

# THE INDEPENDENT EDUCATIONAL ASSOCIATION LIMITED

England & Wales · Charity number 270156

## Details

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|                |                                                         |
|----------------|---------------------------------------------------------|
| Other names    | ST JAMES INDEPENDENT SCHOOL FOR BOYS AND GIRLS          |
| Status         | Registered                                              |
| Legal form     | Charitable company                                      |
| Company number | <a href="#">01222329</a>                                |
| Registered     | 1975-12-08                                              |
| Register       | <a href="#">View on the Charity Commission register</a> |

## Contact

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|         |                                                                        |
|---------|------------------------------------------------------------------------|
| Address | St. James Schools<br>Earsby Street<br>London<br>W14 8SH                |
| Phone   | 02073481700                                                            |
| Email   | <a href="mailto:coo@stjamesschools.co.uk">coo@stjamesschools.co.uk</a> |
| Website | <a href="http://www.stjamesschools.co.uk">www.stjamesschools.co.uk</a> |

## Activities

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**Objects:** TO PROMOTE THE ADVANCEMENT OF EDUCATION OF CHILDREN AND YOUNG PERSONS AND IN CONNECTION THEREWITH TO ESTABLISH AND CONDUCT IN ANY PART OF THE WORLD A SCHOOL OR SCHOOLS TO GIVE INSTRUCTION IN ALL BRANCHES OF EDUCATION INCLUDING THE PREPARATION OF PUPILS TO SIT FOR PUBLIC EXAMINATIONS WHETHER ACADEMIC PROFESSIONAL OR OTHERWISE.

**Activities:** This charity promotes the advancement of education of children and young persons and to establish schools in any part of the world. The charity now provides education to over 860 pupils from the ages of 2 to 18 through the St James Schools: Nursery School, Prep School and Senior Girls' School situated at Earsby Street, W14 8SH, and Senior Boys' School at Ashford, Surrey TW15 3DZ.

## Classification

- **How:** Provides Services
- **What:** Education/training
- **Who:** Children/young People

## Geography

- **Area of benefit:** ANY PART OF THE WORLD
- Throughout England

## Finances

| Period end | Income      | Expenditure | Assets      | Employees |
|------------|-------------|-------------|-------------|-----------|
| 2024-08-31 | £18,814,962 | £18,016,276 | £29,221,244 | 186       |
| 2023-08-31 | £17,900,712 | £17,092,883 | £27,936,434 | 188       |
| 2022-08-31 | £17,305,854 | £16,239,296 | £28,192,269 | 182       |
| 2021-08-31 | £16,141,268 | £14,761,079 | £25,629,497 | 182       |
| 2020-08-31 | £16,627,279 | £15,069,126 | £23,311,784 | 191       |

## Trustees

| Name                       | Role  | Appointed  |
|----------------------------|-------|------------|
| Jeremy Theodorson Sinclair | Chair |            |
| AATIF HASSAN               |       |            |
| Annabel Lubikowski         |       | 2018-11-29 |

**THE INDEPENDENT EDUCATIONAL ASSOCIATION LIMITED**

England & Wales - Charity number 270156

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# Accounts

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**THE INDEPENDENT EDUCATIONAL  
ASSOCIATION LIMITED**

**Company Number 01222329  
Charity Number 270156**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2024**

**THE INDEPENDENT EDUCATIONAL ASSOCIATION LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended 31 August 2024**

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# **The Independent Educational Association Limited**

## **Company Information** **For the year ended 31 August 2024**

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The Independent Educational Association Limited ("the Association") was incorporated on the 8 August 1975 as a company limited by guarantee and not having a share capital, with registration number 1222329. On 8 December 1975 it was also registered as a charity under the Charities Act 1960 with the charity number 270156. The Charity's principal address and registered office is at Earsby Street, London, W14 8SH. The Association has prepared consolidated financial statements to include the activities of St James Enterprises Limited, incorporated on 16 January 2018, as a subsidiary of the Association and The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St. David's School (St. David's), and its trading subsidiary St David's Enterprises Limited on the basis that the Association and St. David's are being managed on a unified basis with common trustees.

#### **Trustees and Directors**

The trustees of the Association, known as Governors, are also the directors of the company for the purposes of company law, the Board being a self-appointing body. During the year and up to the date of approval of the financial statements they were:

Aatif Hassan  
Annabel Lubikowski  
Jeremy Sinclair (Chairman)  
Hugh Venables  
Jerome Webb (Retired 31 August 2024)  
Michael Harper (Resigned 5 December 2024)  
Helen de Mattos

#### **Key Executives and Professional Advisers**

##### **The Head teachers and the Schools' Addresses**

|              |                                                                                       |
|--------------|---------------------------------------------------------------------------------------|
| Mr D Brazier | St James Senior Boys' School, Church Road, Ashford, TW15 3DZ (Retired 31 August 2024) |
| Ms E Bell    | St James Senior Girls' School, Earsby Street, London, W14 8SH                         |
| Mrs H Wyatt  | St James Preparatory School, Earsby Street, London W14 8SH                            |

**Chief Operating Officer & Company Secretary:** Mr W Wyatt

#### **Auditor**

HaysMac LLP  
10 Queen St. Place  
LONDON  
EC4R 1AG

#### **Solicitors**

Veale Wasbrough Vizards  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS

#### **Principal Bankers**

Lloyds Bank plc  
67 Old Brompton Road  
London SW7 3JX

#### **Investment Advisers**

J. M. Finn & Co.  
4 Coleman Street  
London EC2R 5TA

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2024**

The Board of Trustees present their annual report for the year ended 31 August 2024.

### **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

#### **Charitable Objects**

The objects for which the Association is established (as set out in its Articles of Association) are to promote the advancement of education of children and young persons and in connection therewith to establish and conduct in any part of the world a school or schools to give instruction in all branches of education including the preparation of pupils to sit for public examinations whether academic, professional or otherwise.

#### **Aims and Intended Impact**

Within these Objects, the Association started the St James Independent Schools in January 1975 with the aim of providing a first-class independent education, through strong academic tuition, awareness of spiritual values and developing wider sporting, artistic and social skills in all pupils. This is intended to provide an environment where each pupil can begin to realise his or her own potential, thus helping to build self-confidence and self-esteem in preparation for a happy and fulfilling life contributing to the good of the wider community.

#### **Objectives for the Year**

The focus has been on the continued achievement and enhancement of academic standards throughout the schools while endeavouring to meet the individual requirements of the minority with special educational needs. Striking the right balance between these two objectives should ensure that all pupils have the opportunity of working to achieve their full potential. The Trustees wish to increase pupil numbers at each school so that there are full classes, with two form entry at the Prep and Senior Girls' School and three form entry and the Senior Boys' School.

#### **Strategies to Achieve the Year's Objectives**

The local boards of governors are undertaking a complete review of the overall strategy. These include an on-going review and where necessary updating of the schools' academic syllabuses, an exercise in which the staff are fully involved. Increased attention is also being given to staff training and development. We remain open to opportunities to extend the schools' already great range of non-academic activities by promoting excellence in sports and open-air pursuits as well as developing social skills. The schools have increased their marketing activity to better reach their target market.

#### **Principal Activities of the Year**

The Association provides education through the St James Schools: from the ages of 4 to 18 at Earsby Street for prep boys and girls and senior girls, and at Ashford for senior boys. The Association acts in an advisory capacity for a number of schools with common ethics and practices worldwide. The Association finished the year with 765 (2023: 789) pupils. From 1 September 2019 the Association expanded the provision of education through the new Nursery facilities at Earsby Street. At the year-end there were 30 pupils in the nursery department (2023:25).

#### **Grant-making Policy**

This year, the value of scholarships, grants and prizes made to pupils out of restricted funds was £55,320 (2023: £76,200). In addition, a further £873,053 (2023: £957,761) of bursaries and scholarships were funded from unrestricted reserves. All bursary awards are made on the basis of financial need, and all are means tested. Further fee remissions may be made where the policy is to relieve hardship and the pupil's education and future prospects would be at risk without such support.

### **BUSINESS REVIEW**

The Trustees present the consolidated financial results of IEAL incorporating the results of St David's School and its trading subsidiary St David's Enterprises Limited and those of St James Enterprises Limited, incorporated on 16 January 2018, as a trading subsidiary of the Association which began trading in September 2019.

This has been another rewarding year for the charities and the group. The Trustees, the majority of whom are common to both charities, are pleased with the group's development and progress.

During the year we have maintained good academic achievements. Despite the decrease in average pupil numbers reported above, the nursery expanded, and St James is seeking to consolidate and grow its overall pupil numbers in future years.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2024**

### **BUSINESS REVIEW (Continued)**

Together with competitive fee rates and sound financial management, we aim to produce an operating surplus year-on-year.

An ongoing review of debt management procedures continues to produce a significantly improved collection rate of current debt and a reduction in overdue balances. Subsidiary company results contributed a surplus of £58,271 to the overall results compared with £41,076 in the previous year.

In October 2020 the IEAL Pension Scheme transferred to Citrus Pension Plan, a non-for-profit master trust. The aim was to improve the professional management of the scheme and reduce management and administration costs. Contributions necessary to make up for the deficit in the Scheme were £466,000 for the year to 31 August 2024 but ended in January 2025. The last actuarial valuation for the IEAL Pension Scheme was on 31 March 2021.

The group will continue to seek to meet the AGBIS best practice target by generating a 10% cash surplus. This is essential for long term cash flow stability and building reserves to a level that ensures sustainable development of the schools.

### **Developments**

#### **Prep School**

The opening of the new Community Café is an exciting project and we are already working towards a programme of activities that will be offered in the Café in the mornings and afternoons for current parents. These will be opened up to the public in the future. Ideas include art classes, a monthly book club, NCT talks on parenting, mini concerts for the elderly with morning coffee, charity fundraising cake sales and much more. We are also planning to have a ‘busking piano’ for the musically minded to play when they come into the courtyard. The parents appreciate having somewhere to do homework with their children after school when they wait for older siblings and it has already become a popular hub for parents to meet together.

The iPads are proving to be a valuable teaching and learning aid and the parents and pupils have embraced the new technology happily. The school now supports ‘Under One Sky’ which is a charity that cares for the homeless in London and the children have been enthusiastically donating warm winter clothes and sleeping bags to those less fortunate than themselves. Having a cause that is close to home and teaches the children how fortunate they are is appreciated by parents. For the third year in a row, the 11+ cohort have secured interviews at a number of highly-selective schools. This year, we have had pupils entered for the final round of interviews at schools including Emmanuel, St Paul’s Girls, NHEHS, City Girls’ and Latymer Upper. We await the results. Last year, the majority of girls chose to stay at St James but sadly the parents of the boys said they found the journey too far. Academic standards remain high and our excellent SENDCO is supporting the pupils who have specific needs well.

The ISI inspection at the end of January celebrates the effectiveness of governors and their oversight of the school. The report notes the ‘deeply rooted culture of respect towards others.... and the robust and effective safeguarding culture.’ All standards were met and the inspectors praised the pause and the fact that it supports pupils’ receptiveness to learning and their feeling of wellbeing. For the past year, the school has been working towards a nationally recognised Wellbeing Award and we hope to be accredited before the end of this academic year. The English Speaking Board Exams have been re-introduced for Year 6 this year by Mrs Cook and they have given the pupils the perfect preparation for their exams and beyond. All pupils were either awarded a Merit or a Distinction and some gained perfect marks for their talks. This all bodes well for the future and we feel confident that we can ride the storm that is affecting independent schools at this current time.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2024**

### **Senior Girls' School**

The Senior Girls' School ISI Inspection at the start of 2024 and our overwhelmingly positive report demonstrated the many strengths of the School. Careers and Futures provision, the inclusive nature of the school, our community and ethos as well as pupil progress were celebrated by the Inspection Team.

2024 leavers achieved outstanding A Level Results. Achieving above national and independent school averages. GCSE Results were above national averages with some departments achieving significantly above Independent School averages.

From the start of the academic year a significant focus was placed on returning music to the heart of the school, with weekly assemblies revitalised to always including singing, school bands created, a new orchestra and choir in place and increased musical collaboration with the Senior Boys' School. This collaboration continued with discussions and debates in addition to the existing lecture series for senior pupils from both schools.

To celebrate the importance of fresh and nutritious food and building on the success of the GCSE in Food Nutrition and Preparation, the Leiths Extended Certificate in Professional Cookery (an equivalent to an A Level) was introduced in September 2024.

Student leadership was reinvigorated with a revised process extending opportunities to pupils in Years 10 and 11. Ensuring pupil voice is incorporated into wider areas of decision making has also led to plans for social spaces for Year 11 pupils for September 2024.

### **Senior Boys' School**

Our new creative curriculum has been further established in Year 7 and 8 where students in the Summer term were formally and successfully assessed on their Harmony projects. Our launch of the iPads has had a significant impact on the day-to-day teaching which has enabled the students to take more ownership of their own learning. The school's Combined Cadet Force (CCF) continues to go from strength to strength. Most notably this year the unit entered the Nijmegen Marches as part of the 5000 strong British Military Contingent. St James is the first ever school CCF to enter and was awarded not only the team medal but also the award of the Best Army Cadet Unit, further developing our excellent reputation within the London District Cadets. The Climbing club continues to thrive making good use of our new climbing wall. Once again, in the Summer of 2024 12 students took part in our biannual Alps trip. All the students were able to summit a 4000-metre mountain, a significant achievement. Our joint school musical hosted at the Senior Boys was once again a huge success which demonstrated our skilled Music and Drama department. And then once again we have had significant success in the sports field with winning the U13 ISA National Badminton and being the U15 Middlesex Cup Winners in Cricket.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2024**

### **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

#### **Operational Performance of the Schools**

The Senior Girls attained excellent exam results. 100% (2023: 100%) A level passes with 91% (2023: 93%) at A\* to C the GCSE pass rate was 94% (2023: 96.8%) with 53% at 9 to 7 (2023: 58%) and 94% (2023: 96.8%) 9 to 4 grades.

The Senior Boys achieved 99% (2023: 95%) A-level passes with 79% (2023: 66%) at A\* to C; The GCSE pass rate was 96% (2023: 99.8%) with 96% (2023: 92.6%) at 9 to 4 grades.

The Prep School was pleased with the Year 6 11+ results. Deadline to accept offers is 7 March. Of the 19 pupils, they received 51 offers, including 13 to the Senior Girls' School and 7 boys to the Senior Boys' School, 3 to Godolphin & Latymer, 3 Latymer, 3 to Kew House School, 2 Queen's College. 2 St Paul's Boys and 3 to Emanuel and FHSS 4.

#### **Fundraising Performance**

The fund-raising and development office works for all three schools. It co-ordinates the activities of:

- 1) Long-term fund-raising;
- 2) Short-term fund-raising for small projects;
- 3) Fund-raising by parents often for a particular school.

The fund-raising department raised £43,390 (2023: £93,749) from regular activities during the year. The Development office is coordinating the activities of The Friends of St James and the Alumni in addition to fund-raising for Bursary Funds.

### **FINANCIAL REVIEW AND RESULTS FOR YEAR**

The Association's net income for the year was £1,284,810 (2023: net expenditure £255,835). Net income before gains were £798,686 (2023: £807,829) a reduction year on year as inflationary pressures grew across the Association's cost base. Net expenditure included the FRS102 pension liability movement for the year in respect of the IEAL Pension Scheme £209,000 gain (2023: £1,079,000 loss), the Independent Schools' Pension Scheme deficit £6,605 (2023 £10,444 gain) and investment gains of £283,729 (2023: gains £4,892).

There was a 3.3% year on year increase in total gross fee income before bursaries and charging for activities and coaches £18,147,309 (2023: £17,580,032).

The Association had net current assets at 31 August 2024 of £3,804,568 (2023: £1,555,341). This includes fee deposit liabilities of £2,545,256 (2023: £2,892,127). These liabilities are disclosed as due within one year as pupils may leave at any time, but with a reasonable stable pupil roll currently, the probability of the liability becoming repayable in the short term is highly unlikely.

At the year-end fee debtors were £482,538 (2023: £350,064). The majority of parents paid on time and for those parents who are struggling, the schools have engaged fully and assisted them by agreeing payment plans, payment holidays or by providing mean-tested hardship funding.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2024**

### **Key Performance Indicators**

We have to be aware of staff-pupil ratios and the proportion of fee income spent on salaries and salary-related expenses such as national insurance, pensions funding and training costs.

|                                             | <b>2024</b> | <b>2023</b> |
|---------------------------------------------|-------------|-------------|
| Employment costs compared to fee income     | 61%         | 62%         |
| Pupils (Average number throughout the year) | 765         | 794         |
| Teaching staff (FTE)                        | 95.9        | 99          |
| Staff-Pupil ratio                           | 1:8.0       | 1:8.0       |

### **PUPIL RETENTION**

The school endeavours to keep its fees as low as possible. It also offers generous bursary assistance, and competitive fees.

