FUTURE PLANS

In 2022 the School is 300 years old. This is a significant milestone for the organisation and one which the Governors and Senior Leadership Team want to mark. Ideas are in their infancy, but projects, plans and the associated funding are at the forefront of the Governors' long-term objectives.

PENSION LIABILITY

The Governors recognise the liability existing in the Pensions Trust pension scheme for non-teaching staff. The Governors are satisfied that existing cash flows are sufficient to meet any anticipated increases in costs. Pension costs have been reported within the accounts in accordance with accounting standard FRS 102.

RESERVES

The Governors regularly review the finances, budgets and spend against budget and undertake a termly cash flow analysis as part of their effective stewardship of the School.

The total funds held by the School at the end of the reporting period of £19,401,711 included £1,524,858 unrestricted general reserves and £4,443,873 designated funds plus a permanent endowment of £13,416,399.

The Governors designate unrestricted funds to fund future specific projects. The Governors are planning to invest substantial sums into new facilities and upgrades in the next five years, with a view to further improving the facilities. The Governors consider that, given the strength of the charity's balance sheet, the stable cash flow from strong student numbers, the ongoing popularity of our School and the available funds, it will not be necessary to seek external funding for these projects.

The Governors aim to ensure that the School has sufficient resources available to support the working capital requirements of the core activities of the School in unforeseen circumstances, giving sufficient time to allow financial policy to adapt to any new circumstances. These working capital reserves equate to approximately one term's total expenditure, £2 million.

Free reserves at the 31 August 2020 being unrestricted funds less that representing fixed assets amounted to £2,800,796 which is in excess of the stated policy.

Restricted funds of £16,581 are held for the benefit of the children for supporting learning needs and extra-curricular activities as set out in the detailed accounts within this report.

There is a continuing programme of refurbishment, development and investment to maintain excellent teaching facilities for our pupils. The closing net book value of our tangible assets, property, plant and equipment was £6,440,898.

CHARITY GOVERNANCE CODE

The Governors are aware of the new charity governance code issued in July 2017. A review will be undertaken of the guidance requirements in order to ensure that the charity is working in line with the code, in all ways where it is practical to do so.

STATEMENT OF GOVERNORS' RESPONSIBILITIES

The Governors (who are also directors of The Blue Coat School Birmingham Limited for the purposes of company law) are responsible for preparing the Governors' report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Governors to prepare financial statements for each financial year. Under company law the Governors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the Group and of the incoming resources and application of resources, including the income and expenditure, of the charitable Group for that period. In preparing these financial statements, the Governors are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group will continue in operation.

The Governors are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company and the Group's transactions and disclose with reasonable accuracy at any time the financial position of the charitable Group and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

DISCLOSURE OF INFORMATION TO AUDITOR

Each of the persons who are Governors at the time when the Governors' report is approved has confirmed that:

- so far as that Governor is aware, there is no relevant audit information of which the charitable Group's auditor is unaware, and
- that Governor has taken all the steps that ought to have been taken as a Governor in order to be aware of any relevant audit information and to establish that the charitable Group's auditor is aware of that information.

GOVERNORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

AUDITORS

Crowe U.K. LLP has indicated its willingness to be reappointed as statutory auditor.

This report, incorporating the Group strategic report, was approved by the Governors, in their capacity as company directors and signed on their behalf by:

Mr B H Singleton LLB
Chairman

Date: 28 January 2021

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

Opinion

We have audited the financial statements of The Blue Coat School Birmingham Limited (the 'parent charitable company') and its subsidiaries (the 'group') for the year ended 31 August 2020 which comprise the Consolidated Statement of Financial Activities, the Consolidated balance sheet, the Company balance sheet, the Consolidated statement of cash flows and the related notes, 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 of the parent charitable company's affairs as at 31 August 2020 and of the Group's incoming resources and application of resources, including its income and expenditure for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

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

- the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUE COAT SCHOOL BIRMINGHAM LIMITED (CONTINUED)

Other information

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

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

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

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

- the information given in the Governors' Report including the Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.
- the Governors' Report and the Strategic Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of our knowledge and understanding of the charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the Governors' Report including the Strategic Report.

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

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF THE BLUE COAT SCHOOL BIRMINGHAM LIMITED (CONTINUED)

Responsibilities of trustees

As explained more fully in the Governors' responsibilities statement, 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 Governors either intend to liquidate the Group or the parent charitable company or to cease operations, or have no realistic alternative but to do so.

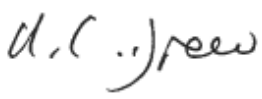
Auditor's responsibilities for the audit of the financial statements

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

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

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 its members, as a body, for our audit work, for this report, or for the opinions we have formed.



Helen Drew (Senior statutory auditor)
for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Black Country House

Rounds Green Road
Oldbury
West Midlands
B69 2DG

Date: 4 March 2021

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Income and endowments from:						
Donations and legacies	4	**9,720**	**21,876**	**-**	**31,596**	*19,936*
Charitable activities:						
School fees		**6,208,722**	**-**	**-**	**6,208,722**	*6,381,240*
Ancillary trading income		**275,559**	**-**	**-**	**275,559**	*230,632*
Trading activities	7	**90,602**	**-**	**-**	**90,602**	*173,359*
Investments	8	**439,390**	**-**	**-**	**439,390**	*439,621*
Other income	9	**246,293**	**-**	**-**	**246,293**	*-*
Total income and endowments		**7,270,286**	**21,876**	**-**	**7,292,162**	*7,244,788*
Expenditure on:						
Raising funds:						
Financing costs	10	**4,969**	**-**	**-**	**4,969**	*3,971*
Trading activities	11	**84,058**	**-**	**-**	**84,058**	*158,053*
Charitable activities:						
Education and grant making	12	**7,039,772**	**21,538**	**120,520**	**7,181,830**	*6,839,457*
Total expenditure		**7,128,799**	**21,538**	**120,520**	**7,270,857**	*7,001,481*
Net income before investment gains		**141,487**	**338**	**(120,520)**	**21,305**	*243,307*
Net gains on investments		**76,564**	**-**	**266,040**	**342,604**	*1,165,241*
Net movement in funds before other recognised gains/(losses)		**218,051**	**338**	**145,520**	**363,909**	*1,408,548*
Other recognised gains/(losses):						
Actuarial (losses)/gains on defined benefit pension schemes	30	**(636)**	**-**	**-**	**(636)**	*16,825*
Net movement in funds		**217,415**	**338**	**145,520**	**363,273**	*1,425,373*

CONSOLIDATED STATEMENT OF FINANCIAL ACTIVITIES (INCORPORATING INCOME AND EXPENDITURE ACCOUNT) (CONTINUED)
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Reconciliation of funds:						
Total funds brought forward		**5,751,316**	**16,243**	**13,270,879**	**19,038,438**	*17,613,065*
Net movement in funds		**217,415**	**338**	**145,520**	**363,273**	*1,425,373*
Total funds carried forward		**5,968,731**	**16,581**	**13,416,399**	**19,401,711**	*19,038,438*

The notes on pages 22 to 53 form part of these financial statements.

THE BLUE COAT SCHOOL BIRMINGHAM LIMITED

(A company limited by guarantee)
REGISTERED NUMBER: 08502615

CONSOLIDATED BALANCE SHEET
AS AT 31 AUGUST 2020

	Note		2020 £		*2019 £*
Fixed assets					
Tangible assets	16		**6,440,898**		*6,755,866*
Investments	18		**11,193,752**		*10,851,148*
Investment property	17		**1,415,000**		*1,415,000*
			19,049,650		*19,022,014*
Current assets					
Debtors	20	**175,279**		*188,942*	
Cash at bank and in hand		**1,426,842**		*1,334,279*	
		1,602,121		*1,523,221*	
Creditors: amounts falling due within one year	21	**(1,195,619)**		*(1,438,560)*	
Net current assets			**406,502**		*84,661*
Total assets less current liabilities			**19,456,152**		*19,106,675*
Creditors: amounts falling due after more than one year	22		**(54,441)**		*(68,237)*
Total net assets			**19,401,711**		*19,038,438*
Charity funds					
Endowment funds	25		**13,416,399**		*13,270,879*
Restricted funds	25		**16,581**		*16,243*
Unrestricted funds	25		**5,968,731**		*5,751,316*
Total funds			**19,401,711**		*19,038,438*

CONSOLIDATED BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Mr B H Singleton LLB

Date: 28 January 2021

The notes on pages 22 to 53 form part of these financial statements.

COMPANY BALANCE SHEET
AS AT 31 AUGUST 2020

	Note		2020 £		*2019 £*
Fixed assets					
Tangible assets	16		**6,440,898**		*6,755,866*
Investments	18		**11,193,852**		*10,851,248*
Investment property	17		**1,415,000**		*1,415,000*
			19,049,750		*19,022,114*
Current assets					
Debtors	20	**180,739**		*192,570*	
Cash at bank and in hand		**1,421,282**		*1,330,551*	
		1,602,021		*1,523,121*	
Creditors: amounts falling due within one year	21	**(1,195,619)**		*(1,438,560)*	
Net current assets			**406,402**		*84,561*
Total assets less current liabilities			**19,456,152**		*19,106,675*
Creditors: amounts falling due after more than one year	22		**(54,441)**		*(68,237)*
Total net assets			**19,401,711**		*19,038,438*
Charity funds					
Endowment funds	25		**13,416,399**		*13,270,879*
Restricted funds	25		**16,581**		*16,243*
Unrestricted funds	25		**5,968,731**		*5,751,316*
Total funds			**19,401,711**		*19,038,438*

COMPANY BALANCE SHEET (CONTINUED)
AS AT 31 AUGUST 2020

The Blue Coat School Birmingham Limited has taken the exemption from presenting a parent Statement of Financial Activities incorporating Income and Expenditure Accounts under section 408 of the Companies Act 2006. The net income for the financial year dealt with in the financial statements of the parent charitable company was £363,273 (2019 - £1,425,373).

The Governors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and preparation of financial statements.

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

Mr B H Singleton LLB

Date: 28 January 2021

The notes on pages 22 to 53 form part of these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 AUGUST 2020

	Note	2020 £	*2019 £*
Cash flows from operating activities			
Net cash used in operating activities	27	**(236,004)**	*(378,028)*
Cash flows from investing activities			
Dividends, interests and rents from investments		**439,390**	*439,621*
Purchase of tangible fixed assets		**(110,823)**	*(1,342,470)*
Proceeds from sale of investments		**-**	*1,000,000*
Net cash provided by investing activities		**328,567**	**97,151**
Change in cash and cash equivalents in the year		**92,563**	**(280,877)**
Cash and cash equivalents at the beginning of the year		**1,334,279**	*1,615,156*
Cash and cash equivalents at the end of the year	28	**1,426,842**	*1,334,279*

The notes on pages 22 to 53 form part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

1. General information

The company is a company limited by guarantee (registered number 08502615), which is incorporated and registered in England and Wales. Its charity registration number is 1152244. The registered office and principal place of business is The Blue Coat School Birmingham, Somerset Road, Edgbaston, Birmingham, B17 0HR.

The principal activity is to provide a day school for boys and girls near the City of Birmingham.

In June 2018 the Charity Commission issued a Direction linking The Blue Coat School Birmingham Limited with the charity The Blue Coat School Birmingham (charity registration number 1152244-1). This charity holds the charitable groups endowment assets.

The members of the company are the Governors named on page 1. In the event of the company being wound up, the liability in respect of the guarantee is limited to £1 per member of the company.

2. Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the Charities SORP (FRS 102) - Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019), the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) and the Companies Act 2006.

The Blue Coat School Birmingham Limited meets the definition of a public benefit entity under FRS 102. Assets and liabilities are initially recognised at historical cost or transaction value unless otherwise stated in the relevant accounting policy.

The Consolidated statement of financial activities (SOFA) and Consolidated balance sheet consolidate the financial statements of the Company and its subsidiary undertaking. The results of the subsidiary are consolidated on a line by line basis.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own Statement of financial activities in these financial statements.

2.2 Going concern

The financial statements have been prepared on a going concern basis as the trustees believe that no material uncertainties exist. The trustees have considered the level of funds held and the expected level of income and expenditure for 12 months from authorising these financial statements. The budgeted income and expenditure is sufficient with the level of reserves for the charity to be able to continue as a going concern.

2. Accounting policies (continued)

2.3 Fund accounting

General funds are unrestricted funds which are available for use at the discretion of the Governors in furtherance of the general objectives of the Group and which have not been designated for other purposes.

Designated funds comprise unrestricted funds that have been set aside by the Governors for particular purposes. The aim and use of each designated fund is set out in the notes to the financial statements.