### **GOING CONCERN**

The Trustees have sought to minimise the ongoing financial pressures on the charity by prioritising key areas of risk, bad debt, cash flow and pupil retention. This, combined with the continued focus on reducing the cost base of each school support the Board's view that the Association has adequate resources to continue its activities for the foreseeable future and therefore continue as a going concern. In summary, the revised financial budget and forecast for the three years 2024/25, 2025/26 and 2026/27, is cautious and prudent. We have openly visited challenging scenarios and have action plans in place should the need arise. We will be able to operate without selling any part of our extensive property portfolio and will be able to meet all our financial liabilities showing that we remain a going concern.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2024**

### **FUTURE PLANS**

We are pleased with the quality of the young men and women coming out of our schools to play their part in society. We are delighted that many wish to educate their own children at a St James school and quite a number have come back to teach in the schools. We wish to grow so that more can share in what we have to offer.

The Board's current plans include the following:

- To achieve an overall pupil/teacher ratio of around 10:1. This should allow pupils to receive the necessary time and attention to make the most of their educational opportunity. At the same time, the ratio should give teachers the time and scope for preparation, marking and ancillary duties.
- To increase the school roll especially by optimising the intake at Reception at the Prep School, retaining pupils in the Sixth Form and utilising the space capacity at the Senior Boys to continue offering three-form entry at Year 7 and four-form entry at Year 9.
- The steady expansion of the prep and senior schools to their optimum sizes will require careful planning and ingenuity to make the maximum use of our existing available space. The first phase of development of the Senior Boys School, as outlined in this report, is now complete. The Trustee Directors have considered the requirements of the Prep School and the Senior Girls' School based at the Earsby Street site, and the acquisition of the adjoining youth centre site and other nearby properties has allowed space to be assigned to accommodate growth.

### **RISK MANAGEMENT**

The Board of Trustees is responsible for identifying the key risks faced by the School and for ensuring these risks are managed. Each term the Board of Trustees identify and assess risks and implement controls to mitigate against these. The major risks include the removal of business rates relief, national insurance increase, the removal of the VAT exemption on independent school fees and reduction in pupil numbers; all primarily due to the recent political regime change. These are being managed by cutting costs wherever possible and streamlining the school's functions. The school is investing in marketing to improve pupil retention and recruitment. Increased competition from other schools remains a risk. The school fees remain competitive. The trustees and governors continue to review the situation.

Risks are managed and monitored by the risk register which are grouped into the following categories:

- Mission and objectives
- Law and regulation
- Governance and management
- External factors
- Operational
- Human resources
- Environmental
- Technological
- Academic
- Financial

The key controls implemented by the School are as follows:

- Formal agendas for all Committee and Board activity;
- Annual budgeting and termly management accounting;
- Formal written Financial Regulations and Financial Procedures;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear financial authorisation and approval levels;
- Vetting procedures required by law for the protection of the vulnerable;
- Independent annual Health and Safety audit;
- Independent annual Safeguarding audit; and
- Independent annual financial audit

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2024**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Structure and Governing Document**

The Association, as well as being a registered charity, is a company limited by guarantee. In the event of liquidation, the guarantors who are the members and governors of the company will be liable to contribute £1 each as set out in the governing document of the Association which is its Articles of Association adopted by the members of the Association on 27 November 2014. This guarantee totals £10.

#### **Governing Bodies**

The structure of the Charity consists of a governing body of Trustees for the St James Schools. To better support the schools, the Trustees are assisted by two Boards of Governors (one for each site) and the Heads and the Chief Operating Officer.

#### **Trustees**

Details of Trustees are given on page 1. The Trustees are also the Company Directors.

The founder of the Association directed the Trustees to raise funds for launching schools, endowing them and otherwise providing for them. Individual schools should have their own managers appointed by the Trustees who are free to manage the schools subject only to their conforming to the aims of the Association and to any financial control necessary to preserve its funds. The Trustees delegate the administration and co-ordination of financial and operational matters of the Schools to the Chief Operating Officer.

#### **Recruitment and Training of Governors**

New Governors and Trustees are invited to serve by the trustees. New Governors are inducted into the workings of the Charity and its schools, including any Board Policy and Procedures. All Governors receive New Governors Training provided by Chief Operating Officer and regular Safeguarding training.

#### **Organisational Management**

The Trustees of the Charity, are legally responsible for the overall management and control of the St James Schools and associated activities including overall financial and operational control of the schools and meet at least once a term plus an annual "Away Day". Development and educational performance of the schools are delegated to the Board of Governors, Olympia and Board of Governors, Ashford. The principal committees are the Safeguarding Committee, Education Committee and the Health & Safety Committee which meet each term.

The day-to-day running of the schools is delegated to the Chief Operating Officer and the respective Head Teachers (supported by their Senior Management Teams).

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the Association remains sensitive to the broader issues of pay and employment conditions elsewhere.

Delivery of the Association's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

#### **Relationships**

The Association actively supports the attainment of the highest standards in the Independent Schools sector, partly through senior staff participating in the inspection of schools, and through promoting links and networking with other schools by attendance at Seminars and events. We also endeavour to widen public access to the schooling we can provide, the facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2024 (continued)**

### **Reserves Policy**

Our policy is to accumulate sufficient reserves to acquire and maintain high quality premises for all our schools with scope for further development. Major property moves and developments have necessarily depleted our reserves. Our policy is to rebuild them by further improving our cost controls and generating the operating surpluses outlined above. At 31 August 2024 the Association had consolidated reserves of £29,221,244 (2023: £27,936,434) of which £2,439,922 (2023: £2,128,833) represents restricted funds and £27,348,621 (2023: £26,947,870) represents unrestricted funds. There are no Free Reserves which are comprised of undesignated and unrestricted funds net of fixed assets (2023 £Nil). As shown in Note 11 the ISPS Pension deficit reserve and the IEAL Pension reserve have been shown separately within unrestricted funds. There are no other designated funds as at 31 August 2024. Accounting for the Defined Benefit Pension liability in accordance with FRS102 has resulted in a negative Pension Reserve of £398,000 (2023: £964,000).

As a result of the Trustees having taken advice from the scheme actuary in respect of the funding of the negative Pension Reserve shown in the Balance Sheet the annual deficit contribution payment for the year ended 31 August 2024 was £459,000 (2023: £466,000). The ISPS pension reserve accounted for under FRS102 has resulted in a negative reserve of £169,699 (2023: £176,269). Under the current funding schedule, the annual deficit contribution payment for 2020 was agreed at approximately £23k, thereafter rising at 3% per annum until 2030. The amounts of restrictive and unrestrictive funds that can only be realised by the disposing of tangible fixed assets or programme related investments are shown in Note 12 Analysis of Net Assets between Funds.

### **Investment Powers & Policy**

As its objective the Board aims to maximise the total investment return. The Association is not restricted as to its investment policy. The Trustees have instructed the Association's Investment Advisors to invest in medium risk securities having regard to the differing requirements of the respective restricted or designated fund involved. The Board considers the performance of the investments in the year to be satisfactory.

### **PUBLIC BENEFIT**

In setting the School's objectives and planning its activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The Governors believe that the principal public benefit provided is in setting up and operating schools with the object of producing well rounded pupils with a comprehensive education aimed at developing the young men and women in our care physically, mentally, and spiritually, leaving them capable of entering fully and usefully into wider society. As a relatively recent foundation, the Association has not yet accumulated reserves sufficient to make significant numbers of free places available, as much of the funds given to it have been required to obtain and equip suitable buildings. During 2024 we continued to utilise the General Fund to support bursaries.

Bursary and other funding, Numbers assisted are 53 (2023: 57) at a total cost of £799,084 (2023: £839,850). Reasons for awards have included insufficient funds due to divorce, sudden loss of income, ill health, parent fatalities. All bursaries are means tested.

The Association has assisted in the foundation and development of a number of overseas schools, forming a world-wide family of schools, based on the same essential educational approach, offering guidance and teaching placements.

The senior schools have an active community service programme in which the pupils engage with the local community including state schools. At the very heart of the St James approach is the spirit of unity which naturally encourages the pupils to have regard to the needs of others, which necessarily includes those in less fortunate circumstances.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2024 (continued)**

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also directors of The Independent Educational Association Limited for the purposes of company law) are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

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

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

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **AUDITOR**

On 18 November 2024 the charity's auditor changed its name from haysmacintyre LLP to HaysMac LLP. HaysMac LLP was re-appointed as auditor to audit the financial statements for the year ended 31 August 2024.

This report, including the Strategic report, was approved by the Board of Governors of the Independent Educational Association Limited on 2 June 2025 and signed on its behalf by,



Jeremy Sinclair  
Chairman

# **The Independent Educational Association Limited**

## **Independent auditor's report to the members of Independent Educational Association Limited**

### **Opinion**

We have audited the financial statements of Independent Educational Association Limited for the year ended 31 August 2024 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 affairs as at 31 August 2024 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report of the Trustees. 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.

# **The Independent Educational Association Limited**

## **Independent auditor's report to the members of Independent Educational Association Limited (continued)**

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

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

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

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

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

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

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

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 10, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group 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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements related to The Education (Independent Schools Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, Statement of Recommended Practice (SORP 2019) and payroll taxes.

## **The Independent Educational Association Limited**

### **Independent auditor's report to the members of Independent Educational Association Limited (continued)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in making accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing minutes of Trustees meetings during the year;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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



Tracey Young (Senior Statutory Auditor)  
For and on behalf of HaysMac LLP, Statutory Auditor

10 Queen Street Place  
London  
EC4R 1AG

Date: **4 June 2025**

**The Independent Educational Association Limited**  
**Consolidated Statement of Financial Activities**  
**(Including Income and Expenditure Account)**  
**For the year ended 31 August 2024**

|                                                            | Note | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2024<br>£ | Total Funds<br>2023<br>£ |
|------------------------------------------------------------|------|----------------------------|--------------------------|--------------------------|--------------------------|
| <b>Income from:</b>                                        |      |                            |                          |                          |                          |
| <b>Charitable activities</b>                               |      |                            |                          |                          |                          |
| School fees                                                | 2    | 16,798,289                 | -                        | 16,798,289               | 16,107,495               |
| Other income                                               | 3    | 1,078,606                  | -                        | 1,078,606                | 1,030,909                |
| <b>Other trading activities</b>                            |      |                            |                          |                          |                          |
| Trading income                                             | 3    | 129,551                    | -                        | 129,551                  | 135,047                  |
| Other activities                                           | 3    | 28,112                     | -                        | 28,112                   | 66,814                   |
| <b>Investments</b>                                         |      |                            |                          |                          |                          |
| Investment income                                          | 3    | 263,673                    | 49,746                   | 313,419                  | 95,323                   |
| <b>Voluntary sources</b>                                   |      |                            |                          |                          |                          |
| Donations and legacies                                     | 3    | 407,776                    | 55,320                   | 463,096                  | 462,780                  |
| <b>Other income</b>                                        |      |                            |                          |                          |                          |
| Sundry income                                              | 3    | 3,889                      | -                        | 3,889                    | 2,344                    |
| <b>Total income</b>                                        |      | <u>18,709,896</u>          | <u>105,066</u>           | <u>18,814,962</u>        | <u>17,900,712</u>        |
| <b>Expenditure on:</b>                                     |      |                            |                          |                          |                          |
| <b>Raising funds</b>                                       |      |                            |                          |                          |                          |
| Fundraising costs                                          | 4    | 71,395                     | -                        | 71,395                   | 46,521                   |
| Investment management                                      | 4    | -                          | 21,986                   | 21,986                   | 20,807                   |
| Trading & lettings costs                                   | 4    | 15,256                     | -                        | 15,256                   | 40,238                   |
|                                                            |      | <u>86,651</u>              | <u>21,986</u>            | <u>108,637</u>           | <u>107,566</u>           |
| <b>Charitable activities</b>                               |      |                            |                          |                          |                          |
| Schools and Grant making                                   | 4    | 17,852,319                 | 55,320                   | 17,907,639               | 16,985,317               |
| <b>Total expenditure</b>                                   |      | <u>17,938,970</u>          | <u>77,306</u>            | <u>18,016,276</u>        | <u>17,092,883</u>        |
| <b>Net income before transfers and investment gains</b>    |      | 770,926                    | 27,760                   | 798,686                  | 807,829                  |
| Gains/(losses) on investments                              | 7    | <u>-</u>                   | <u>283,729</u>           | <u>283,729</u>           | <u>4,892</u>             |
| <b>Net income before other recognised gains and losses</b> |      | 770,926                    | 311,489                  | 1,082,415                | 812,721                  |
| Actuarial gain/(loss) – IEAL                               | 13   | 209,000                    | -                        | 209,000                  | (1,079,000)              |
| Actuarial (loss)/gain – ISPS                               | 13   | (6,605)                    | -                        | (6,605)                  | 10,444                   |
| <b>Net movement in funds</b>                               |      | <u>973,321</u>             | <u>311,489</u>           | <u>1,284,810</u>         | <u>(255,835)</u>         |
| Fund balances brought forward                              |      | <u>25,807,601</u>          | <u>2,128,833</u>         | <u>27,936,434</u>        | <u>28,192,269</u>        |
| <b>Fund balances carried forward</b>                       | 11   | <u>26,780,922</u>          | <u>2,440,322</u>         | <u>29,221,244</u>        | <u>27,936,434</u>        |

All amounts derive from continuing activities

All gains or losses recognised in the year are included in the Statement of Financial Activities

The notes on pages 19 to 44 form part of these financial statements

# The Independent Educational Association Limited

## Consolidated Balance Sheet as at 31 August 2024

|                                                       | Note  | 2024               | 2024              | 2023               | 2023              |
|-------------------------------------------------------|-------|--------------------|-------------------|--------------------|-------------------|
|                                                       |       | £                  | £                 | £                  | £                 |
| <b>Fixed Assets</b>                                   |       |                    |                   |                    |                   |
| <i>Tangible Assets</i>                                |       |                    |                   |                    |                   |
| Freehold property                                     | 6     | 25,991,729         |                   | 26,367,798         |                   |
| Motor vehicles                                        | 6     | 6,592              |                   | 8,790              |                   |
| Laboratories and equipment                            | 6     | 1,251,296          |                   | 1,118,757          |                   |
|                                                       |       | <u>27,249,617</u>  |                   | <u>27,495,345</u>  |                   |
| Investments                                           | 7     | <u>2,305,612</u>   |                   | <u>2,004,265</u>   |                   |
|                                                       |       |                    | 29,555,229        |                    | 29,499,610        |
| <b>Current Assets</b>                                 |       |                    |                   |                    |                   |
| Stocks                                                | 8     | 1,187              |                   | 1,241              |                   |
| Debtors                                               | 9     | 971,731            |                   | 841,504            |                   |
| Cash at bank and in hand                              |       | <u>10,606,531</u>  |                   | <u>6,425,934</u>   |                   |
|                                                       |       | 11,579,449         |                   | 7,268,679          |                   |
| <b>Creditors: Amounts falling due within one year</b> | 10(a) | <u>(7,774,881)</u> |                   | <u>(5,713,338)</u> |                   |
| <b>Net Current Assets</b>                             |       |                    | <u>3,804,568</u>  |                    | <u>1,555,341</u>  |
| <b>Total Assets less Current Liabilities</b>          |       |                    | 33,359,797        |                    | 31,054,951        |
| <b>Long-term liabilities</b>                          |       |                    |                   |                    |                   |
| Creditors payable after one year                      | 10(b) |                    | (3,570,854)       |                    | (1,978,248)       |
| ISPS Pension deficit liability                        | 13    |                    | (169,699)         |                    | (176,269)         |
| IEAL Defined Benefit Pension liability                | 13    |                    | (398,000)         |                    | (964,000)         |
|                                                       |       |                    | <u></u>           |                    | <u></u>           |
| <b>Net Assets</b>                                     |       |                    | <u>29,221,244</u> |                    | <u>27,936,434</u> |
| <b>The Funds of the Group:</b>                        |       |                    |                   |                    |                   |
| <b>Permanent Endowment</b>                            | 11    |                    | 400               |                    | 400               |
| <b>Restricted funds</b>                               | 11    |                    | 2,439,922         |                    | 2,128,433         |
| <b>Unrestricted funds</b>                             |       |                    |                   |                    |                   |
| General reserve                                       | 11    | 27,348,621         |                   | 26,947,870         |                   |
| ISPS Pension deficit reserve                          | 11    | (169,699)          |                   | (176,269)          |                   |
| IEAL Pension reserve                                  | 11    | <u>(398,000)</u>   |                   | <u>(964,000)</u>   |                   |
| <b>Total unrestricted funds</b>                       |       |                    | <u>26,780,922</u> |                    | <u>25,807,601</u> |
| <b>Total group funds</b>                              | 12    |                    | <u>29,221,244</u> |                    | <u>27,936,434</u> |

Approved by the Board and signed on its behalf on 2 June 2025

*Jeremy Sinclair*

Jeremy Sinclair  
Chairman

Registered Company Number: 01222329  
The notes on pages 19 to 44 form part of these financial statements

# The Independent Educational Association Limited

## Company Balance Sheet as at 31 August 2024

|                                                       | Note  | 2024               | 2024              | 2023               | 2023              |
|-------------------------------------------------------|-------|--------------------|-------------------|--------------------|-------------------|
|                                                       |       | £                  | £                 | £                  | £                 |
| <b>Fixed Assets</b>                                   |       |                    |                   |                    |                   |
| <i>Tangible Assets</i>                                |       |                    |                   |                    |                   |
| Freehold property                                     | 6     | 27,031,607         |                   | 27,407,676         |                   |
| Motor vehicles                                        | 6     | 6,592              |                   | 8,790              |                   |
| Laboratories and equipment                            | 6     | 1,246,720          |                   | 1,114,181          |                   |
|                                                       |       | <u>28,284,919</u>  |                   | <u>28,530,647</u>  |                   |
| Investments                                           | 7     | <u>2,305,613</u>   |                   | <u>2,004,266</u>   |                   |
|                                                       |       |                    | 30,590,532        |                    | 30,534,913        |
| <b>Current Assets</b>                                 |       |                    |                   |                    |                   |
| Stocks                                                | 8     | -                  |                   | -                  |                   |
| Debtors                                               | 9     | 1,232,277          |                   | 1,020,119          |                   |
| Cash at bank and in hand                              |       | <u>10,168,770</u>  |                   | <u>6,087,401</u>   |                   |
|                                                       |       | 11,401,047         |                   | 7,107,520          |                   |
| <b>Creditors: Amounts falling due within one year</b> | 10(a) | <u>(7,776,402)</u> |                   | <u>(5,729,376)</u> |                   |
| <b>Net Current Assets</b>                             |       |                    | <u>3,624,645</u>  |                    | <u>1,378,144</u>  |
| <b>Total Assets less Current Liabilities</b>          |       |                    | 34,215,177        |                    | 31,913,057        |
| <b>Long-term liabilities</b>                          |       |                    |                   |                    |                   |
| Creditors payable after one year                      | 10(b) |                    | (3,570,854)       |                    | (1,978,248)       |
| ISPS Pension deficit liability                        | 13    |                    | (169,699)         |                    | (176,269)         |
| IEAL Defined Benefit Pension liability                | 13    |                    | (398,000)         |                    | (964,000)         |
|                                                       |       |                    | <u></u>           |                    | <u></u>           |
| <b>Net Assets</b>                                     |       |                    | <u>30,076,624</u> |                    | <u>28,794,540</u> |
| <b>The Funds of the Charity:</b>                      |       |                    |                   |                    |                   |
| <b>Restricted funds</b>                               | 11    |                    | 2,439,922         |                    | 2,128,433         |
| <b>Unrestricted funds</b>                             |       |                    |                   |                    |                   |
| General reserve                                       | 11    | 28,204,401         |                   | 27,806,376         |                   |
| ISPS Pension deficit reserve                          | 11    | (169,699)          |                   | (176,269)          |                   |
| IEAL Pension reserve                                  | 11    | <u>(398,000)</u>   |                   | <u>(964,000)</u>   |                   |
| <b>Total unrestricted funds</b>                       |       |                    | <u>27,636,702</u> |                    | <u>26,666,107</u> |
| <b>Total charity funds</b>                            | 12    |                    | <u>30,076,624</u> |                    | <u>28,794,540</u> |

The surplus for the financial year dealt with in the financial statements of the parent company was £1,282,084 (2023: deficit £208,984).

Approved by the Board and signed on its behalf on 2 June 2025

*Jeremy Sinclair*

Jeremy Sinclair  
Chairman

Registered Company Number: 01222329

The notes on pages 19 to 44 form part of these financial statements

**The Independent Educational Association Limited**

**Consolidated Statement of Cash Flow  
For the year ended 31 August 2024**

|                                                                              | 2024<br>£ | 2024<br>£  | 2023<br>£ | 2023<br>£ |
|------------------------------------------------------------------------------|-----------|------------|-----------|-----------|
| <b>Cash flows from Operating Activities (Note 1)</b>                         |           |            |           |           |
| Net cash provided by operating activities                                    |           | 251,143    |           | 1,231,461 |
| <b>Cash flows from investing activities:</b>                                 |           |            |           |           |
| Interest received                                                            | 263,673   |            | 55,116    |           |
| Dividends received                                                           | 49,746    |            | 40,207    |           |
| Payments to acquire fixed assets                                             | (518,869) |            | (356,819) |           |
| Payments to acquire investments                                              | (110,681) |            | (253,493) |           |
| Receipts from sales of investments                                           | 93,063    |            | 230,669   |           |
|                                                                              | <hr/>     |            | <hr/>     |           |
| <b>Net cash used in investing activities</b>                                 |           | (223,068)  |           | (284,320) |
| <b>Cash flows from financing activities:</b>                                 |           |            |           |           |
| Loan interest paid                                                           | (164,797) |            | (157,315) |           |
| Loans repaid                                                                 | (220,770) |            | (431,788) |           |
| Net increase from new advance fees less advance utilised (see note 2)        | 4,538,089 |            | -         |           |
|                                                                              | <hr/>     |            | <hr/>     |           |
| <b>Net cash used in financing activities</b>                                 |           | 4,152,522  |           | (589,103) |
| Change in cash and cash equivalents in the reporting period                  |           | 4,180,597  |           | 358,038   |
| Cash and cash equivalents at the beginning of the period                     |           | 6,425,934  |           | 6,067,896 |
|                                                                              |           | <hr/>      |           | <hr/>     |
| <b>Cash and cash equivalents at the end of the reporting period (Note 3)</b> |           | 10,606,531 |           | 6,425,934 |
|                                                                              |           | <hr/>      |           | <hr/>     |

# The Independent Educational Association Limited

## Notes to the Consolidated Statement of Cash Flow For the year ended 31 August 2024

|                                                                                           |                  |                  |
|-------------------------------------------------------------------------------------------|------------------|------------------|
| <b>1 Reconciliation of net income to net cash flow from operating activities</b>          | <b>2024</b>      | <b>2023</b>      |
|                                                                                           | <b>£</b>         | <b>£</b>         |
| Net income for the reporting period                                                       | 798,686          | 807,829          |
| Adjustments for:                                                                          |                  |                  |
| Depreciation charges                                                                      | 764,597          | 706,349          |
| Pension contributions less current service and interest costs and other charges/(credits) | (370,175)        | (422,899)        |
| Decrease in stocks                                                                        | 54               | 78               |
| Decrease in debtors                                                                       | (130,227)        | (408,549)        |
| (Decrease)/increase in creditors (excluding fees in advance scheme)                       | (663,170)        | 486,661          |
| Interest received                                                                         | (263,673)        | (55,116)         |
| Dividends received                                                                        | (49,746)         | (40,207)         |
| Loan interest paid                                                                        | 164,797          | 157,315          |
| <b>Net cash provided by operating activities</b>                                          | <b>251,143</b>   | <b>1,231,461</b> |
| <b>2 Fees in advance scheme</b>                                                           | <b>2024</b>      | <b>2023</b>      |
|                                                                                           | <b>£</b>         | <b>£</b>         |
| New fees in advance money                                                                 | 4,538,089        | -                |
|                                                                                           | <b>4,538,089</b> | <b>-</b>         |
| <b>3 Analysis of Cash and Cash Equivalents</b>                                            | <b>2024</b>      | <b>2023</b>      |
|                                                                                           | <b>£</b>         | <b>£</b>         |
| Cash at bank and in hand                                                                  | 10,606,531       | 6,425,934        |
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# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2024**

### **1. Accounting Policies**

#### **Company information**

The Independent Educational Association Limited ("the Association") was incorporated on the 8<sup>th</sup> August 1975 as a company limited by guarantee and not having a share capital, with registration number 1222329 and is considered a public benefit entity. On 8<sup>th</sup> December 1975 it was also registered as a charity under the Charities Act 1960 with the charity number 270156. The Charity's principal address and registered office is at Earsby Street, London, W14 8SH. The Association has prepared consolidated financial statements to include the activities of The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St. David's School (St. David's) and its trading subsidiary St David's Enterprises Limited on the basis that the Association and St. David's are being managed on a unified basis with common trustees. The consolidated financial statements also include the Association's subsidiary, St James Enterprises Limited.

#### **Basis of preparation and assessment of going concern**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2019 – (Charities SORP (FRS102)) Second Edition.

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

The financial statements are drawn up on the historical cost basis of accounting, as modified by the inclusion of fixed asset investments at market value.

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

Having reviewed the funding facilities available to the Association together with the expected ongoing demand for places and the Association's future projected cash flows, the Trustees have a reasonable expectation that the Association has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Association's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 10.

#### **Basis of Consolidation**

The financial statements present the consolidated statement of financial activities (SOFA), the consolidated statement of cash flow and the consolidated and Charity balance sheets comprising the consolidation of the Independent Educational Association Limited ("the school"), and its subsidiaries St David's School ("St David's"), St David's School Enterprises Limited and St James Enterprises Limited. No separate SOFA has been presented for the School alone, as permitted by s408 of the Companies Act 2006. The results of the Charity are disclosed on the Company Balance sheet.

#### **Critical accounting judgements and key sources of estimation uncertainty**

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

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

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2024**

### **1. Accounting Policies (continued)**

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year other than those noted below:

The pension scheme liabilities shown on the balance sheet are based on the annual FRS102 actuarial update at 31 August 2024 in which the actuary used a variety of assumptions concerning the future pension scheme assets and liabilities. The assumptions used in determining the net cost /(income) for pensions include the discount rate.

Any changes in these assumptions, which are disclosed in Note 13, will impact the carrying amount of the pension liability. An actuarial valuation has been carried out as at 31 March 2021 and a roll forward approach has been used by the actuary to value the pensions liability at 31 August 2024.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

#### **Fee income**

Fees receivable less any allowances, scholarships, bursaries and other grants made by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

#### **Other income**

Income is accounted for in the year to which it relates. Rental income for operating leases on non-investment property is recognised as income on a straight-line basis over the lease term.

#### **Investment income**

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accrual's basis.

#### **Donations, grants and other income**

Voluntary income resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not.

#### **Legacy income**

Pecuniary legacies are recognised when there is entitlement, which is deemed to be when probate has been granted, the legacy can be measured reliably, and there is probability of receipt. For residual legacies, entitlement is deemed to be the earlier of settled estate accounts and notification of a pending payment or actual payment being received.

#### **Expenditure**

Expenditure is accrued as soon as a liability is considered probable. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year by reference to site or the ratio of pupils in the individual schools. The irrecoverable element of VAT is included with the item of expense to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, also external audit, legal advice for the Association's Trustees, and all costs of complying with constitutional and statutory requirements.

Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2024**

### **1. Accounting Policies (continued)**

#### **Tangible Fixed Assets**

Items of equipment and furniture and fittings are capitalised if over £2,500 in cost and carried in the balance sheet at historic cost. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

#### **Depreciation**

Depreciation is provided to write off the cost of all tangible fixed assets, other than freehold land, less estimated residual value based on current market prices, in equal annual instalments over their expected useful lives as follows:

|                                                      |                           |
|------------------------------------------------------|---------------------------|
| Freehold buildings and major improvements            | 1% - 2% on cost           |
| Computers                                            | 33 1/3% on cost           |
| Plant                                                | 10% on cost               |
| IT infrastructure                                    | 20% on cost               |
| Motor vehicles                                       | 25% on written down value |
| Schools – other equipment and furniture and fittings | 20% on written down value |
| Laboratories                                         | 10% on written down value |

#### **Investments**

The Association's listed investments are valued at market value at the balance sheet date. Gains and losses arising on the sale or revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

#### **Stock**

Stock represents goods for resale and is valued at the lower of the cost and net realisable value.

#### **Fund Accounting**

The charitable trust funds of the Association and its subsidiaries are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further sub-divided into permanent and expendable.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)**

### **1. Accounting Policies (continued)**

#### **Restricted Funds**

Restricted funds are funds which have been raised for, and their use restricted to, a specific purpose, or donations or legacies subject to donor-imposed conditions against which relevant expenditure is charged. There is no capital retention obligation or power but only a trust law restriction.

#### **Unrestricted Funds**

Unrestricted funds consist of those funds which the Association may use in furtherance of its charitable objectives at the discretion of the Trustees. Where the Trustees decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by the transfer to the appropriate designated fund.

#### **Permanent endowment**

Permanent endowment arises where a donor intends the gift to be retained permanently for use by the Association.

#### **Taxation**

The Association is a registered charity and, therefore, is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

#### **Pension Costs**

Retirement benefits to employees of the Association are provided through a number of different schemes, two defined benefit schemes and a number of defined contribution schemes.

##### **IEAL Pension Scheme**

This is an occupational defined benefit scheme where the pension liabilities and assets are recorded in line with FRS 102 with a valuation undertaken by an independent actuary. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The net interest on the defined net liability and the administration costs of the scheme are charged within support costs. Remeasurement effects, comprising actuarial gains and losses and the return on plan assets greater than the discount rate are recognised within other gains and losses.

##### **The Independent Schools Pension Scheme ("ISPS" Scheme)**

This scheme is a multi-employer pension scheme. It is not possible to identify the Association's share of the underlying assets and liabilities of the ISPS scheme on a consistent and reasonable basis and therefore, as required by FRS102, the Association accounts for the scheme as if it were a defined contribution scheme. The Association's contributions, which are in accordance with the recommendations of the actuary, are charged in the period in which the salaries to which they relate are payable. Where a deficit funding arrangement has been agreed by the Trustees of the Scheme, FRS102 requires a liability to be established based on the net present value of those funding obligations at the balance sheet date.

##### **Defined contribution schemes**

Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

Further details of the pension schemes can be found in note 13.

#### **Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value, where fair value is measured by the quoted market price in an active market. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, provisions and accruals and deferred income. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 2. Charitable Activities - School Fees

|                                                                   | 2024<br>£         | 2023<br>£         |
|-------------------------------------------------------------------|-------------------|-------------------|
| <b>School fees receivable consist of:</b>                         |                   |                   |
| Gross fees                                                        | 18,147,309        | 17,580,032        |
| Less: Total bursaries, scholarships and allowances                | (1,404,340)       | (1,548,737)       |
| Add back: Bursaries and other awards paid for by restricted funds | 55,320            | 76,200            |
|                                                                   | <u>16,798,289</u> | <u>16,107,495</u> |

All amounts received were in respect of general funds.

### 3. Other Income

|                                             | 2024<br>£        | 2023<br>£        |
|---------------------------------------------|------------------|------------------|
| <b>Other income consist of:</b>             |                  |                  |
| <b>Charitable activities – other income</b> |                  |                  |
| Entrance and registration fees              | 45,697           | 55,820           |
| Activities and coach income                 | 939,111          | 883,209          |
| Letting income of non-investment properties | 93,798           | 91,880           |
|                                             | <u>1,078,606</u> | <u>1,030,909</u> |

All amounts received were in respect of general funds.

#### Other trading activities

##### Trading income

St James Enterprises Limited 129,551 135,047

##### Other activities

Fundraising income 28,112 66,814

157,663 201,861

All amounts received were in respect of general funds

#### Investment income

Dividend income 49,746 40,207

Bank deposit and short-term deposit interest 263,673 55,116

Amounts received in respect of restricted funds were £49,746 (2023: £40,207) and general funds £263,673 (2023: £55,116).

313,419 95,323

#### Donations & legacies

General donations 15,818 26,935

Bursary donations 80,440 76,320

Legacies 366,838 359,525

Amounts received in respect of restricted funds were £55,320 (2023: £76,200) and general funds £407,776 (2023: £386,580).