Restricted funds are funds which are to be used in accordance with specific restrictions imposed by donors or which have been raised by the Group for particular purposes. The costs of raising and administering such funds are charged against the specific fund. The aim and use of each restricted fund is set out in the notes to the financial statements.

Endowment funds represent those assets which must be held permanently by the charity, principally investments and deposits. Income arising on the endowment funds can be used in accordance with the object of the charity and is included as unrestricted income. Any capital gains or losses arising on the investments form part of the fund. Investment management charges and legal advice relating to the fund are charged against the fund. The endowment funds are all held by the subsidiary charity The Blue Coat School Birmingham.

2. Accounting policies (continued)

2.4 Income

All incoming resources are included in the Statement of Financial Activities when the charity is legally entitled to the income after any performance conditions have been met, the amount can be measured reliably and it is probable that the income will be received.

Donations and legacies
For donations to be recognised the charity will have been notified of the amounts and the settlement date in writing. If there are conditions attached to the donation and this required a level of performance before entitlement can be obtained, then income is deferred until those conditions are fully met or the fulfilment of those conditions is within the control of the charity and it is probable that they will be fulfilled.

Donated facilities and donated professional services are recognised in income at their fair value when their economic benefit is probable, it can be measured reliably, and the charity has control over the item. Fair value is determined on the basis of the value of the gift to the charity. For example, the amount the charity would be willing to pay in the open market for such facilities and services. A corresponding amount is recognised in expenditure.

No amount is included in the financial statements for volunteer time in line with the SORP (FRS 102).

Fixed asset gifts in kind are recognised when receivable and are included at fair value. They are not deferred over the life of the asset.

For legacies, entitlement is the earlier of the charity being notified of an impending distribution or the legacy being received. At this point income is recognised. On occasion legacies will be notified to the charity however it is not possible to measure the amount expected to be distributed. On these occasions, the legacy is treated as a contingent asset and disclosed.

Fees and similar income
Fees receivable and charges for services and use of premises are accounted for in the period in which the service is provided. Fees receivable are stated after deducting allowances, scholarships and other remissions granted by the school from its unrestricted funds. Where income is received in advance it is treated as deferred income and included within creditors.

Income from trading activities
Income from trading activities includes income earned from fundraising events and trading activities to raise funds for the charity. Income is received in exchange for supplying services in order to raise funds and is recognised when entitlement has occurred.

Investment income
Investment income is earned through holding assets for investment purposes such as shares and property. It includes dividends, interest and rent. Where it is not practicable to identify investment management costs incurred within a scheme with reasonable accuracy the investment income is reported net of these costs. It is included when the amount can be measured reliably. Interest income is recognised using the effective interest method and dividend and rent income is recognised as the charity's right to receive payment is established.

2. Accounting policies (continued)

2.5 Expenditure

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all costs related to category. Expenditure is recognised where there is a legal or constructive obligation to make payments to third parties, it is probable that the settlement will be required and the amount of the obligation can be measured reliably. It is categorised under the following headings:

- Costs of raising funds;
- Expenditure on charitable activities;
- Other expenditure represents those items not falling into the categories above.

Charitable expenditure comprises those costs incurred by the charitable group in the delivery of activities and services for its beneficiaries.

Governance costs include those costs associated with meeting the constitutional and statutory requirements of The Blue Coat School Birmingham Limited and its subsidiaries, this includes audit fees.

All costs are allocated between the expenditure categories of the Statement of Financial Activities on a basis designed to reflect the use of the resource. Costs relating to a particular activity comprise both costs that can be allocated directly to such activities and those costs of an indirect nature necessary to support them.

2.6 Government grants

Government grants are credited to the Consolidated statement of financial activities as the related expenditure is incurred.

2.7 Tangible fixed assets and depreciation

Tangible fixed assets costing £1,000 or more are capitalised and recognised when future economic benefits are probable and the cost or value of the asset can be measured reliably.

Tangible fixed assets are initially recognised at cost. After recognition, under the cost model, tangible fixed assets are measured at cost less accumulated depreciation and any accumulated impairment losses. All costs incurred to bring a tangible fixed asset into its intended working condition should be included in the measurement of cost.

Depreciation is charged so as to allocate the cost of tangible fixed assets less their residual value over their estimated useful lives, using the straight-line method.

Depreciation is provided on the following bases:

Freehold property	- 1.5 - 20% straight line
Fixtures and equipment	- 10 - 20% straight line
Computer equipment	- 10 - 33.33% straight line
Minibus	- 20% straight line

Depreciation is not charged on freehold land.

2. Accounting policies (continued)

2.8 Investment property

Investment properties are measured at fair value at each reporting date with changes in fair value recognised in the heading 'Gains/(losses) on investments' in the Statement of financial activities. No depreciation is charged on investments properties in accordance with the Charities SORP.

2.9 Investments

Fixed asset investments are a form of financial instrument and are initially recognised at their transaction cost and subsequently measured at fair value at the Balance sheet date, unless the value cannot be measured reliably in which case it is measured at cost less impairment. Investment gains and losses, whether realised or unrealised, are combined and presented as 'Gains/(Losses) on investments' in the Consolidated statement of financial activities.

Investments in subsidiaries are valued at cost less provision for impairment.

2.10 Operating leases

Rentals paid under operating leases are charged to the Consolidated statement of financial activities on a straight line basis over the lease term.

2.11 Debtors

Trade and other debtors are recognised at the settlement amount after any trade discount offered. Prepayments are valued at the amount prepaid net of any trade discounts due.

2.12 Cash at bank and in hand

Cash at bank and in hand includes cash and short-term highly liquid investments with a short maturity of three months or less from the date of acquisition or opening of the deposit or similar account.

2.13 Liabilities and provisions

Liabilities are recognised when there is an obligation at the Balance sheet date as a result of a past event, it is probable that a transfer of economic benefit will be required in settlement, and the amount of the settlement can be estimated reliably.

Liabilities are recognised at the amount that the Company anticipates it will pay to settle the debt or the amount it has received as advanced payments for the goods or services it must provide.

Provisions are measured at the best estimate of the amounts required to settle the obligation. Where the effect of the time value of money is material, the provision is based on the present value of those amounts, discounted at the pre-tax discount rate that reflects the risks specific to the liability. The unwinding of the discount is recognised in the Consolidated statement of financial activities as a finance cost.