463,096 462,780

#### Other income

Sundry income 3,889 2,344

All amounts received in respect of restricted funds were £nil (2023: £nil) and general funds £3,889 (2023: £2,344)

3,889 2,344

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 4. Analysis of expenditure

#### (a) Total expenditure

|                                      | Staff costs        | Other costs        | Depreciation        | Total 2024        |
|--------------------------------------|--------------------|--------------------|---------------------|-------------------|
|                                      | £                  | £                  | £                   | £                 |
| <b>Expenditure on raising funds:</b> |                    |                    |                     |                   |
| Fundraising                          | -                  | 71,395             | -                   | 71,395            |
| Investment management                | -                  | 21,986             | -                   | 21,986            |
| Trading and lettings costs           | -                  | 15,256             | -                   | 15,256            |
|                                      | -                  | 108,637            | -                   | 108,637           |
| <b>Charitable activities</b>         |                    |                    |                     |                   |
| Teaching                             | 7,640,554          | 1,429,740          | -                   | 9,070,294         |
| Welfare                              | 595,265            | 1,329,681          | -                   | 1,924,946         |
| Premises                             | 408,851            | 1,553,219          | -                   | 1,962,070         |
| Support and governance               | 2,387,866          | 1,740,252          | 764,597             | 4,892,715         |
| School's operating costs             | 11,032,536         | 6,052,892          | 764,597             | 17,850,025        |
| Grants, awards and prizes            | -                  | 57,614             | -                   | 57,614            |
|                                      | 11,032,536         | 6,110,506          | 764,597             | 17,907,639        |
| <b>Total expenditure</b>             | 11,032,536         | 6,219,143          | 764,597             | 18,016,276        |
| <b>PRIOR YEAR</b>                    | <b>Staff costs</b> | <b>Other costs</b> | <b>Depreciation</b> | <b>Total 2023</b> |
|                                      | £                  | £                  | £                   | £                 |
| <b>Expenditure on raising funds:</b> |                    |                    |                     |                   |
| Fundraising                          | -                  | 46,521             | -                   | 46,521            |
| Investment management                | -                  | 20,807             | -                   | 20,807            |
| Trading and lettings costs           | -                  | 40,238             | -                   | 40,238            |
|                                      | -                  | 107,566            | -                   | 107,566           |
| <b>Charitable activities</b>         |                    |                    |                     |                   |
| Teaching                             | 7,428,820          | 1,330,492          | -                   | 8,759,312         |
| Welfare                              | 591,076            | 1,081,087          | -                   | 1,672,163         |
| Premises                             | 425,793            | 1,873,750          | -                   | 2,299,543         |
| Support and governance               | 2,188,938          | 1,281,848          | 706,349             | 4,177,135         |
| School's operating costs             | 10,634,627         | 5,567,177          | 706,349             | 16,908,153        |
| Grants, awards and prizes            | -                  | 77,164             | -                   | 77,164            |
|                                      | 10,634,627         | 5,644,341          | 706,349             | 16,985,317        |
| <b>Total expenditure</b>             | 10,634,627         | 5,751,907          | 706,349             | 17,092,883        |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 4. Analysis of expenditure (continued)

#### (b) Grants, awards and prizes

|                                       | 2024<br>£     | 2023<br>£     |
|---------------------------------------|---------------|---------------|
| <b>From Restricted Funds:</b>         |               |               |
| Bursaries and other grants and awards | 55,320        | 76,200        |
|                                       | <u>55,320</u> | <u>76,200</u> |

#### (c) Governance expenditure included in support costs:

|                                               | 2024<br>£     | 2023<br>£     |
|-----------------------------------------------|---------------|---------------|
| Auditor's remuneration:                       |               |               |
| Audit services (including VAT) – current year | 54,825        | 50,780        |
| Other Fees – corporation tax                  | 2,780         | 806           |
|                                               | <u>57,605</u> | <u>51,586</u> |

#### (d) Analysis of support and governance costs:

|                                                 | 2024<br>£        | 2023<br>£        |
|-------------------------------------------------|------------------|------------------|
| Staff costs                                     | 2,387,866        | 2,188,938        |
| Depreciation                                    | 764,597          | 706,349          |
| Information technology                          | 270,154          | 193,563          |
| FRS102 Pension finance and administration costs | 101,224          | 53,561           |
| Legal and professional                          | 499,940          | 272,319          |
| Advertising, marketing and publications         | 105,620          | 218,686          |
| Finance and other                               | 540,912          | 334,818          |
| Interest Paid                                   | 164,797          | 157,315          |
| Governance                                      | 57,605           | 51,586           |
|                                                 | <u>4,892,715</u> | <u>4,177,135</u> |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 5. Staff costs

|                                                     | 2024<br>£         | 2023<br>£         |
|-----------------------------------------------------|-------------------|-------------------|
| <b>Total staff costs comprised:</b>                 |                   |                   |
| Salaries                                            | 7,750,254         | 7,435,919         |
| Social security costs                               | 833,369           | 786,322           |
| Pension fund costs –normal employer’s contributions | 1,539,861         | 1,395,531         |
|                                                     | <u>10,123,484</u> | <u>9,617,772</u>  |
| Temporary& agency staff                             | 432,407           | 544,278           |
| Catering staff costs                                | 476,645           | 472,577           |
|                                                     | <u>909,052</u>    | <u>1,016,855</u>  |
|                                                     | <u>11,032,536</u> | <u>10,634,627</u> |

None of the Trustees received any remuneration or other benefits from the Association or a related entity.  
The key management of the Association are the trustees, the three head teachers and the chief operating officer as listed on page 1.

|                                                                                      | 2024<br>£      | 2023<br>£      |
|--------------------------------------------------------------------------------------|----------------|----------------|
| The aggregate employee-benefits, including employers NI, of key management personnel | <u>726,805</u> | <u>663,460</u> |

|                                                     |     |     |
|-----------------------------------------------------|-----|-----|
| The average number of employees during the year was | 186 | 188 |
|-----------------------------------------------------|-----|-----|

|                                                            |                      |    |   |
|------------------------------------------------------------|----------------------|----|---|
| Number of employees receiving gross salaries in the range: | £60,001 to £70,000   | 10 | 8 |
|                                                            | £70,001 to £80,000   | 3  | - |
|                                                            | £80,001 to £90,000   | -  | - |
|                                                            | £90,001 to £100,000  | -  | - |
|                                                            | £100,001 to £110,000 | 1  | 1 |
|                                                            | £110,001 to £120,000 | -  | 2 |
|                                                            | £120,001 to £130,000 | 1  | 1 |
|                                                            | £140,001 to £150,000 | 1  | - |
|                                                            | £150,001 to £160,000 | 1  | - |

The number accruing retirement benefits in: Defined Benefit Schemes was 4 (2023: 6)

Redundancy or termination payments in the year amounted to £67,671 (2023: £41,717). There was £1,321 (2023: £15,476) outstanding as at the year end.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 6. Fixed Assets

| Group                 | Freehold<br>Property<br>&<br>Improvem<br>ents                | Motor<br>Vehicles         | Other<br>Equipment         | Total             |
|-----------------------|--------------------------------------------------------------|---------------------------|----------------------------|-------------------|
| <b>Cost</b>           | <b>£</b>                                                     | <b>£</b>                  | <b>£</b>                   | <b>£</b>          |
| At 1 September 2023   | 31,213,394                                                   | 153,087                   | 4,921,425                  | 36,287,906        |
| Additions in year     | -                                                            | -                         | 518,869                    | 518,869           |
| Disposals             | -                                                            | -                         | -                          | -                 |
| At 31 August 2024     | <u>31,213,394</u>                                            | <u>153,087</u>            | <u>5,440,294</u>           | <u>36,806,775</u> |
| <b>Depreciation</b>   |                                                              |                           |                            |                   |
| At 1 September 2023   | 4,845,596                                                    | 144,297                   | 3,802,668                  | 8,792,561         |
| Charge for the year   | 376,069                                                      | 2,199                     | 386,329                    | 764,597           |
| Disposals             | -                                                            | -                         | -                          | -                 |
| At 31 August 2024     | <u>5,221,665</u>                                             | <u>146,496</u>            | <u>4,188,997</u>           | <u>9,557,158</u>  |
| <b>Net Book Value</b> |                                                              |                           |                            |                   |
| At 31 August 2024     | <u>25,991,729</u>                                            | <u>6,592</u>              | <u>1,251,296</u>           | <u>27,249,617</u> |
| At 31 August 2023     | <u>26,367,798</u>                                            | <u>8,790</u>              | <u>1,118,757</u>           | <u>27,495,345</u> |
| <b>Company</b>        | <b>Freehold<br/>Property<br/>&amp;<br/>Improvem<br/>ents</b> | <b>Motor<br/>Vehicles</b> | <b>Other<br/>Equipment</b> | <b>Total</b>      |
| <b>Cost</b>           | <b>£</b>                                                     | <b>£</b>                  | <b>£</b>                   | <b>£</b>          |
| At 1 September 2023   | 31,218,317                                                   | 153,087                   | 4,808,263                  | 36,179,667        |
| Additions in year     | -                                                            | -                         | 518,869                    | 518,869           |
| Disposals             | -                                                            | -                         | -                          | -                 |
| At 31 August 2024     | <u>31,218,317</u>                                            | <u>153,087</u>            | <u>5,327,132</u>           | <u>36,698,536</u> |
| <b>Depreciation</b>   |                                                              |                           |                            |                   |
| At 1 September 2023   | 3,810,641                                                    | 144,297                   | 3,694,082                  | 7,649,020         |
| Charge for the year   | 376,069                                                      | 2,199                     | 386,329                    | 764,597           |
| Disposals             | -                                                            | -                         | -                          | -                 |
| At 31 August 2024     | <u>4,186,710</u>                                             | <u>146,496</u>            | <u>4,080,411</u>           | <u>8,413,617</u>  |
| <b>Net Book Value</b> |                                                              |                           |                            |                   |
| At 31 August 2024     | <u>27,031,607</u>                                            | <u>6,592</u>              | <u>1,246,720</u>           | <u>28,284,919</u> |
| At 31 August 2023     | <u>27,407,676</u>                                            | <u>8,790</u>              | <u>1,114,181</u>           | <u>28,530,647</u> |

All tangible fixed assets are held for use on charitable activities.

IEAL holds a number of heritage assets relating to the history of the school, which includes pictures, sculptures and other artefacts. All these items have been donated to IEAL some time ago and so information on their cost or valuation is not available and cannot be obtained at a cost commensurate with the benefit to the users of the accounts and the charity.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 7. Investments

#### Group

|                                   |                     | Total            |
|-----------------------------------|---------------------|------------------|
|                                   |                     | £                |
| Market value                      | At 1 September 2023 | 2,004,265        |
|                                   | Additions at cost   | 110,681          |
|                                   | Proceeds            | (93,063)         |
|                                   | Net gains           | <u>283,729</u>   |
| Market value                      | At 31 August 2024   | <u>2,305,612</u> |
| Historical cost at 31 August 2024 |                     | <u>1,301,567</u> |
| Historical cost at 31 August 2023 |                     | <u>1,258,551</u> |

#### Company

|                                                                | 2024<br>£        | 2023<br>£        |
|----------------------------------------------------------------|------------------|------------------|
| Investments (listed) held at market value (as for Group above) | 2,305,612        | 2,004,265        |
| Investment in group undertaking                                | <u>1</u>         | <u>1</u>         |
|                                                                | <u>2,305,613</u> | <u>2,004,266</u> |

The investment in group undertaking relates to St James Enterprises Limited which was incorporated on 16 January 2018. The company is owned 100% by the Association.

### 8. Stocks

|               | Group<br>2024<br>£ | Group<br>2023<br>£ | Company<br>2024<br>£ | Company<br>2023<br>£ |
|---------------|--------------------|--------------------|----------------------|----------------------|
| Sundry stocks | <u>1,187</u>       | <u>1,241</u>       | <u>-</u>             | <u>-</u>             |
|               | <u>1,187</u>       | <u>1,241</u>       | <u>-</u>             | <u>-</u>             |

### 9. Debtors

|                                          | Group<br>2024<br>£ | Group<br>2023<br>£ | Company<br>2024<br>£ | Company<br>2023<br>£ |
|------------------------------------------|--------------------|--------------------|----------------------|----------------------|
| Fees outstanding less bad debt provision | 482,538            | 350,064            | 482,538              | 350,064              |
| Other debtors                            | 50,620             | 149,636            | 8,642                | 106,919              |
| Amounts due from subsidiary entities     | -                  | -                  | 303,319              | 222,756              |
| Prepayments and accrued income           | <u>438,573</u>     | <u>341,804</u>     | <u>437,778</u>       | <u>340,380</u>       |
|                                          | <u>971,731</u>     | <u>841,504</u>     | <u>1,232,277</u>     | <u>1,020,119</u>     |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 10(a). Creditors: Amounts falling due within one year

|                                               | Group            |                       | Company          |                       |
|-----------------------------------------------|------------------|-----------------------|------------------|-----------------------|
|                                               | 2024             | 2023                  | 2024             | 2023                  |
|                                               | £                | £                     | £                | £                     |
| Trade creditors                               | 427,273          | 613,129               | 425,410          | 612,028               |
| Fees received from parents in advance of term | 809,973          | 770,135               | 809,973          | 770,135               |
| Fees in advance scheme                        | 2,814,298        | -                     | 2,814,298        | -                     |
| Bank loan (See Note 10(b))                    | 193,502          | 283,087               | 193,502          | 283,087               |
| Fee deposits                                  | 2,545,256        | 2,892,127             | 2,545,256        | 2,892,127             |
| Other creditors                               | 457,113          | 439,439               | 456,013          | 442,197               |
| Amounts due to subsidiary entities            | -                | -                     | 28,190           | 32,270                |
| Employee taxes and social security costs      | 200,220          | 205,283               | 200,220          | 205,283               |
| Accruals and deferred income                  | 327,246          | 510,138               | 303,540          | 492,249               |
|                                               | <u>7,774,881</u> | <u>5,713,338</u>      | <u>7,776,402</u> | <u>5,729,376</u>      |
|                                               | <b>Group</b>     | <b>Group</b>          | <b>Company</b>   | <b>Company</b>        |
|                                               | <b>2024</b>      | <b>2024</b>           | <b>2024</b>      | <b>2024</b>           |
| <b>Deferred income</b>                        | Fees in advance  | Other deferred income | Fees in advance  | Other deferred income |
| Brought forward                               | 770,135          | 137,698               | 770,135          | 137,698               |
| Released                                      | (770,135)        | (137,698)             | (770,135)        | (137,698)             |
| Deferred in the year                          | <u>809,973</u>   | <u>111,908</u>        | <u>809,973</u>   | <u>111,908</u>        |
| Carried forward                               | <u>809,973</u>   | <u>111,908</u>        | <u>809,973</u>   | <u>111,908</u>        |

Fees received from parents in advance of term in 2024 and 2023 represent payments against invoices raised in respect of subsequent terms where revenue will be recognised in the following financial year. Other deferred income relates to income received in respect of trips or events in the following financial year. Fee deposits are received in advance of a pupil commencing education at St James and are repayable upon completion of the pupil's education which may be up to 14 years later. The liability is disclosed as due within one year as pupils may leave at any time, but with relatively stable pupil numbers, the probability of the liability becoming repayable in the short term is highly unlikely.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 10(b). Creditors: amounts falling due after more than one year

|                                   | Group            |                  | Company          |                  |
|-----------------------------------|------------------|------------------|------------------|------------------|
|                                   | 2024<br>£        | 2023<br>£        | 2024<br>£        | 2023<br>£        |
| Fees in advance scheme            | 1,723,791        | -                | 1,723,791        | -                |
| Bank loans                        | 1,847,063        | 1,978,248        | 1,847,063        | 1,978,248        |
|                                   | <u>3,570,854</u> | <u>1,978,248</u> | <u>3,570,854</u> | <u>1,978,248</u> |
| Fees in advance scheme analysis:  |                  |                  |                  |                  |
| Within 1 year (See Note 10(a))    | 2,814,298        | -                | 2,814,298        | -                |
| Between 1 – 2 years               | 1,232,408        | -                | 1,232,408        | -                |
| Between 2 – 5 years               | 491,383          | -                | 491,383          | -                |
|                                   | <u>4,538,089</u> | <u>-</u>         | <u>4,538,089</u> | <u>-</u>         |
| Summary of movements in liability |                  |                  |                  |                  |
| Balance at 1 September 2023       | -                | -                | -                | -                |
| New contracts                     | <u>4,538,089</u> | <u>-</u>         | <u>4,538,089</u> | <u>-</u>         |
| Balance at 31 August 2024         | <u>4,538,089</u> | <u>-</u>         | <u>4,538,089</u> | <u>-</u>         |

Under the School's Fees in advance scheme, contributors may enter into a contract to pay the school up to the equivalent of between two and five years' tuition fees in advance. The liability is valued at the balance sheet date, but has been allocated assuming that students will remain in the school for the normal duration.

### 10(b). Creditors: amounts falling due after more than one year(continued)

|                                        | Group            |                  | Company          |                  |
|----------------------------------------|------------------|------------------|------------------|------------------|
|                                        | 2024<br>£        | 2023<br>£        | 2024<br>£        | 2023<br>£        |
| Bank loans - maturity:                 |                  |                  |                  |                  |
| Payable within 1 year (See Note 10(a)) | 193,502          | 283,087          | 193,502          | 283,087          |
| Payable between 1 – 2 years            | 208,891          | 240,000          | 208,891          | 240,000          |
| Payable between 2 – 5 years            | 728,068          | 720,000          | 728,068          | 720,000          |
| Payable after more than 5 years        | 910,104          | 1,018,248        | 910,104          | 1,018,248        |
|                                        | <u>2,040,565</u> | <u>2,261,335</u> | <u>2,040,565</u> | <u>2,261,335</u> |

At 31 August 2024 the Association had a secured liability of £2,040,565 (2023: £2,261,335). The liability is secured by a first legal charge over 41A North End Road, W14 8SZ. This amount comprises two loans: £1.2m repayable in equal instalments over 60 months commencing 31 October 2018; and £2.4m repayable in instalments over 60 months commencing 30 September 2022.

**The Independent Educational Association Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2024 (continued)**

**11 Analysis of Funds**

The Association's funds and the movements in the year are as follows:

| <b>Group</b>                   | <b>Balance<br/>1<br/>September<br/>2023<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>£</b> | <b>Gains /<br/>Losses<br/>£</b> | <b>Balance<br/>31 August<br/>2024<br/>£</b> |
|--------------------------------|---------------------------------------------------|---------------------|--------------------------|------------------------|---------------------------------|---------------------------------------------|
| <b>Restricted Funds</b>        |                                                   |                     |                          |                        |                                 |                                             |
| Permanent Endowment            | 400                                               | -                   | -                        | -                      | -                               | 400                                         |
| Bursary                        | 1,020,674                                         | 16,263              | (9,757)                  | -                      | 157,211                         | 1,184,391                                   |
| Founders scholarship           | 76,128                                            | 3,063               | (1,072)                  | -                      | 17,426                          | 95,545                                      |
| Valerie Cullen                 | 239,457                                           | 5,738               | (2,406)                  | -                      | 24,114                          | 266,903                                     |
| John Lyons                     | -                                                 | 55,320              | (55,320)                 | -                      | -                               | -                                           |
| D A Nott                       | 792,174                                           | 24,682              | (8,751)                  | -                      | 84,978                          | 893,083                                     |
|                                | 2,128,833                                         | 105,066             | (77,306)                 | -                      | 283,729                         | 2,440,322                                   |
| <b>Unrestricted Funds</b>      |                                                   |                     |                          |                        |                                 |                                             |
| General Fund                   | 26,947,870                                        | 18,709,896          | (17,827,468)             | (481,677)              | -                               | 27,348,621                                  |
| ISPS Pension deficit provision | (176,269)                                         | -                   | (9,502)                  | 22,677                 | (6,605)                         | (169,699)                                   |
| IEAL Pension reserve           | (964,000)                                         | -                   | (102,000)                | 459,000                | 209,000                         | (398,000)                                   |
|                                | 27,936,434                                        | 18,814,962          | (18,016,276)             | -                      | 486,124                         | 29,221,244                                  |

**The Independent Educational Association Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2024 (continued)**

**11 Analysis of Funds (continued)**

| Company                           | Balance<br>1<br>September<br>2023<br>£ | Income<br>£       | Expenditure<br>£    | Transfers<br>£ | Gains /<br>Losses<br>£ | Balance<br>31 August<br>2024<br>£ |
|-----------------------------------|----------------------------------------|-------------------|---------------------|----------------|------------------------|-----------------------------------|
| <b>Restricted Funds</b>           |                                        |                   |                     |                |                        |                                   |
| Bursary                           | 1,020,674                              | 16,263            | (9,757)             | -              | 157,211                | 1,184,391                         |
| Founders scholarship              | 76,128                                 | 3,063             | (1,072)             | -              | 17,426                 | 95,545                            |
| Valerie Cullen                    | 239,457                                | 5,738             | (2,406)             | -              | 24,114                 | 266,903                           |
| John Lyons                        | -                                      | 55,320            | (55,320)            | -              | -                      | -                                 |
| D A Nott                          | 792,174                                | 24,682            | (8,751)             | -              | 84,978                 | 893,083                           |
|                                   | 2,128,433                              | 105,066           | (77,306)            | -              | 283,729                | 2,439,922                         |
| <b>Unrestricted Funds</b>         |                                        |                   |                     |                |                        |                                   |
| General Fund                      | 27,806,376                             | 18,679,699        | (17,799,997)        | (481,677)      | -                      | 28,204,401                        |
| ISPS Pension deficit<br>provision | (176,269)                              | -                 | (9,502)             | 22,677         | (6,605)                | (169,699)                         |
| IEAL Pension reserve              | (964,000)                              | -                 | (102,000)           | 459,000        | 209,000                | (398,000)                         |
|                                   | <u>28,794,540</u>                      | <u>18,784,765</u> | <u>(17,988,805)</u> | <u>-</u>       | <u>486,124</u>         | <u>30,076,624</u>                 |

The Bursary fund is for disbursement of bursaries.

The Founders scholarship fund is for a pupil who would not otherwise be able to attend.

The Valerie Cullen Music Prize is for a musically talented pupil in the Senior Boys School.

The D A Nott fund is for a bursary for specified subjects up to a maximum of £10,000 per annum.

The John Lyons grant is for the funding of bursaries.

**The Independent Educational Association Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2024 (continued)**

**11 Analysis of Funds (continued)**

The Association's funds and the movements in the year are as follows:

| <b>Group</b>                   | <b>Balance<br/>1 September<br/>2022</b> | <b>Income</b> | <b>Expenditure</b> | <b>Transfers</b> | <b>Gains /<br/>Losses</b> | <b>Balance<br/>31 August<br/>2023</b> |
|--------------------------------|-----------------------------------------|---------------|--------------------|------------------|---------------------------|---------------------------------------|
|                                | £                                       | £             | £                  | £                | £                         | £                                     |
| <b>Restricted Funds</b>        |                                         |               |                    |                  |                           |                                       |
| Permanent Endowment            | 400                                     | -             | -                  | -                | -                         | 400                                   |
| Bursary                        | 971,147                                 | 12,040        | (8,937)            | -                | 46,424                    | 1,020,674                             |
| Founders scholarship           | 68,376                                  | 3,023         | (954)              | -                | 5,683                     | 76,128                                |
| Valerie Cullen                 | 245,235                                 | 5,591         | (2,351)            | -                | (9,018)                   | 239,457                               |
| John Lyons                     | -                                       | 76,200        | (76,200)           | -                | -                         | -                                     |
| D A Nott                       | 819,383                                 | 19,553        | (8,565)            | -                | (38,197)                  | 792,174                               |
|                                | 2,104,541                               | 116,407       | (97,007)           | -                | 4,892                     | 2,128,833                             |
| <b>Unrestricted Funds</b>      |                                         |               |                    |                  |                           |                                       |
| General Fund                   | 26,582,340                              | 17,784,305    | (16,930,724)       | (488,051)        | -                         | 26,947,870                            |
| ISPS Pension deficit provision | (200,612)                               | -             | (8,152)            | 22,051           | 10,444                    | (176,269)                             |
| IEAL Pension reserve           | (294,000)                               | -             | (57,000)           | 466,000          | (1,079,000)               | (964,000)                             |
|                                | 28,192,269                              | 17,900,712    | (17,092,883)       | -                | (1,063,664)               | 27,936,434                            |
| <b>Company</b>                 | <b>Balance<br/>1 September<br/>2022</b> | <b>Income</b> | <b>Expenditure</b> | <b>Transfers</b> | <b>Gains /<br/>Losses</b> | <b>Balance<br/>31 August<br/>2023</b> |
|                                | £                                       | £             | £                  | £                | £                         | £                                     |
| <b>Restricted Funds</b>        |                                         |               |                    |                  |                           |                                       |
| Bursary                        | 971,147                                 | 12,040        | (8,937)            | -                | 46,424                    | 1,020,674                             |
| Founders scholarship           | 68,376                                  | 3,023         | (954)              | -                | 5,683                     | 76,128                                |
| Valerie Cullen                 | 245,235                                 | 5,591         | (2,351)            | -                | (9,018)                   | 239,457                               |
| John Lyons                     | -                                       | 76,200        | (76,200)           | -                | -                         | -                                     |
| D A Nott                       | 819,383                                 | 19,553        | (8,565)            | -                | (38,197)                  | 792,174                               |
|                                | 2,104,141                               | 116,407       | (97,007)           | -                | 4,892                     | 2,128,433                             |
| <b>Unrestricted Funds</b>      |                                         |               |                    |                  |                           |                                       |
| General Fund                   | 27,393,995                              | 17,776,618    | (16,876,186)       | (488,051)        | -                         | 27,806,376                            |
| ISPS Pension deficit provision | (200,612)                               | -             | (8,152)            | 22,051           | 10,444                    | (176,269)                             |
| IEAL Pension reserve           | (294,000)                               | -             | (57,000)           | 466,000          | (1,079,000)               | (964,000)                             |
|                                | 29,003,524                              | 17,893,025    | (17,038,345)       | -                | (1,063,664)               | 28,794,540                            |

The Bursary fund is for disbursement of bursaries.

The Founders scholarship fund is for a pupil who would not otherwise be able to attend.

The Valerie Cullen Music Prize is for a musically talented pupil in the Senior Boys School.

The D A Nott fund is for a bursary for specified subjects up to a maximum of £10,000 per annum.

The John Lyons grant is for the funding of bursaries.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 12 Analysis of Net Assets between Funds

| Group                                 | Tangible<br>Fixed<br>Assets | Investments | Other assets<br>and<br>liabilities | Total<br>2024 |
|---------------------------------------|-----------------------------|-------------|------------------------------------|---------------|
| <b>Restricted Funds</b>               | £                           | £           | £                                  | £             |
| Permanent Endowment                   | -                           | -           | 400                                | 400           |
| Bursary                               | -                           | 1,046,690   | 137,701                            | 1,184,391     |
| Founders scholarship                  | -                           | 111,632     | (16,087)                           | 95,545        |
| Valerie Cullen Music Prize            | -                           | 244,139     | 22,764                             | 266,903       |
| D A Nott                              | -                           | 903,151     | (10,068)                           | 893,083       |
|                                       | -                           | 2,305,612   | 134,710                            | 2,440,322     |
| <b>General Fund</b>                   | 27,249,617                  | -           | 99,004                             | 27,348,621    |
| <b>ISPS Pension deficit provision</b> | -                           | -           | (169,699)                          | (169,699)     |
| <b>IEAL Pension reserve</b>           | -                           | -           | (398,000)                          | (398,000)     |
|                                       | 27,249,617                  | 2,305,612   | (333,985)                          | 29,221,244    |

The group has no free reserves as at 31 August 2024.

| Company                               | Tangible<br>Fixed<br>Assets | Investments | Other assets<br>and<br>liabilities | Total<br>2024 |
|---------------------------------------|-----------------------------|-------------|------------------------------------|---------------|
| <b>Restricted Funds</b>               | £                           | £           | £                                  | £             |
| Bursary                               | -                           | 1,046,690   | 137,701                            | 1,184,391     |
| Founders scholarship                  | -                           | 111,632     | (16,087)                           | 95,545        |
| Valerie Cullen Music Prize            | -                           | 244,139     | 22,764                             | 266,903       |
| D A Nott                              | -                           | 903,151     | (10,068)                           | 893,083       |
|                                       | -                           | 2,305,612   | 134,310                            | 2,439,922     |
| <b>General Fund</b>                   | 28,284,919                  | 1           | (80,519)                           | 28,204,401    |
| <b>ISPS Pension deficit provision</b> | -                           | -           | (169,699)                          | (169,699)     |
| <b>IEAL Pension reserve</b>           | -                           | -           | (398,000)                          | (398,000)     |
|                                       | 28,284,919                  | 2,305,613   | (513,908)                          | 30,076,624    |

The company has no free reserves as at 31 August 2024.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 12 Analysis of Net Assets between Funds

| Group                                 | Tangible<br>Fixed<br>Assets | Investments | Other assets<br>and<br>liabilities | Total<br>2023 |
|---------------------------------------|-----------------------------|-------------|------------------------------------|---------------|
| <b>Restricted Funds</b>               | <b>£</b>                    | <b>£</b>    | <b>£</b>                           | <b>£</b>      |
| Permanent Endowment                   | -                           | -           | 400                                | 400           |
| Bursary                               | -                           | 892,177     | 128,497                            | 1,020,674     |
| Founders scholarship                  | -                           | 94,207      | (18,079)                           | 76,128        |
| Valerie Cullen Music Prize            | -                           | 218,613     | 20,844                             | 239,457       |
| D A Nott                              | -                           | 799,268     | (7,094)                            | 792,174       |
|                                       | -                           | 2,004,265   | 124,568                            | 2,128,833     |
| <b>General Fund</b>                   | 27,495,345                  | -           | (547,475)                          | 26,947,870    |
| <b>ISPS Pension deficit provision</b> | -                           | -           | (176,269)                          | (176,269)     |
| <b>IEAL Pension reserve</b>           | -                           | -           | (964,000)                          | (964,000)     |
|                                       | 27,495,345                  | 2,004,265   | (1,563,176)                        | 27,936,434    |

The group has no free reserves as at 31 August 2023.

| Company                               | Tangible<br>Fixed<br>Assets | Investments | Other assets<br>and<br>liabilities | Total<br>2023 |
|---------------------------------------|-----------------------------|-------------|------------------------------------|---------------|
| <b>Restricted Funds</b>               | <b>£</b>                    | <b>£</b>    | <b>£</b>                           | <b>£</b>      |
| Bursary                               | -                           | 892,177     | 128,497                            | 1,020,674     |
| Founders scholarship                  | -                           | 94,207      | (18,079)                           | 76,128        |
| Valerie Cullen Music Prize            | -                           | 218,613     | 20,844                             | 239,457       |
| D A Nott                              | -                           | 799,268     | (7,094)                            | 792,174       |
|                                       | -                           | 2,004,265   | 124,168                            | 2,128,433     |
| <b>General Fund</b>                   | 28,530,647                  | 1           | (724,272)                          | 27,806,376    |
| <b>ISPS Pension deficit provision</b> | -                           | -           | (176,269)                          | (176,269)     |
| <b>IEAL Pension reserve</b>           | -                           | -           | (964,000)                          | (964,000)     |
|                                       | 28,530,647                  | 2,004,266   | (1,740,373)                        | 28,794,540    |

The company has no free reserves as at 31 August 2023.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 13. Pension Schemes

#### IEAL Defined Benefit Scheme

The Association operates a pension scheme providing benefits based on final pensionable pay. With effect from 31 August 2017 the scheme was closed to all new members and to future accrual for teaching staff. The scheme continues to operate for a number of non-teaching staff.

The assets of the scheme are held separately from those of the Association, being invested with insurance companies. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Association. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2021. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments, the rates of increase in salaries and pensions and the discount rate.

The results of the most recent triennial valuation as at 31 March 2021 showed that the market value of the scheme's assets was approximately £16,614,000 with the Scheme Specific Funding Requirement standing at 86% whereas at the previous valuation it was 87%.

As a result of the 2021 valuation from 1 April 2022 deficit payments of £33,333 are due monthly until 31 August 2028 and contribution payments of £3,895 are payable monthly to cover expenses. Employer contributions have increase to 27.2% of pensionable salaries.

The financial assumptions underlying the valuation as at 31 March 2021 were as follows:

| Pre-retirement discount rate  | Market implied gilt yield curve plus 2.75% pa                                               |
|-------------------------------|---------------------------------------------------------------------------------------------|
| Post-retirement discount rate | Market implied gilt yield curve plus 0.25% pa                                               |
| RPI inflation                 | Market implied inflation gilt yield curve                                                   |
| CPI inflation                 | Pre 2030: RPI curve less 0.8% p.a.<br>Post 2030: RPI curve less 0% p.a.                     |
| Rate of salary increase       | CPI curve with floor                                                                        |
| Pension increases             | LPI Pension Increases curves derived from RPI, adjusted for the impact of the cap and floor |

The 2021 valuation was carried out using the mortality base tables Club VITA tables and for future improvements in longevity the CMI 2020 model with a long-term rate of improvement of 1.5% (tapering for ages above 85 to 0% to 110) and a smoothing parameter of  $S_k = 7.0$  and A parameter of 0.2% for men and 0.6% for women.