2. Accounting policies (continued)

2.14 Financial instruments

The Group only has financial assets and financial liabilities of a kind that qualify as basic financial instruments. Basic financial instruments are initially recognised at transaction value and subsequently measured at their settlement value with the exception of bank loans which are subsequently measured at amortised cost using the effective interest method.

2.15 Taxation

The Blue Coat School Birmingham Limited and The Blue Coat School Birmingham is considered to pass the tests set out in Paragraph 1 Schedule 6 of the Finance Act 2010 and therefore it meets the definition of a charitable company for UK corporation tax purposes. Accordingly, the Blue Coat School Birmingham Limited and The Blue Coat School Birmingham is potentially exempt from taxation in respect of income or capital gains received within categories covered by Chapter 3 Part 11 of the Corporation Tax Act 2010 or Section 256 of the Taxation of Chargeable Gains Act 1992, to the extent that such income or gains are applied exclusively to charitable purposes. BCS Enterprises Limited is subject to corporation tax.

Value added tax is not recoverable by the charity and as such is included in the relevant costs in the Statement of financial activities and fixed assets.

2.16 Pensions

Retirement benefits to teachers employed by the school are provided by the Teachers' Pension Scheme ('TPS'). This is a defined benefit scheme. The TPS is an unfunded scheme and contributions are calculated so as to spread the costs of pensions over employees' working lives with the school in such a way that the pension costs is substantially level percentage of current and future pensionable payroll. The contributions are determined by the Government Actuary on the basis of quadrennial valuations using a prospective unit credit method. As stated in note 30, the TPS is a multi-employer scheme and there is insufficient information available to use defined benefit accounting. The TPS is therefore treated as a defined contribution scheme for accounting purposes and the contributions recognised in the period to which they relate.

Retirement benefits for non-teachers are provided by a defined contribution scheme administered by The Pensions Trust. Payments to the scheme are charged to the Statement of financial activities in the year incurred.

Contributions are made to personal pension plans of certain employees. Payments to these plans are charges to the Statement of financial activities in the year incurred.

3. Critical accounting estimates and areas of judgement

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

Critical accounting estimates and assumptions:

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

In preparing these financial statement, the Governors have made the following judgments:

Investment properties
Investment properties are valued on the basis of market value of the freehold interest with vacant possession at the year end.

Recoverability of trade debtors
Trade and other receivables are recognised to the extent that they are judged recoverable. Management reviews are performed to estimate the level of resources required for irrecoverable debt. Provisions are made specifically against invoices where recoverability is uncertain.

Management makes allowance for doubtful debts based on an assessment of the recoverability of debtors. Allowances are applied to debtors where events or changes in circumstances indicate that the carrying amounts may not be recoverable. Management specifically analyse historical bad debts, current economic trends and changes in payment terms when making a judgment to evaluate the adequacy of the provision for doubtful debts. Where the expectation is different from the original estimate, such difference will impact the carrying value of debtors and the charge in the Statement of financial activities.

4. Income from donations and legacies

	Unrestricted funds 2020 £	Restricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Donations	9,720	21,876	**31,596**	*19,936*
Total 2020	9,720	21,876	**31,596**	*19,936*
Total 2019	*9,233*	*10,703*	*19,936*	

5. Charitable activities - School fees

	2020 £	*2019* *£*
Gross tuition fees	**6,736,426**	*6,904,824*
Less: Awards, scholarships and bursaries from unrestricted funds	**(387,805)**	*(368,156)*
Less: Fee discounts	**(139,899)**	*(155,428)*
	6,208,722	*6,381,240*

Awards, scholarships and bursaries were paid to 59 pupils (2019 - 52 pupils). Within this means tested bursaries totalling £313,279 were paid to 32 pupils (2019 - £291,568 to 29 pupils).

The total income from school fees is unrestricted in both years.

6. Charitable activities - Other ancillary trading income

	2020 £	*2019* *£*
Extra-curricular activities	**136,695**	*163,694*
Registration fees	**8,500**	*12,310*
Fees in lieu of notice	**7,722**	*4,238*
SEN income	**9,125**	*750*
Holiday clubs	**2,179**	*12,636*
School trips	**18,043**	-
Other income	**93,295**	*37,004*
	275,559	*230,632*

The total ancillary trading income is unrestricted in both years.

7. Income from other trading activities

Income from non charitable trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
BSC Enterprises Limited (note 19)	90,602	**90,602**	*173,359*
Total 2020	90,602	**90,602**	*173,359*
Total 2019	*173,359*	*173,359*	

8. Investment income

	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Rental income	104,658	**104,658**	*86,363*
Dividend income	329,300	**329,300**	*345,502*
Deposit account interest	5,432	**5,432**	*7,756*
Total 2020	439,390	**439,390**	*439,621*
Total 2019	*439,621*	*439,621*	

9. Other incoming resources

	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Government grant	246,293	**246,293**	-

The government grant received during the year related to the Coronavirus Job Retention Scheme.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

10. Expenditure on raising funds - Financing costs

	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Bad debt costs	1,629	**1,629**	*441*
Property management fees	3,340	**3,340**	*3,530*
Total 2020	4,969	**4,969**	*3,971*
Total 2019	*3,971*	*3,971*	

11. Expenditure on raising funds - Trading activities

	Unrestricted funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Staff costs	73,598	**73,598**	*127,516*
Other costs	10,460	**10,460**	*30,537*
Total 2020	84,058	**84,058**	*158,053*
Total 2019	*158,053*	*158,053*	

12. Analysis of expenditure on charitable activities

Summary by fund type

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £	*Total funds 2019 £*
Teaching	4,299,620	20,938	120,520	**4,441,078**	*4,191,193*
Catering	395,446	-	-	**395,446**	*488,463*
Premises	1,327,459	600	-	**1,328,059**	*1,265,897*
Support and governance	1,017,247	-	-	**1,017,247**	*893,904*
Total 2020	7,039,772	21,538	120,520	**7,181,830**	*6,839,457*
Total 2019	*6,719,299*	*10,334*	*109,824*	*6,839,457*	

Summary by expenditure type

	Staff costs 2020 £	Depreciation 2020 £	Other costs 2020 £	Total funds 2020 £	*Total funds 2019 £*
Teaching	3,871,803	244,331	324,944	**4,441,078**	*4,191,193*
Catering	-	-	395,446	**395,446**	*488,463*
Premises	343,830	144,560	839,669	**1,328,059**	*1,265,897*
Support and governance	660,236	36,900	320,111	**1,017,247**	*893,904*
Total 2020	4,875,869	425,791	1,880,170	**7,181,830**	*6,839,457*
Total 2019	*4,459,345*	*369,778*	*2,010,334*	*6,839,457*	