#### Basis of calculation

The last full actuarial valuation upon which the FRS102 figures have been based was as at 31 March 2021.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 13. Pension Schemes (continued)

#### Disclosed Expense

| A – Disclosed Expense                                                           | 2024<br>£000's | 2023<br>£000's |
|---------------------------------------------------------------------------------|----------------|----------------|
| Current service cost                                                            | 8              | 15             |
| Net interest on net defined liability                                           | 38             | 4              |
| Defined benefit cost recognised in Statement of Financial Activities            | 46             | 19             |
| Administration costs incurred in the period                                     | 56             | 38             |
| Disclosed expense                                                               | 102            | 57             |
| <b>B – Amounts recognised in Other Comprehensive Income (OCI)</b>               |                |                |
| Actuarial gain/(loss) arising during period                                     | (311)          | 1,817          |
| Return on plan assets                                                           | 520            | (2,896)        |
| Remeasurement effects recognised in OCI                                         | 209            | (1,079)        |
| <b>C – Total Defined Benefit Cost</b>                                           |                |                |
| Cost recognised in the Statement of Financial Activities                        | 102            | 57             |
| Remeasurement effects recognised in the OCI                                     | (209)          | 1,079          |
| Defined benefit cost                                                            | (107)          | 1,136          |
| <b>D – Assumptions Used to Determine Expense</b>                                |                |                |
| Discount rate                                                                   | 4.95%          | 5.25%          |
| Price inflation (RPI)                                                           | 3.05%          | 3.20%          |
| Price inflation (CPI)                                                           | 2.60%          | 2.70%          |
| Rate of salary increase                                                         | 2.60%          | 2.70%          |
| Pension increases for in-payment benefits (Pre 2012 accrual)                    | 2.90%          | 3.10%          |
| Pension increases for in-payment benefits (Post 2012 accrual)                   | 2.70%          | 2.70%          |
| Pension increases in deferment for deferred benefits pre 2009                   | 2.60%          | 2.70%          |
| Pension increases in deferment for deferred benefits post 2009                  | 2.50%          | 2.50%          |
| Life expectancies:                                                              | <b>Male</b>    | <b>Female</b>  |
| Average future expectancy for a pensioner aged 65 at 31/8/24                    | 23.3 years     | 25.8 years     |
| Average future life expectancy at age 65 for a non-pensioner aged 50 at 31/8/24 | 23.0 years     | 26.7 years     |

#### Net Balance Sheet Position

| A – Development of Net Balance Sheet Position          | 2024<br>£000's | 2023<br>£000's |
|--------------------------------------------------------|----------------|----------------|
| Defined benefit obligation (DBO)                       | (12,255)       | (12,056)       |
| Fair value of assets (FVA)                             | 11,857         | 11,092         |
| Deficit in the plan                                    | (398)          | (964)          |
| <b>B – Reconciliation to Balance Sheet</b>             |                |                |
| Net defined benefit liability at end of prior period   | (964)          | (294)          |
| Current service cost                                   | (8)            | (15)           |
| Net interest on net defined benefit liability          | (38)           | (4)            |
| Remeasurement effects recognised in OCI                | 209            | (1,079)        |
| Employer contributions                                 | 459            | 466            |
| Administration costs incurred in the period            | (56)           | (38)           |
| Net defined benefit liability at end of current period | (398)          | (964)          |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 13. Pension Schemes (continued)

#### Additional Disclosure Information

|                                                                                         | £000's                                  |                                         |
|-----------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>A – Expected Future Administration Expenses for the period ending 31 August 2024</b> |                                         | 57                                      |
| <b>B – Expected Contributions for period ending 31 August 2024</b>                      |                                         |                                         |
| Employer                                                                                |                                         | 5                                       |
| Scheme participants                                                                     |                                         | -                                       |
| <b>C – Actual return on Scheme Assets during period ending 31 August 2024</b>           |                                         |                                         |
| Interest on assets                                                                      |                                         | 577                                     |
| Asset gain during period                                                                |                                         | 520                                     |
| Actual return on assets                                                                 |                                         | 1,097                                   |
| <b>D – Scheme Asset Information</b>                                                     |                                         |                                         |
|                                                                                         | Allocation Percentage<br>31 August 2024 | Allocation Percentage<br>31 August 2023 |
| Equities                                                                                | 10.90%                                  | 7.97%                                   |
| Absolute bond return                                                                    | 3.18%                                   | 5.24%                                   |
| Asset backed securities                                                                 | 25.77%                                  | 7.45%                                   |
| Insurance linked securities                                                             | 2.91%                                   | 3.65%                                   |
| Synthetic credit                                                                        | 5.20%                                   | 7.38%                                   |
| LDI                                                                                     | 37.10%                                  | 32.80%                                  |
| Cash and cash equivalents                                                               | 10.23%                                  | 30.62%                                  |
| Private lending/debt                                                                    | 1.86%                                   | 2.70%                                   |
| Infrastructure                                                                          | 2.85%                                   | 2.19%                                   |
| Total                                                                                   | 100.00%                                 | 100%                                    |
| Fair value of plan assets                                                               | 11,857                                  | 11,092                                  |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 13. Pension Schemes (continued)

#### Changes in disclosed liabilities and assets

|                                                     | 2024<br>£000's | 2023<br>£000's |
|-----------------------------------------------------|----------------|----------------|
| <b>A - Change in Actuarial Value of Liabilities</b> |                |                |
| DBO at end of prior period                          | 12,056         | 13,879         |
| Current Service Cost                                | 8              | 15             |
| Interest cost on the DBO                            | 615            | 577            |
| Administrative Costs                                | 56             | 38             |
| Actuarial Loss                                      | 311            | (1,817)        |
| Benefits paid                                       | (791)          | (636)          |
| DBO at current period end                           | 12,255         | 12,056         |
| <b>B - Change in Scheme Assets</b>                  |                |                |
| Fair value of assets at end of prior period         | 11,092         | 13,585         |
| Interest income on plan assets                      | 577            | 573            |
| Return on plan assets greater than discount rate    | 520            | (2,896)        |
| Employer contributions                              | 459            | 466            |
| Benefits paid                                       | (791)          | (636)          |
| Fair value of assets at current period end          | 11,857         | 11,092         |

#### IEAL Scottish Widows Stakeholder Scheme

With effect from 1 September 2010 the Association introduced a stakeholder pension scheme for non-teaching staff not eligible for participation in the IEAL Defined Benefit Scheme. The stakeholder scheme is a defined contribution scheme with funds managed by Scottish Widows. Employee contributions are a minimum of 5% and the employer's contribution rate is 10%. At the balance sheet date there were 54 members of this scheme (2023: 51). During the year £157,408 (2023: £132,129) of contributions were payable by the employer. Contributions of £62,502 (2023: £nil) were owing to the scheme at the balance sheet date.

#### NEST stakeholder scheme

This scheme is for employees who are neither in the IEAL Pension Scheme or the IEAL Scottish Widows Stakeholder Scheme and who qualify for auto-enrolment into a Pension Scheme. The stakeholder scheme is a defined contribution scheme. The employee contribution rate during the year was 4% and the employer's contribution rate was 3% throughout the period. At the balance sheet date there were 7 members of this scheme (2022: 9). During the year £4,850 (2023: £4,999) of contributions were payable by the employer. Contributions of £5,064 (2023: £nil) were owed to the scheme at the balance sheet date.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)**

### **13. Pension Schemes (continued)**

#### **Independent Schools' Pension Scheme**

For the period to the end of December 2014 St. David's School participated in The Independent Schools' Pension Scheme ('the Scheme'). Under a flexible apportionment arrangement, executed as a deed on 19 December 2014 and signed by the Trustee of The Pension Trust, St David's School and IEAL, the liabilities of St David's School to the Scheme with the exception of £1 were transferred to IEAL and St David's School ceased to be an employer under the Scheme. From this date IEAL is the employer within the Scheme.

The association participates in the scheme, a multi-employer scheme which provides benefits to some 61 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the association 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 occupational 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.

As at the balance sheet date there was one active member of the Scheme employed by IEAL. During the accounting period IEAL paid a joint contribution rate of 30.5% (2023: 30.5%) comprising employer contributions of 21.0% (2023: 21.0%) and member contributions of 9.5% (2023: 9.5%).

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m equivalent to a past service funding level of 80%. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

#### **Deficit contributions**

|                                        |                                                                                 |
|----------------------------------------|---------------------------------------------------------------------------------|
| From 1 September 2022 to 30 April 2032 | £2,687,000 per annum (payable monthly and increasing by 3% on each 1 September) |
|----------------------------------------|---------------------------------------------------------------------------------|

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £32.2m.

|                                        |                                                                                 |
|----------------------------------------|---------------------------------------------------------------------------------|
| From 1 September 2019 to 30 April 2030 | £2,387,357 per annum (payable monthly and increasing by 3% on each 1 September) |
|----------------------------------------|---------------------------------------------------------------------------------|

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

The annual amount due by IEAL from 1 September 2022 to 31 August 2030 is £22,016 (increasing by 3% each on 1 September).

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)

### 13. Pension Schemes (continued)

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the school 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 values of provision – Group and company

|                                                          | Year Ended<br>31 August 2024<br>(£000s) | Year Ended<br>31 August 2023<br>(£000s) |
|----------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Provision at start of period                             | 176                                     | 201                                     |
| Unwinding of the discount factor (interest expense)      | 10                                      | 8                                       |
| Deficit contribution paid                                | (23)                                    | (23)                                    |
| Remeasurements - impact of any change in assumptions     | 7                                       | (10)                                    |
| Remeasurements - amendments to the contribution schedule | -                                       | -                                       |
| Provision at end of period                               | 170                                     | 176                                     |

#### Statement of Financial Activities impact: - Group and company

|                                                          | Year Ended<br>31 August 2024<br>(£000s) | Year Ended<br>31 August 2023<br>(£000s) |
|----------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Interest expense                                         | 10                                      | 8                                       |
| Remeasurements – impact of any change in assumptions     | 7                                       | (10)                                    |
| Remeasurements – amendments to the contribution schedule | -                                       | -                                       |
| Contributions paid in respect of future service          | -                                       | -                                       |
| Costs recognised in income and expenditure account       | 17                                      | (2)                                     |

#### Assumptions

|                  | 31 August 2024<br>% per annum | 31 August 2023<br>% per annum |
|------------------|-------------------------------|-------------------------------|
| Rate of discount | 4.68                          | 5.79                          |

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 Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)**

### **13. Pension Schemes (continued)**

Following a change in legislation in April 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

IEAL has been notified by The Pensions Trust of the estimated employer debt that would have been payable if IEAL had withdrawn from The Independent School's Pension Scheme as at 30 September 2023. As of this date the estimated employer debt for IEAL was £739,850. As IEAL currently has no plans to leave the scheme, this contingent liability has not been provided for in the accounts, and as the Actuary is unable to identify its share of the underlying assets and liabilities at 31 August 2024, the scheme has been accounted for as a defined contribution scheme as permitted by FRS102 and contributions are accounted for when due. Any agreed pension deficit funding payments are provided for on a discounted basis.

Amounts paid in respect of employer pension contributions during the year including the annual deficit contributions were £56,123(2023: £53,190). As at 31 August 2024 £12,110 (2023: £5,508) was owing to the scheme.

#### **Teachers' Pension Scheme**

The School participates in the Teachers' Pension Scheme ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £1,345,875 (2023: £1,150,469) and at the year-end £179,157 (2023 - £151,412) 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.

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 has 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%.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)**

### **14. Transactions with Trustees and Related Parties**

No remuneration or expenses were paid to the trustees (2023: £Nil).

The aggregate employee-benefits of the key management personnel are shown in Note 5.

The Association and St David's School along with its trading subsidiary, St David's Enterprises Limited, are under common control. At the balance sheet date St David's Enterprises Limited owed £84,257 (2023: £79,097) to the Association, and the Association owed £28,190 (2023: £37,310) to St David's School. The balance sheet movement represents the total of net recharged expenses during the year between the Association and its subsidiary undertakings. St James Enterprises Limited, a subsidiary of the Association, was incorporated on 16 January. At the balance sheet date, the Association owed £Nil (2023: £1) to St James Enterprises Limited and St James Enterprises Limited owed £219,062 to the Association (2023: £143,661).

Certain Trustees have spouses or other relations who are employed at the school as teachers and as such receive salaries in accordance with the pay scale for all of the Association's teachers. These Trustees do not vote at Trustee meetings on any matters relating to teachers' remuneration. At 31 August 2024 there was 1 Trustee (2023: 1) with relations employed whose aggregate gross salaries for the year ending on that date were £6,010 (2023: £6,773). Certain Trustees also have children who are pupils at the school and pay fees in accordance with the normal fee rates for all pupils less any contractual discounts to which they are entitled.

### **15. Operating lease commitments**

The amount charged as expenses in respect of operating leases was £Nil (2023: £Nil)

The Association had several short-term leases in respect of property let during the year. The future minimum lease rentals receivable in respect of the remaining lease period or notice period amount to £41,495 at 31 August 2024 (2023: £41,495)

### **16. Capital and other commitments**

At 31 August 2024 the Association had building works contracted for, but not accrued, amounting to £Nil (2023: £ Nil) of which approximately £Nil (2023: £ Nil) related to capital commitments.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2024 (continued)**

### **17. Subsidiary Undertakings**

#### **A. The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St David's School**

Incorporated by Act of Parliament in 1846 in England

Registered charity number 312091

Trustees are common to those of the Independent Educational Association Limited

Former owner and manager of the property situated at Church Road, Ashford, Middlesex that is used by the Senior Boys' School of the Independent Educational Association Limited. The property was transferred to the Independent Educational Association Limited on 24 November 2014 at which point its main activity was discontinued.

Aggregate assets - £148,737 (2023: £158,038)

Aggregate liabilities - £4,370 (2023: £Nil)

Aggregate funds - £144,368 (2023: £158,038)

Turnover for the year - £Nil (2023: £Nil)

Expenditure for the year - £13,670 (2023: £180)

Loss / Profit for the year - (£13,670) (2023: loss £180)

#### **B. St David's Enterprises Limited**

Incorporated in England & Wales under company registration number 5154561

100% of the issued share capital is held by The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St David's School

Letting to the public and various sporting organisations the facilities located at St David's School, Church Road, Ashford

The Senior Boys' School of the Independent Educational Association Limited also occupy and utilise the facilities at Church Road, Ashford during school days and various times in the evenings and at weekends.

Aggregate assets - £80,269 (2023: £62,855)

Aggregate liabilities - £113,005 (2023: £92,040)

Aggregate funds (£32,736) (2023: (£29,185))

Turnover for the year - £Nil (2023: £Nil)

Expenditure for the year - £3,551 (2023: £8,276)

Loss for the year £3,551 (2023: £8,276)

#### **C. St James Enterprises Limited**

Incorporated on 16 January 2018 in England & Wales under company registration number 11153595

100% of the issued share capital is held by the Independent Educational Association Limited

Aggregate assets - £303,453 (2023: £209,569)

Aggregate liabilities - £235,161 (2023: £153,186)

Aggregate funds - £68,292 (2023: £56,383)

Turnover for the year - £129,551 (2023: £135,047)

Expenditure for the year - £67,729 (2023: £85,134)

Profit for the year (gift aided to parent) - £61,822 (2023: (£49,913))

The company assumed the handling of commercial events from St David's Enterprises Limited on 1 April 2020

**THE INDEPENDENT EDUCATIONAL ASSOCIATION LIMITED**

England & Wales - Charity number 270156

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# Accounts

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**THE INDEPENDENT EDUCATIONAL  
ASSOCIATION LIMITED**

**Company Number 01222329  
Charity Number 270156**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2023**

**THE INDEPENDENT EDUCATIONAL ASSOCIATION LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended 31 August 2023**

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# **The Independent Educational Association Limited**

## **Company Information** **For the year ended 31 August 2023**

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The Independent Educational Association Limited ("the Association") was incorporated on the 8 August 1975 as a company limited by guarantee and not having a share capital, with registration number 1222329. On 8 December 1975 it was also registered as a charity under the Charities Act 1960 with the charity number 270156. The Charity's principal address and registered office is at Earsby Street, London, W14 8SH. The Association has prepared consolidated financial statements to include the activities of St James Enterprises Limited, incorporated on 16 January 2018, as a subsidiary of the Association and The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St. David's School (St. David's), and its trading subsidiary St David's Enterprises Limited on the basis that the Association and St. David's are being managed on a unified basis with common trustees.

#### **Trustees and Directors**

The trustees of the Association, known as Governors, are also the directors of the company for the purposes of company law, the Board being a self-appointing body. During the year and up to the date of approval of the financial statements they were:

Aatif Hassan  
Annabel Lubikowski  
Jeremy Sinclair (Chairman)  
John Story (retired 6 July 2022)  
Hugh Venables  
Jerome Webb  
Michael Harper (Elected 29 June 2023)  
Helen de Mattos (Elected 29 June 2023)

#### **Key Executives and Professional Advisers**

##### **The Head teachers and the Schools' Addresses**

|              |                                                                                        |
|--------------|----------------------------------------------------------------------------------------|
| Mr D Brazier | St James Senior Boys' School, Church Road, Ashford, TW15 3DZ                           |
| Mrs S Labram | St James Senior Girls' School, Earsby Street, London, W14 8SH (Retired 31 August 2023) |
| Mrs H Wyatt  | St James Preparatory School, Earsby Street, London W14 8SH                             |

**Chief Operating Officer & Company Secretary:** Mr W Wyatt

#### ***Auditor***

Haysmacintyre LLP  
10 Queen St. Place  
LONDON  
EC4R 1AG

#### ***Solicitors***

Veale Wasbrough Vizards  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS

#### ***Principal Bankers***

Lloyds Bank plc  
67 Old Brompton Road  
London SW7 3JX

#### ***Investment Advisers***

J. M. Finn & Co.  
4 Coleman Street  
London EC2R 5TA

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2023**

The Board of Trustees present their annual report for the year ended 31 August 2023.