13. Auditor's remuneration

	2020 £	*2019 £*
Fees payable to the Company's auditor for the audit of the Company's annual accounts	**14,000**	*13,500*
Fees payable to the Company's auditor in respect of:		
Accountancy services	**2,900**	*3,000*

14. Staff costs

	Group 2020 £	*Group 2019 £*
Wages and salaries	**3,940,659**	*3,778,282*
Social security costs	**358,349**	*346,562*
Contribution to defined contribution pension schemes	**650,459**	*462,017*
	4,949,467	*4,586,861*

The average number of persons employed by the Company during the year was as follows:

	Group 2020 No.	*Group 2019 No.*
Teaching staff	**73**	*70*
Administrative/support staff	**70**	*69*
	143	*139*

14. Staff costs (continued)

The number of employees whose employee benefits (excluding employer pension costs) exceeded £60,000 was:

	Group 2020 No.	*Group 2019 No.*
In the band £60,001 - £70,000	**2**	*2*
In the band £80,001 - £90,000	**-**	*1*
In the band £90,001 - £100,000	**1**	-
In the band £120,001 - £130,000	**-**	*1*
In the band £170,001 - £180,000	**1**	-

The total amount of employee benefits received by key management personnel is £848,170 to 9 staff members *(2019 - £564,012, to 6 staff members)*.

15. Governors' remuneration and expenses

During the year, no Governors received any remuneration or other benefits *(2019 - £NIL)*.

During the year ended 31 August 2020, expenses totalling £869 were reimbursed or paid directly to 4 Governors *(2019 - £3,268 to 6 Governors)*. Expenses related to courses, accommodation and travel expenses.

16. Tangible fixed assets

Group and Company

	Freehold school premises £	Fixtures and equipment £	Computer equipment £	School minibus £	Total £
Cost or valuation					
At 1 September 2019	**8,819,936**	**238,047**	**1,062,053**	**57,965**	**10,178,001**
Additions	**36,732**	**7,073**	**67,018**	**-**	**110,823**
Disposals	**-**	**(72,089)**	**(360,540)**	**(27,144)**	**(459,773)**
At 31 August 2020	**8,856,668**	**173,031**	**768,531**	**30,821**	**9,829,051**
Depreciation					
At 1 September 2019	**2,399,473**	**199,303**	**790,050**	**33,309**	**3,422,135**
Charge for the year	**253,636**	**14,346**	**151,645**	**6,164**	**425,791**
On disposals	**-**	**(72,089)**	**(360,540)**	**(27,144)**	**(459,773)**
At 31 August 2020	**2,653,109**	**141,560**	**581,155**	**12,329**	**3,388,153**
Net book value					
At 31 August 2020	**6,203,559**	**31,471**	**187,376**	**18,492**	**6,440,898**
At 31 August 2019	*6,420,463*	*38,744*	*272,003*	*24,656*	*6,755,866*

The costs of freehold school premises includes both freehold land and buildings. The school records do not provide a reliable split of freehold land and buildings and the Governors do not consider that the cost involved in obtaining such information is justifiable for the benefit gained.

17. Investment property

Group

	Freehold investment property £
Valuation	
At 1 September 2019	**1,415,000**
At 31 August 2020	**1,415,000**

Comprising:

	2020 £	*2019 £*
416 Birmingham Road, Wylde Green	**435,000**	*435,000*
Properties acquired by gift	**130,000**	*130,000*
256 Harbourne Road, Edgbaston	**850,000**	*850,000*
	1,415,000	*1,415,000*

The investment property consists of buildings held for investment purposes and are not used in the School's own activities, both residential and industrial property are held and are let out on the open market.

All properties were revalued by Burley Browne Chartered Surveyors in November 2019.

18. Fixed asset investments

Group	Investments and deposits £
Market value	
At 1 September 2019	**10,851,148**
Revaluations	**342,604**
At 31 August 2020	**11,193,752**
Net book value	
At 31 August 2020	**11,193,752**
At 31 August 2019	*10,851,148*

Company	Investment in subsidiary company £	Investments and deposits £	Total £
Market value			
At 1 September 2019	**100**	**10,851,148**	**10,851,248**
Revaluations	**-**	**342,604**	**342,604**
At 31 August 2020	**100**	**11,193,752**	**11,193,852**
Net book value			
At 31 August 2020	**100**	**11,193,752**	**11,193,852**
At 31 August 2019	*100*	*10,851,148*	*10,851,248*

Investments and deposits comprise:

	2020 £	*2019 £*
Investment Fund of the Central Board of Finance of the Church of England, shares of £1 each	**-**	*5,598,990*
Charities Official Investment Fund - Accumulation units	**-**	*179,315*
Charities Official Investment Fund - Income shares	**11,193,752**	*5,072,843*
	11,193,752	*10,851,148*

19. Principal subsidiary - BCS Enterprises Limited

The charitable company owns 100% of the share capital of BCS Enterprises Limited (Company registration number 09109064), incorporated in England. The registered address of the Company is The Blue Coat School Birmingham, Somerset Road, Edgbaston, Birmingham, B17 0HR.

The Company uses the facilities of The Blue Coat School to generate revenue.

It's trading results for the period, as extracted from audited accounts, are summarised below:

	2020 £	*2019 £*
Turnover	**90,602**	*173,359*
Cost of sales	**(33,847)**	*(22,166)*
Gross profit	**56,755**	*151,193*
Administration	**(50,211)**	*(135,888)*
Profit for the year	**6,544**	*15,305*
Gift aid donation to parent charity	**(6,544)**	*(15,305)*
Retained in subsidiary	**-**	*-*

The net assets of BCS Enterprises Limited at 31 August 2020 amounted to £100 (2019 – net assets of £100).

At the year end BCS Enterprises Limited owed The Blue Coat School £5,460 (2019 - £31,178).

20. Debtors

	Group 2020 £	*Group 2019 £*	Company 2020 £	*Company 2019 £*
Trade debtors	**15,518**	*65,240*	**15,518**	*39,060*
Amounts owed by group undertakings	**-**	*-*	**5,460**	*31,178*
Other debtors and accrued income	**91,644**	*64,115*	**91,644**	*64,115*
Prepayments	**68,117**	*59,587*	**68,117**	*58,217*
	175,279	*188,942*	**180,739**	*192,570*

An impairment loss of £11,511 (2019 - £11,511) was recognised against fee debtors.