### **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

#### **Charitable Objects**

The objects for which the Association is established (as set out in its Articles of Association) are to promote the advancement of education of children and young persons and in connection therewith to establish and conduct in any part of the world a school or schools to give instruction in all branches of education including the preparation of pupils to sit for public examinations whether academic, professional or otherwise.

#### **Aims and Intended Impact**

Within these Objects, the Association started the St James Independent Schools in January 1975 with the aim of providing a first-class independent education, through strong academic tuition, awareness of spiritual values and developing wider sporting, artistic and social skills in all pupils. This is intended to provide an environment where each pupil can begin to realise his or her own potential, thus helping to build self-confidence and self-esteem in preparation for a happy and fulfilling life contributing to the good of the wider community.

#### **Objectives for the Year**

The focus has been on the continued achievement and enhancement of academic standards throughout the schools while endeavouring to meet the individual requirements of the minority with special educational needs. Striking the right balance between these two objectives should ensure that all pupils have the opportunity of working to achieve their full potential.

#### **Strategies to Achieve the Year's Objectives**

The local boards of governors are undertaking a complete review of the overall strategy. These include an on-going review and where necessary updating of the schools' academic syllabuses, an exercise in which the staff are fully involved. Increased attention is also being given to staff training and development. We remain open to opportunities to extend the schools' already great range of non-academic activities by promoting excellence in sports and open-air pursuits as well as developing social skills.

#### **Principal Activities of the Year**

The Association provides education through the St James Schools: from the ages of 4 to 18 at Earsby Street for prep boys and girls and senior girls, and at Ashford for senior boys. The Association acts in an advisory capacity for a number of schools with common ethics and practices worldwide. The Association finished the year with 789 (2022: 835) pupils. From 1 September 2019 the Association expanded the provision of education through the new Nursery facilities at Earsby Street. At the year-end there were 25 pupils in the nursery department (2022:24),

#### **Grant-making Policy**

This year, the value of scholarships, grants and prizes made to pupils out of restricted funds was £76,200 (2022: £76,200). In addition, a further £957,761 (2022: £1,119,564) of bursaries and scholarships were funded from unrestricted reserves. All bursary awards are made on the basis of financial need, and all are means tested. Further fee remissions may be made where the policy is to relieve hardship and the pupil's education and future prospects would be at risk without such support.

### **BUSINESS REVIEW**

The trustees present the consolidated financial results of IEAL incorporating the results of St David's School and its trading subsidiary St David's Enterprises Limited and those of St James Enterprises Limited, incorporated on 16 January 2018, as a trading subsidiary of the Association which began trading in September 2019.

This has been another rewarding year for the charities and the group. The trustees, the majority of whom are common to both charities, are pleased with the group's development and progress. The reputation of each of the St James schools continues to thrive due to the excellent all-round education and pastoral care offered and because of the hard work and dedication of all staff.

During the year we have still maintained good academic achievements. Despite the decrease in average pupil numbers reported above, the nursery expanded, and St James is seeking to consolidate and grow its overall pupil numbers in future years. The building of a new sports hall at the Senior Boys School, which opened in July 2021, should assist future recruitment of pupils and, as noted above, we launched a new nursery at the Olympia site in September 2019 to act as a feeder for the prep school as well as providing an additional income stream to improve the school's financial position.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2023**

### **BUSINESS REVIEW (Continued)**

Together with competitive fee rates and sound financial management, we aim to produce an operating surplus year on year.

An ongoing review of debt management procedures continues to produce a significantly improved collection rate of current debt and a reduction in overdue balances. Subsidiary company results contributed a surplus of £41,076 to the overall results compared with £76,683 in the previous year.

In October 2020 the IEAL Pension Scheme transferred to Citrus Pension Plan, a non-for-profit master trust. The aim was to improve the professional management of the scheme and reduce management and administration costs. Contributions necessary to make up for the deficit in the Scheme were £466,000 for the year to 31 August 2023 and are expected to remain at that level to August 2028. The last published full triennial actuarial valuation for the IEAL Pension Scheme was on 31 March 2021. The deficit contributions will remain at the agreed rates.

The group will continue to seek to meet the AGBIS best practice target by generating a 10% cash surplus. This is essential for long term cash flow stability and building reserves to a level that ensures sustainable development of the schools.

### **Developments**

#### **Prep School**

Cooking with celebrity chef, Allegra McEvedy MBE takes place for pupils from Nursery to Year 6. All have at least two sessions per term. These have proven to be very popular with the children and parents. We now have new fully equipped ICT suite and a full programme of ICT lessons taught by a specialist teacher every week to pupils in all year groups. The Nursery pupils can now stay until 6pm and there is a full programme of activities, including circus skill, yoga, drama, music and a special Unicorn Tea. Nursery pupils are now included in whole school assemblies, House Competitions and have weekly 'buddy times' with Year 2. Our prep pupils can join the St James Academy of Performing Arts, and this includes specialist lessons in Tap, Ballet, LAMDA, modern dance and singing. The school has adopted Talk For Writing, and a Maths Mastery Programme. Both initiatives are fully embedded into the curriculum and there has been a tangible improvement in academic standards because of it.

#### **Senior Girls' School**

We launched the St James Performing Arts Academy in September 2022 to enhance and broaden the arts offering at the two Olympia schools. Classes are running in LAMDA, Musical Theatre, ballet and modern dance, after school during the weekdays and on Saturday's Chef Allegra is overseeing the cookery provision in the Senior Girls' School. Cookery is so popular that from September 2022, we expanded the curriculum to include GCSE Food Nutrition and Preparation with two groups in Year 10 in 2022-23 and a further two in Year 11 in 2023-24.

#### **Senior Boys' School**

The school has always been known as an outstanding Rugby School, but since Covid significant efforts have been made to develop Football and Cricket in recent years with proper coaching and a development pathway. There has also been significant improvement with cricket coaching and facilities. A new creative curriculum has been established in our lower school which is affiliated to King Charles Harmony Project. This teaches creativity, Service Before Self and has sustainability at its core using sacred geometry and a philosophy of unity. We have also achieved Bronze, Silver and Gold Eco Awards. The installation of a Climbing Wall in our new Sports Hall has also meant an expansion of climbing activities and real mountain climbing in Wales and the Alps. Finally, the Combined Cadet Force (CCF) goes from strength-to-strength and has been judged an 'outstanding' unit with extremely high standards. Key new appointments in recent years has also seen a renaissance with the Arts with vibrant concerts, plays and art installations bedecking the hall. The Arts Departments have now been harmonised as a proper faculty working together for the benefit of all.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2023**

### **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

#### **Operational Performance of the Schools**

The Senior Girls attained excellent exam results. 100% (2022: 100%) A level passes with 93% (2022: 94%) at A\* to C the GCSE pass rate was 96.8% (2022: 100%) with 58% at 9 to 7 (2022: 100%) and 96.8% (2022: 96.9%) 9 to 4 grades.

The Senior Boys achieved 95% (2022: 96%) A-level passes with 66% (2022: 86%) at A\* to C; The GCSE pass rate was 99.8% (2022:100%) with 92.6% (2022: 99%) at 9 to 4 grades.

The Prep School was pleased with the Year 6 11+ results with the majority of girls going to the Senior Girls' School (16) and 2 boys to the Senior Boys' School.

The 29 Year 6 pupils have had a total of 50 offers including 1 to City, 2 to Latymer Upper, 4 to Kew House School, 1 to JAGs. 2 to NHEHS (Notting Hill and Ealing High School), 1 firm offer and 1 waitlist to Godolphin & Latymer, 1 waitlist to Emmanuel, 6 to Maida Vale School, 3 to Wetherby, 1 waitlist to Francis Holland School.

#### **Fundraising Performance**

The fund-raising and development office works for all three schools. It co-ordinates the activities of:

- 1) Long-term fund-raising;
- 2) Short-term fund-raising for small projects;
- 3) Fund-raising by parents often for a particular school.

Whilst future major developments will require substantial fund-raising initiatives, the latest forecasts indicate that the Association will generate operating surpluses sufficient to fund such developments partly from reserves.

The fund-raising department raised £93,749 (2022: £108,084) from regular activities during the year. The Development office is coordinating the activities of The Friends of St James and the Alumni in addition to fund-raising for Buildings and Bursary Funds. With continued building and facility improvements planned for both the Earsby Street and Ashford sites, fund-raising efforts will be focused on raising substantial sums

### **FINANCIAL REVIEW AND RESULTS FOR YEAR**

The Association's net expenditure for the year was £255,835 (2022: net income £2,562,772). Net income before gains were £807,829 (2022: £1,066,558) a reduction year on year as inflationary pressures grew across the Association's cost base. Net expenditure included the FRS102 pension liability movement for the year in respect of the IEAL Pension Scheme £1,079,000 loss (2022: £1,730,000 gain), the Independent Schools' Pension Scheme deficit £10,444 gain (2022 £15,000 loss) and investment gains of £4,892 (2022: losses £218,786). The Pension Scheme liability is a long-term liability and as such the management are satisfied that they can meet current funding requirements arising in the Scheme.

There was a 1.3% year on year increase in total gross fee income before bursaries and charging for activities and coaches £17,580,032 (2022: £17,344,560).

The Association had net current assets at 31 August 2023 of £1,555,341 (2022: £1,078,580). This includes fee deposit liabilities of £2,892,127 (2022: £2,718,811). These liabilities are disclosed as due within one year as pupils may leave at any time, but with a reasonable stable pupil roll currently, the probability of the liability becoming repayable in the short term is highly unlikely.

At the year-end fee debtors were £350,064 (2022: £203,500). The majority of parents paid on time and for those parents who are struggling, the schools have engaged fully and assisted them by agreeing payment plans, payment holidays or by providing mean-tested hardship funding. Whilst we are likely to see an increase in bad debt this term, this will be within manageable parameters.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2023**

### **Key Performance Indicators**

We have to be aware of staff-pupil ratios and the proportion of fee income spent on salaries and salary-related expenses such as national insurance, pensions funding and training costs.

|                                             | <b>2023</b> | <b>2022</b> |
|---------------------------------------------|-------------|-------------|
| Employment costs compared to fee income     | 62%         | 63%         |
| Pupils (Average number throughout the year) | 794         | 832         |
| Teaching staff (FTE)                        | 99          | 100         |
| Staff-Pupil ratio                           | 1:8.0       | 1:8.3       |

### **PUPIL RETENTION**

The school endeavours to keep its fees as low as possible. It also offers generous bursary assistance, and competitive fees.

### **GOING CONCERN**

The Trustees have sought to minimise the ongoing financial pressures on the charity by prioritising key areas of risk, bad debt, cash flow and pupil retention. This, combined with the continued focus on reducing the cost base of each school support the Board's view that the Association has adequate resources to continue its activities for the foreseeable future and therefore continue as a going concern. In summary, the revised financial budget and forecast for the three years 2023/24, 2024/25 and 2025/26, is cautious and prudent. We have openly visited challenging scenarios and have action plans in place should the need arise. We will be able to operate without selling any part of our extensive property portfolio and will be able to meet all our financial liabilities showing that we remain a going concern.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2023**

### **FUTURE PLANS**

We are pleased with the quality of the young men and women coming out of our schools to play their part in society. We are delighted that so many later wish to educate their own children at a St James school and quite a number have come back to teach in the schools. We wish to grow so that more can share in what we have to offer.

The Board's current plans include the following:

- To achieve an overall pupil/teacher ratio of around 10:1. This should allow pupils to receive the necessary time and attention to make the most of their educational opportunity. At the same time, the ratio should give teachers the time and scope for preparation, marking and ancillary duties.
- To increase the school roll especially by optimising the intake at Reception at the Prep School, retaining pupils in the Sixth Form and utilising the space capacity at the Senior Boys to continue offering three-form entry at Year 7 and four-form entry at Year 9.
- The steady expansion of the prep and senior schools to their optimum sizes will require careful planning and ingenuity to make the maximum use of our existing available space. The first phase of development of the Senior Boys School, as outlined in this report, is now complete. The Trustee Directors have considered the requirements of the Prep School and the Senior Girls' School based at the Earsby Street site, and the acquisition of the adjoining youth centre site and other nearby properties has allowed space to be assigned to accommodate growth.

### **RISK MANAGEMENT**

The Board of Trustees is responsible for identifying the key risks faced by the School and for ensuring these risks are managed. Each term the Board of Trustees identify and assess risks and implement controls to mitigate against these. The major risks include; impact of political regime change on independent schools. This is largely out of the school's control. However, associations such as ISC, AGBIS, ISIS, ISA, ISBA, will seek to support the sector. There are constant changes in legislation which affect schools. These are managed through routine monitoring of the legislative environment by SMT. Increased competition from other schools remains a risk. The school fees remain competitive. The trustees and governors continue to review the situation.

Risks are managed and monitored by the risk register which are grouped into the following categories:

- Mission and objectives
- Law and regulation
- Governance and management
- External factors
- Operational
- Human resources
- Environmental
- Technological
- Academic
- Financial

The key controls implemented by the School are as follows:

- Formal agendas for all Committee and Board activity;
- Annual budgeting and termly management accounting;
- Formal written Financial Regulations and Financial Procedures;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear financial authorisation and approval levels; and
- Vetting procedures required by law for the protection of the vulnerable.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2023**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Structure and Governing Document**

The Association, as well as being a registered charity, is a company limited by guarantee. In the event of liquidation, the guarantors who are the members and governors of the company will be liable to contribute £1 each as set out in the governing document of the Association which is its Articles of Association adopted by the members of the Association on 27 November 2014. This guarantee totals £10.

#### **Governing Bodies**

The structure of the Charity consists of a governing body of Trustees for the St James Schools. To better support the schools, the Trustees are assisted by two Boards of Governors (one for each site) and the Heads and the Chief Operating Officer.

#### **Trustees**

Details of Trustees are given on page 1. The Trustees are also the Company Directors.

The founder of the Association directed the Trustees to raise funds for launching schools, endowing them and otherwise providing for them. Individual schools should have their own managers appointed by the Trustees who are free to manage the schools subject only to their conforming to the aims of the Association and to any financial control necessary to preserve its funds. The Trustees delegate the administration and co-ordination of financial and operational matters of the Schools to the Chief Operating Officer.

#### **Recruitment and Training of Governors**

New Governors and Trustees are invited to serve by the trustees. New Governors are inducted into the workings of the Charity and its schools, including any Board Policy and Procedures. All Governors receive New Governors Training provided by Chief Operating Officer and regular Safeguarding training.

#### **Organisational Management**

The Trustees of the Charity, are legally responsible for the overall management and control of the St James Schools and associated activities including overall financial and operational control of the schools and meet at least once a term plus an annual "Away Day". Development and educational performance of the schools are delegated to the Board of Governors, Olympia and Board of Governors, Ashford. The principal committees are the Safeguarding Committee, Education Committee and the Health & Safety Committee which meet each term.

The day-to-day running of the schools is delegated to the Chief Operating Officer and the respective Head Teachers (supported by their Senior Management Teams).

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the Association remains sensitive to the broader issues of pay and employment conditions elsewhere.

Delivery of the Association's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

#### **Relationships**

The Association actively supports the attainment of the highest standards in the Independent Schools sector, partly through senior staff participating in the inspection of schools, and through promoting links and networking with other schools by attendance at Seminars and events. We also endeavour to widen public access to the schooling we can provide, the facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2023 (continued)**

### **Reserves Policy**

Our policy is to accumulate sufficient reserves to acquire and maintain high quality premises for all our schools with scope for further development. Major property moves and developments have necessarily depleted our reserves. Our policy is to rebuild them by further improving our cost controls and generating the operating surpluses outlined above. At 31 August 2023 the Association had consolidated reserves of £27,936,434 (2022: £28,192,269) of which £2,128,833 (2022: £2,104,541) represents restricted funds and £26,947,870 (2022: £26,582,340) represents unrestricted funds. There are no Free Reserves which are comprised of undesignated and unrestricted funds net of fixed assets (2022 £Nil). As shown in Note 11 the ISPS Pension deficit reserve and the IEAL Pension reserve have been shown separately within unrestricted funds. There are no other designated funds as at 31 August 2023. Accounting for the Defined Benefit Pension liability in accordance with FRS102 has resulted in a negative Pension Reserve of £964,000 (2022: £294,000).