21. Creditors: Amounts falling due within one year

	Group 2020 £	*Group 2019 £*	Company 2020 £	*Company 2019 £*
Trade creditors	**187,228**	*396,945*	**187,228**	*396,945*
Other taxation and social security	**95,975**	*85,485*	**95,975**	*85,485*
Fees in advance (note 23)	**537,865**	*677,778*	**537,865**	*677,778*
Deposits (note 24)	**180,150**	*177,650*	**180,150**	*177,650*
Pension liability	**15,161**	*14,720*	**15,161**	*14,720*
Accruals and other creditors	**179,240**	*85,982*	**179,240**	*85,982*
	1,195,619	*1,438,560*	**1,195,619**	*1,438,560*

22. Creditors: Amounts falling due after more than one year

	Group 2020 £	*Group 2019 £*	Company 2020 £	*Company 2019 £*
Pension liability	**54,441**	*68,237*	**54,441**	*68,237*

23. Fees in advance

Movement of fees in advance:

	2020 £	*2019* *£*
Balance at 1 September 2019	**677,778**	*688,100*
New advance fees received	**537,865**	*677,778*
Amounts utilised in payments	**(677,778)**	*(688,100)*
Balance as at 31 August 2020	**537,865**	*677,778*

24. Fee deposits

Movement of fee deposits:

	2020 £	*2019* *£*
Balance at 1 September 2019	**177,650**	*169,500*
New deposits received	**34,800**	*34,800*
Deposits utilised	**(32,300)**	*(26,650)*
Balance as at 31 August 2020	**180,150**	*177,650*

25. Statement of funds

Statement of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	**1,174,311**	**-**	**-**	**120,000**	**-**	**1,294,311**
Loopylugs & Barbara Morrison Trust	**25,803**	**9,000**	**(25,803)**	**-**	**-**	**9,000**
School nursery and four classroom block	**2,039,783**	**-**	**-**	**120,000**	**-**	**2,159,783**
New build fund	**725,000**	**-**	**-**	**120,000**	**-**	**845,000**
Foundation fund	**86,567**	**-**	**(314,353)**	**362,239**	**-**	**134,453**
Old Scholar Donation	**1,500**	**-**	**(174)**	**-**	**-**	**1,326**
	4,052,964	**9,000**	**(340,330)**	**722,239**	**-**	**4,443,873**
General funds						
General funds	**1,698,352**	**7,261,286**	**(6,788,469)**	**(722,239)**	**75,928**	**1,524,858**
Total Unrestricted funds	**5,751,316**	**7,270,286**	**(7,128,799)**	**-**	**75,928**	**5,968,731**
Endowment funds						
Permanent endowment	**13,270,879**	**-**	**(120,520)**	**-**	**266,040**	**13,416,399**

25. Statement of funds (continued)

Statement of funds - current year (continued)

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Restricted funds						
Diana Willis memorial prize	**165**	**-**	**-**	**-**	**-**	**165**
Limoges Trust	**19**	**2,000**	**-**	**-**	**-**	**2,019**
Chapel fund	**1,214**	**-**	**-**	**-**	**-**	**1,214**
John Avins Trust	**875**	**2,000**	**-**	**-**	**-**	**2,875**
Association of Friends Minibus	**1,750**	**-**	**(1,750)**	**-**	**-**	**-**
Grand piano	**2,000**	**-**	**(600)**	**-**	**-**	**1,400**
Sir John Saville Trust	**8,000**	**4,000**	**(3,708)**	**-**	**-**	**8,292**
Reginal Farrar Fund	**506**	**-**	**-**	**-**	**-**	**506**
Association of Friends BCS	**1,714**	**13,766**	**(15,480)**	**-**	**-**	**-**
King Fund	**-**	**50**	**-**	**-**	**-**	**50**
Hatfield Fund	**-**	**60**	**-**	**-**	**-**	**60**
	16,243	**21,876**	**(21,538)**	**-**	**-**	**16,581**
Total of funds	**19,038,438**	**7,292,162**	**(7,270,857)**	**-**	**341,968**	**19,401,711**

25. Statement of funds (continued)

Statement of funds - prior year

	Balance at 1 September 2018 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2019* £
Unrestricted funds						
Designated funds						
Extraordinary repair fund	*1,054,311*	-	-	*120,000*	-	*1,174,311*
Loopylugs & Barbara Morrison Trust	*18,303*	*7,500*	-	-	-	*25,803*
School nursery and four classroom block	*1,919,783*	-	-	*120,000*	-	*2,039,783*
New build fund	*605,000*	-	-	*120,000*	-	*725,000*
Foundation fund	*40,665*	-	*(291,568)*	*337,470*	-	*86,567*
Old Scholar Donation	-	*1,500*	-	-	-	*1,500*
	3,638,062	9,000	(291,568)	*697,470*	-	*4,052,964*
General funds						
General funds	*2,103,276*	*7,225,085*	*(6,589,755)*	*(1,214,991)*	*174,737*	*1,698,352*
Total Unrestricted funds	5,741,338	7,234,085	(6,881,323)	*(517,521)*	*174,737*	*5,751,316*
Endowment funds						
Permanent endowment	*11,855,853*	-	*(109,824)*	*517,521*	*1,007,329*	*13,270,879*

25. Statement of funds (continued)

Statement of funds - prior year (continued)

	Balance at 1 September 2018 £	*Income* £	*Expenditure* £	*Transfers in/out* £	*Gains/ (Losses)* £	*Balance at 31 August 2019* £
Restricted funds						
Diana Willis memorial prize	*165*	-	-	-	-	*165*
Limoges Trust	*19*	-	-	-	-	*19*
Chapel fund	*1,214*	-	-	-	-	*1,214*
John Avins Trust	*620*	*2,000*	*(1,745)*	-	-	*875*
Association of Friends Minibus	*4,750*	-	*(3,000)*	-	-	*1,750*
Grand piano	*2,600*	-	*(600)*	-	-	*2,000*
Sir John Saville Trust	*6,000*	*2,000*	-	-	-	*8,000*
Reginal Farrar Fund	*506*	-	-	-	-	*506*
Association of Friends BCS	-	*6,703*	*(4,989)*	-	-	*1,714*
	15,874	10,703	(10,334)	-	-	*16,243*
Total of funds	*17,613,065*	*7,244,788*	*(7,001,481)*	-	*1,182,066*	*19,038,438*

25. Statement of funds - prior year (continued)

FUNDS

Extraordinary repair fund - In accordance with the terms of the charity commission the Governors had established a fund by 1 September 2009 to provide for the extraordinary repair, improvement and rebuilding of the school's property. The Governors have made a transfers of £120,000 (2019 - £120,000) this year to the fund to finance repairs.

Loppylugs and Barbara Morrison Charitable Trust - This donation is available for use at the Headmaster's discretion taking onto account the donors' interests.

School Nursery and Four-Classroom block - Fund set aside by the Governors following the charity commission approval of the use of the £2m of the endowment fund for the development works. This is a capital fund and the future depreciation of the assets constructed will be charged to it. The Governors have made a transfers of £120,000 (2019 - £120,000) this year to the fund.

New Build Fund - The Governors have agreed to set aside a sum of money annually to reflect the use of endowment funds which were expended on the School Nursery and Four Classroom Block. The Governors have made a transfers of £120,000 (2019 - £120,000) this year to the fund.

Foundation fund - Designated - The Governors have agreed to set aside annually a sum equal to not less than 5% of the fee income of the previous financial year. The amount set aside is to be applied in the provision of places at the school for children of merit and good character who are in need of financial assistance. In the current year the amounts set aside totalled £362,239 (2019 - £337,470) and amounts advanced to pupils totalled £313,279 (2019 - £291,568).

Old Scholar Donation - Donation in memory of Mr Ernest Jones to be spent as seen fit.

ENDOWMENT FUNDS
The Permanent endowment fund has to be held by the Blue Coat School Birmingham (Charity number 1152244-1) indefinitely under the Scheme approved by the Charity Commission on 12 March 1986. There is no power to convert the capital into income.

The transfer relates to additions on endowed property.

RESTRICTED FUNDS
Diana Wills memorial prize - This prize fund was set up a former teacher to reward a pupil's reading ability. The fund was to be used to provide one book prize a year.

Limoges Trust - Grants received to further the development of musical drama within the school.

Chapel Fund - Donations provided for the equipping of the School Chapel.

The John Avins Trust - Fund provided for equipment and resources for the benefit of gifted children in need of financial support within the school.

Association of Friends - Minibus - Funds raised by the parents and friends of The Blue Coat School to provide funds to subsidise the lease of a minibus.

King Fund - donation toward the bursaries.

Hatfield fund - donation towards bursaries.

25. Statement of funds - prior year (continued)

RESTRICTED FUNDS

Grand Piano - Funds provided by the Birmingham Community Foundation and the Loppylugs and Barbara Morrison Charitable Trust to purchase a grand piano. This is a capital fund and the future depreciation of the asset will be charged to it.

Sir John Saville Trust - Funds provided by Mr John Saville towards the continued support of the young people of Birmingham.

The Reginald Farrar Fund - Funds provided by Mr Reginald Farrar towards the advancement of the mathematics department.

Association of Friends - Funds raised by the parents and friends of The Blue Coat School to provide additional equipment, resources and entertainment for the pupils.

Summary of funds - current year

	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers in/out £	Gains/ (Losses) £	Balance at 31 August 2020 £
Designated funds	**4,052,964**	**9,000**	**(340,330)**	**722,239**	**-**	**4,443,873**
General funds	**1,698,352**	**7,261,286**	**(6,788,469)**	**(722,239)**	**75,928**	**1,524,858**
Endowment funds	**13,270,879**	**-**	**(120,520)**	**-**	**266,040**	**13,416,399**
Restricted funds	**16,243**	**21,876**	**(21,538)**	**-**	**-**	**16,581**
	19,038,438	**7,292,162**	**(7,270,857)**	**-**	**341,968**	**19,401,711**

Summary of funds - prior year

	Balance at 1 September 2018 £	*Income £*	*Expenditure £*	*Transfers in/out £*	*Gains/ (Losses) £*	*Balance at 31 August 2019 £*
Designated funds	*3,638,062*	*9,000*	*(291,568)*	*697,470*	*-*	*4,052,964*
General funds	*2,103,276*	*7,225,085*	*(6,589,755)*	*(1,214,991)*	*174,737*	*1,698,352*
Endowment funds	*11,855,853*	*-*	*(109,824)*	*517,521*	*1,007,329*	*13,270,879*
Restricted funds	*15,874*	*10,703*	*(10,334)*	*-*	*-*	*16,243*
	17,613,065	*7,244,788*	*(7,001,481)*	*-*	*1,182,066*	*19,038,438*

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 AUGUST 2020

26. Analysis of net assets between funds

Analysis of net assets between funds - current period

	Unrestricted funds 2020 £	Restricted funds 2020 £	Endowment funds 2020 £	Total funds 2020 £
Tangible fixed assets	3,167,935	1,400	3,271,563	**6,440,898**
Fixed asset investments	2,463,916	-	8,729,836	**11,193,752**
Investment property	-	-	1,415,000	**1,415,000**
Current assets	1,586,940	15,181	-	**1,602,121**
Creditors due within one year	(1,195,619)	-	-	**(1,195,619)**
Creditors due in more than one year	(54,441)	-	-	**(54,441)**
Total	5,968,731	16,581	13,416,399	**19,401,711**

Analysis of net assets between funds - prior period

	Unrestricted funds 2019 £	*Restricted funds 2019 £*	*Endowment funds 2019 £*	*Total funds 2019 £*
Tangible fixed assets	3,361,783	2,000	3,392,083	*6,755,866*
Fixed asset investments	2,387,352	-	8,463,796	*10,851,148*
Investment property	-	-	1,415,000	*1,415,000*
Current assets	1,508,978	14,243	-	*1,523,221*
Creditors due within one year	(1,438,560)	-	-	*(1,438,560)*
Creditors due in more than one year	(68,237)	-	-	*(68,237)*
Total	5,751,316	16,243	13,270,879	*19,038,438*

27. Reconciliation of net movement in funds to net cash flow from operating activities

	Group 2020 £	*Group 2019 £*
Net income for the period (as per Statement of Financial Activities)	**363,909**	*1,408,548*
Adjustments for:		
Depreciation charges	**425,791**	*366,289*
Losses on investments	**(342,604)**	*(1,165,241)*
Dividends, interests and rents from investments	**(439,390)**	*(439,621)*
Decrease in debtors	**13,663**	*40,379*
Decrease in creditors	**(256,737)**	*(605,205)*
Pension scheme	**(636)**	*16,823*
Net cash used in operating activities	**(236,004)**	*(378,028)*

28. Analysis of cash and cash equivalents

	Group 2020 £	*Group 2019 £*
Cash in hand	**1,426,842**	*1,334,279*
Total cash and cash equivalents	**1,426,842**	*1,334,279*

29. Analysis of changes in net debt

	At 1 September 2019 £	Cash flows £	At 31 August 2020 £
Cash at bank and in hand	**1,334,279**	**92,563**	**1,426,842**
	1,334,279	**92,563**	**1,426,842**

30. Pension commitments

The school's employees belong to two principle pensions schemes; the Teachers' Pension Scheme England and Wales ("the TPS") for academic and related staff which is a defined benefit scheme and a defined contribution scheme with The Pensions Trust for non-teaching staff. In addition, the school contributes to the personal pension plans of certain employees.

Teachers' Pension Scheme England and Wales ("the TPS")

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 £551,900 (2019: £374,076) and at the year-end £65,774 (2019 - £49,497) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. 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 the consultation and the cost cap mechanism review are completed it is not possible to conclude on any financial impact or future changes to the contribution rates of the TPS. Accordingly no provision for any additional past benefit pension costs is included in these financial statements.

30. Pension commitments (continued)

The Pension Trust

The school participates in the scheme, a multi-employer scheme which provides benefits to some 950 non-associated participating employers. The scheme is a defined benefit scheme in the UK. It is not possible for the company to obtain sufficient information to enable it to account for the scheme as a defined benefit scheme. Therefore, it accounts for the scheme as a defined contribution scheme.

The scheme is subject to the funding legislation outlined in the Pensions Act 2004 which came into force on 30 December 2005. This, together with documents issued by the Pensions Regulator and Technical Actuarial Standards issued by the Financial Reporting Council, set out the framework for funding defined benefit occupation pension schemes in the UK.

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

A full actuarial valuation for the scheme was carried out at 30 September 2017. This valuation showed assets of £794.9m, liabilities of £926.4m and a deficit of £131.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2019 to 31 January 2025	£11,243,000 per annum (payable monthly and increasing by 3% each on 1st April)

Unless a concession has been agreed with the Trustee the term to 31 January 2025 applies.

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £793.4m, liabilities of £969.9m and a deficit of £176.5m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

Deficit contributions

From 1 April 2016 to 31 January 2025	£12,945,440 per annum (payable monthly and increasing by 3% each on 1st April)
From 1 April 2016 to 31 January 2028	£54,560 per annum (payable monthly and increasing by 3% each on 1st April)

The recovery plan contributions are allocated to each participating employer in line with their estimated share of the Series 1 and Series 2 liabilities.

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

Present value of provision

	31 August 2020	31 August 2019	31 August 2018
Present value of provision	69,602	82,957	113,493

Reconciliation of opening and closing provisions

	2020 £	*2019 £*
Provision at start of period	**82,957**	*113,493*
Unwinding of the discount factor (interest expense)	**729**	*1,781*
Deficit contribution paid	**(14,720)**	*(14,999)*
Remeasurements - impact of any change in assumptions	**636**	*1,559*
Remeasurements - amendments to the contribution schedule	**-**	*(18,877)*
Provision at the end of period	**69,602**	*82,957*

Income and expenditure impact

	2020 £	*2019 £*
Interest expense	**729**	*1,781*
Remeasurements - impact of any change in assumptions	**636**	*1,559*
Remeasurements - amendments to the contribution schedule	**-**	*(18,877)*
Remeasurements - roundings	**-**	*493*
Costs recognised in income and expenditure account	**1,365**	*(15,044)*

Assumptions

-	31 August 2020 % per annum	31 August 2019 % per annum	31 August 2018 % per annum
Rate of discount	1	1	2

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

The pension charge for the year includes contributions payable to The Pension Trust scheme of £92,702 (2019 - £85,374) and at the year-end £Nil (2019 - £13,492) was accrued in respect of contributions to this scheme.

31. Operating leases

At 31 August 2020 the Group and the Company had commitments to make future minimum lease payments under non-cancellable operating leases as follows:

	Group 2020 £	*Group 2019 £*	**Company 2020 £**	*Company 2019 £*
Not later than 1 year	**25,651**	*26,701*	**25,651**	*19,698*
Later than 1 year and not later than 5 years	**53,522**	*28,451*	**53,522**	*16,556*
	79,173	*55,152*	**79,173**	*36,254*

The following lease payments have been recognised as an expense in the Statement of financial activities:

	Group 2020 £	*Group 2019 £*	**Company 2020 £**	*Company 2019 £*
Operating lease rentals	**25,944**	*31,701*	**18,941**	*24,699*

At 31 August 2020 the total of the group's future minimum lease income receivable under non-cancellable operating leases was:

	2020 £	*2019 £*
Within 1 year	**63,000**	*63,000*
Between 1 and 5 years	**87,025**	*117,525*
Greater than 5 years	**85,483**	*90,083*
	235,508	*270,608*

Rental income recognised during the year can be seen in note 8.

32. Security

Included within cash at bank are amounts of £180,896 (2019 - £180,000) held as a guarantee to the Secretary of State to cover all liabilities arising out of The Blue Coat School Birmingham Limited's application to be an accepted school under regulation 134(1)(b) of the Teachers' Pensions Regulations 2010.

33. Financial instruments

	Group 2020 £	*Group 2019 £*	**Company 2020 £**	*Company 2019 £*
Financial assets				
Financial assets measured at fair value through income and expenditure	**11,193,752**	*10,851,148*	**11,193,852**	*10,851,248*

Financial assets measured at fair value through income and expenditure comprise investments.

The Groups income, expense, gains and losses in respect of financial instruments are summarised below:

	Group 2020 £	*Group 2019 £*	**Company 2020 £**	*Company 2019 £*
Total investment income for financial assets measured at fair value through income and expenditure	**439,390**	*439,621*	**439,390**	*439,621*
Net gains/(losses) on financial assets measured at fair value through income and expenditure	**342,604**	*1,165,241*	**341,604**	*1,165,241*
Impairment losses on financial assets measured at amortised cost	**1,629**	*441*	**1,629**	*441*

34. Related party transactions

There were no other related party transactions other than those disclosed in notes 14, 15 and 19.