As a result of the Trustees having taken advice from the scheme actuary in respect of the funding of the negative Pension Reserve shown in the Balance Sheet the annual deficit contribution payment for the year ended 31 August 2023 was £466,000 (2022: £400,000). The ISPS pension reserve accounted for under FRS102 has resulted in a negative reserve of £176,269 (2022: £200,612). Under the current funding schedule, the annual deficit contribution payment for 2020 was agreed at approximately £22k, thereafter rising at 3% per annum until 2030. The amounts of restrictive and unrestrictive funds that can only be realised by the disposing of tangible fixed assets or programme related investments are shown in Note 12 Analysis of Net Assets between Funds.

### **Investment Powers & Policy**

As its objective the Board aims to maximise the total investment return. The Association is not restricted as to its investment policy. The Trustees have instructed the Association's Investment Advisors to invest in medium risk securities having regard to the differing requirements of the respective restricted or designated fund involved. The Board considers the performance of the investments in the year to be satisfactory.

### **PUBLIC BENEFIT**

In setting the School's objectives and planning its activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The Governors believe that the principal public benefit provided is in setting up and operating schools with the object of producing well rounded pupils with a comprehensive education aimed at developing the young men and women in our care physically, mentally, and spiritually, leaving them capable of entering fully and usefully into wider society. As a relatively recent foundation, the Association has not yet accumulated reserves sufficient to make significant numbers of free places available, as much of the funds given to it have been required to obtain and equip suitable buildings. During 2023 we continued to utilise the General Fund to support bursaries.

Bursary and other funding, Numbers assisted are 57 (2022: 67) at a total cost of £839,850 (2022: £1,217,888). Reasons for awards have included insufficient funds due to divorce, sudden loss of income, ill health, parent fatalities. All bursaries are means tested.

The Association has assisted in the foundation and development of a number of overseas schools, forming a world-wide family of schools, based on the same essential educational approach, offering guidance and teaching placements.

The senior schools have an active community service programme in which the pupils engage with the local community including state schools. At the very heart of the St James approach is the spirit of unity which naturally encourages the pupils to have regard to the needs of others, which necessarily includes those in less fortunate circumstances.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2023 (continued)**

In 2011 the Association launched Sanskrit @ St James, an initiative supported by the Indian High Commissioner to promote, sustain and develop the teaching of Sanskrit in schools throughout the world. A separate restricted fund was set up with the benefit of a legacy received during 2011 and we have continued to receive support from subscribers throughout the year to fund specific Sanskrit activities.

### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also directors of The Independent Educational Association Limited for the purposes of company law) are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

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

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

### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **AUDITOR**

Haysmacintyre LLP was re- appointed as auditor to audit the financial statements for the year ended 31 August 2023.

This report, including the Strategic report, was approved by the Board of Governors of the Independent Educational Association Limited on 30 May 2024 and signed on its behalf by,



Jeremy Sinclair  
Chairman

# **The Independent Educational Association Limited**

## **Independent auditor's report to the members of Independent Educational Association Limited**

### **Opinion**

We have audited the financial statements of Independent Educational Association Limited for the year ended 31 August 2023 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 affairs as at 31 August 2023 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report of the Trustees. 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.

# **The Independent Educational Association Limited**

## **Independent auditor's report to the members of Independent Educational Association Limited (continued)**

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

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

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

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

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

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

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

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group 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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements related to The Education (Independent Schools Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, Statement of Recommended Practice (SORP 2019) and payroll taxes.

## **The Independent Educational Association Limited**

### **Independent auditor's report to the members of Independent Educational Association Limited (continued)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in making accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing minutes of Trustee and Governor meetings during the year;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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



Tracey Young (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place  
London  
EC4R 1AG

Date: 30 May 2024

**The Independent Educational Association Limited**  
**Consolidated Statement of Financial Activities**  
**(Including Income and Expenditure Account)**  
**For the year ended 31 August 2023**

|                                                            | Note | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2023<br>£ | Total Funds<br>2022<br>£ |
|------------------------------------------------------------|------|----------------------------|--------------------------|--------------------------|--------------------------|
| <b>Income from:</b>                                        |      |                            |                          |                          |                          |
| <b>Charitable activities</b>                               |      |                            |                          |                          |                          |
| School fees                                                | 2    | 16,107,495                 | -                        | 16,107,495               | 16,063,699               |
| Other income                                               | 3    | 1,030,909                  | -                        | 1,030,909                | 822,795                  |
| <b>Other trading activities</b>                            |      |                            |                          |                          |                          |
| Trading income                                             | 3    | 135,047                    | -                        | 135,047                  | 138,127                  |
| Other activities                                           | 3    | 66,814                     | -                        | 66,814                   | 12,315                   |
| <b>Investments</b>                                         |      |                            |                          |                          |                          |
| Investment income                                          | 3    | 55,116                     | 40,207                   | 95,323                   | 35,666                   |
| <b>Voluntary sources</b>                                   |      |                            |                          |                          |                          |
| Donations and legacies                                     | 3    | 386,580                    | 76,200                   | 462,780                  | 173,639                  |
| <b>Other income</b>                                        |      |                            |                          |                          |                          |
| Sundry income                                              | 3    | 2,344                      | -                        | 2,344                    | 59,613                   |
| <b>Total income</b>                                        |      | <u>17,784,305</u>          | <u>116,407</u>           | <u>17,900,712</u>        | <u>17,305,854</u>        |
| <b>Expenditure on:</b>                                     |      |                            |                          |                          |                          |
| <b>Raising funds</b>                                       |      |                            |                          |                          |                          |
| Fundraising costs                                          | 4    | 46,521                     | -                        | 46,521                   | 22,061                   |
| Investment management                                      | 4    | -                          | 20,807                   | 20,807                   | 22,124                   |
| Trading & lettings costs                                   | 4    | 40,238                     | -                        | 40,238                   | 15,246                   |
|                                                            |      | <u>86,759</u>              | <u>20,807</u>            | <u>107,566</u>           | <u>59,431</u>            |
| <b>Charitable activities</b>                               |      |                            |                          |                          |                          |
| Schools and Grant making                                   | 4    | 16,909,117                 | 76,200                   | 16,985,317               | 16,179,865               |
| <b>Total expenditure</b>                                   |      | <u>16,995,876</u>          | <u>97,007</u>            | <u>17,092,883</u>        | <u>16,239,296</u>        |
| <b>Net income before transfers and investment gains</b>    |      | 788,429                    | 19,400                   | 807,829                  | 1,066,558                |
| Gains/(Losses) on investments                              | 7    | -                          | 4,892                    | 4,892                    | (218,786)                |
| Transfers between funds                                    | 11   | -                          | -                        | -                        | -                        |
| <b>Net income before other recognised gains and losses</b> |      | 788,429                    | 24,292                   | 812,721                  | 847,772                  |
| Actuarial gain/(loss) – IEAL                               | 13   | (1,079,000)                | -                        | (1,079,000)              | 1,730,000                |
| Actuarial (loss)/gain – ISPS                               | 13   | 10,444                     | -                        | 10,444                   | (15,000)                 |
| <b>Net movement in funds</b>                               |      | <u>(280,127)</u>           | <u>24,292</u>            | <u>(255,835)</u>         | <u>2,562,772</u>         |
| Fund balances brought forward                              |      | <u>26,087,728</u>          | <u>2,104,541</u>         | <u>28,192,269</u>        | <u>25,629,497</u>        |
| <b>Fund balances carried forward</b>                       | 12   | <u>25,807,601</u>          | <u>2,128,833</u>         | <u>27,936,434</u>        | <u>28,192,269</u>        |

All amounts derive from continuing activities

All gains or losses recognised in the year are included in the Statement of Financial Activities

The notes on pages 18 to 40 form part of these financial statements

# The Independent Educational Association Limited

## Consolidated Balance Sheet as at 31 August 2023

|                                                       | Note  | 2023               | 2023              | 2022               | 2022              |
|-------------------------------------------------------|-------|--------------------|-------------------|--------------------|-------------------|
|                                                       |       | £                  | £                 | £                  | £                 |
| <b>Fixed Assets</b>                                   |       |                    |                   |                    |                   |
| <i>Tangible Assets</i>                                |       |                    |                   |                    |                   |
| Freehold property                                     | 6     | 26,367,798         |                   | 26,747,661         |                   |
| Motor vehicles                                        | 6     | 8,790              |                   | 11,720             |                   |
| Laboratories and equipment                            | 6     | 1,118,757          |                   | 1,085,494          |                   |
|                                                       |       | <u>27,495,345</u>  |                   | <u>27,844,875</u>  |                   |
| Investments                                           | 7     | <u>2,004,265</u>   |                   | <u>1,976,549</u>   |                   |
|                                                       |       |                    | 29,499,610        |                    | 29,821,424        |
| <b>Current Assets</b>                                 |       |                    |                   |                    |                   |
| Stocks                                                | 8     | 1,241              |                   | 1,319              |                   |
| Debtors                                               | 9     | 841,504            |                   | 432,955            |                   |
| Cash at bank and in hand                              |       | <u>6,425,934</u>   |                   | <u>6,067,896</u>   |                   |
|                                                       |       | 7,268,679          |                   | 6,502,170          |                   |
| <b>Creditors: Amounts falling due within one year</b> | 10(a) | <u>(5,713,338)</u> |                   | <u>(5,423,590)</u> |                   |
| <b>Net Current Assets</b>                             |       |                    | <u>1,555,341</u>  |                    | <u>1,078,580</u>  |
| <b>Total Assets less Current Liabilities</b>          |       |                    | 31,054,951        |                    | 30,900,004        |
| <b>Long-term liabilities</b>                          |       |                    |                   |                    |                   |
| Creditors payable after one year                      | 10(b) |                    | (1,978,248)       |                    | (2,213,123)       |
| ISPS Pension deficit liability                        | 13    |                    | (176,269)         |                    | (200,612)         |
| IEAL Defined Benefit Pension liability                | 13    |                    | (964,000)         |                    | (294,000)         |
|                                                       |       |                    | <u></u>           |                    | <u></u>           |
| <b>Net Assets</b>                                     |       |                    | <u>27,936,434</u> |                    | <u>28,192,269</u> |
| <b>The Funds of the Group:</b>                        |       |                    |                   |                    |                   |
| <b>Permanent Endowment</b>                            | 11    |                    | 400               |                    | 400               |
| <b>Restricted funds</b>                               | 11    |                    | 2,128,433         |                    | 2,104,141         |
| <b>Unrestricted funds</b>                             |       |                    |                   |                    |                   |
| General reserve                                       | 11    | 26,947,870         |                   | 26,582,340         |                   |
| ISPS Pension deficit reserve                          | 11    | (176,269)          |                   | (200,612)          |                   |
| IEAL Pension reserve                                  | 11    | <u>(964,000)</u>   |                   | <u>(294,000)</u>   |                   |
| <b>Total unrestricted funds</b>                       |       |                    | <u>25,807,601</u> |                    | <u>26,087,728</u> |
| <b>Total group funds</b>                              | 12    |                    | <u>27,936,434</u> |                    | <u>28,192,269</u> |

Approved by the Board and signed on its behalf on 30 May 2024

*Jeremy Sinclair*

Jeremy Sinclair  
Chairman

Registered Company Number: 01222329  
The notes on pages 18 to 40 form part of these financial statements

# The Independent Educational Association Limited

## Company Balance Sheet as at 31 August 2023

|                                                       | Note  | 2023               | 2023              | 2022               | 2022              |
|-------------------------------------------------------|-------|--------------------|-------------------|--------------------|-------------------|
|                                                       |       | £                  | £                 | £                  | £                 |
| <b>Fixed Assets</b>                                   |       |                    |                   |                    |                   |
| <i>Tangible Assets</i>                                |       |                    |                   |                    |                   |
| Freehold property                                     | 6     | 27,407,676         |                   | 27,787,539         |                   |
| Motor vehicles                                        | 6     | 8,790              |                   | 11,720             |                   |
| Laboratories and equipment                            | 6     | 1,114,181          |                   | 1,080,918          |                   |
|                                                       |       | <u>28,530,647</u>  |                   | <u>28,880,177</u>  |                   |
| Investments                                           | 7     | <u>2,004,266</u>   |                   | <u>1,976,550</u>   |                   |
|                                                       |       |                    | 30,534,913        |                    | 30,856,727        |
| <b>Current Assets</b>                                 |       |                    |                   |                    |                   |
| Stocks                                                | 8     | -                  |                   | -                  |                   |
| Debtors                                               | 9     | 1,020,119          |                   | 510,924            |                   |
| Cash at bank and in hand                              |       | <u>6,087,401</u>   |                   | <u>5,785,728</u>   |                   |
|                                                       |       | 7,107,520          |                   | 6,296,652          |                   |
| <b>Creditors: Amounts falling due within one year</b> | 10(a) | <u>(5,729,376)</u> |                   | <u>(5,442,120)</u> |                   |
| <b>Net Current Assets</b>                             |       |                    | <u>1,378,144</u>  |                    | <u>854,532</u>    |
| <b>Total Assets less Current Liabilities</b>          |       |                    | 31,913,057        |                    | 31,711,259        |
| <b>Long-term liabilities</b>                          |       |                    |                   |                    |                   |
| Creditors payable after one year                      | 10(b) |                    | (1,978,248)       |                    | (2,213,123)       |
| ISPS Pension deficit liability                        | 13    |                    | (176,269)         |                    | (200,612)         |
| IEAL Defined Benefit Pension liability                | 13    |                    | (964,000)         |                    | (294,000)         |
|                                                       |       |                    | <u></u>           |                    | <u></u>           |
| <b>Net Assets</b>                                     |       |                    | <u>28,794,540</u> |                    | <u>29,003,524</u> |
| <b>The Funds of the Charity:</b>                      |       |                    |                   |                    |                   |
| <b>Restricted funds</b>                               | 11    |                    | 2,128,433         |                    | 2,104,141         |
| <b>Unrestricted funds</b>                             |       |                    |                   |                    |                   |
| General reserve                                       | 11    | 27,806,376         |                   | 27,393,995         |                   |
| ISPS Pension deficit reserve                          | 11    | (176,269)          |                   | (200,612)          |                   |
| IEAL Pension reserve                                  | 11    | <u>(964,000)</u>   |                   | <u>(294,000)</u>   |                   |
| <b>Total unrestricted funds</b>                       |       |                    | <u>26,666,107</u> |                    | <u>26,899,383</u> |
| <b>Total charity funds</b>                            | 12    |                    | <u>28,794,540</u> |                    | <u>29,003,524</u> |

The deficit for the financial year dealt with in the financial statements of the parent company was £208,984 (2022: surplus £2,521,822).

Approved by the Board and signed on its behalf on 30 May 2024

*Jeremy Sinclair*

Jeremy Sinclair  
Chairman

Registered Company Number: 01222329

The notes on pages 18 to 40 form part of these financial statements

**The Independent Educational Association Limited**

**Consolidated Statement of Cash Flow  
For the year ended 31 August 2023**

|                                                                              | 2023<br>£ | 2023<br>£        | 2022<br>£ | 2022<br>£        |
|------------------------------------------------------------------------------|-----------|------------------|-----------|------------------|
| <b>Cash flows from Operating Activities (Note 1)</b>                         |           |                  |           |                  |
| Net cash provided by operating activities                                    |           | 1,231,461        |           | 1,848,259        |
| <b>Cash flows from investing activities:</b>                                 |           |                  |           |                  |
| Interest received                                                            | 55,116    |                  | 1,013     |                  |
| Dividends received                                                           | 40,207    |                  | 34,653    |                  |
| Payments to acquire fixed assets                                             | (356,819) |                  | (223,593) |                  |
| Payments to acquire investments                                              | (253,493) |                  | (183,673) |                  |
| Receipts from sales of investments                                           | 230,669   |                  | 173,266   |                  |
|                                                                              | <hr/>     |                  | <hr/>     |                  |
| <b>Net cash used in investing activities</b>                                 |           | (284,320)        |           | (198,334)        |
| <b>Cash flows from financing activities:</b>                                 |           |                  |           |                  |
| Loan received                                                                | -         |                  | -         |                  |
| Loan interest paid                                                           | (157,315) |                  | (91,538)  |                  |
| Loans repaid                                                                 | (431,788) |                  | (235,848) |                  |
|                                                                              | <hr/>     |                  | <hr/>     |                  |
| <b>Net cash (used in) /provided by financing activities</b>                  |           | (589,103)        |           | (327,386)        |
| Change in cash and cash equivalents in the reporting period                  |           | 358,038          |           | 1,322,539        |
| Cash and cash equivalents at the beginning of the period                     |           | 6,067,896        |           | 4,745,357        |
|                                                                              |           | <hr/>            |           | <hr/>            |
| <b>Cash and cash equivalents at the end of the reporting period (Note 2)</b> |           | <u>6,425,934</u> |           | <u>6,067,896</u> |

# The Independent Educational Association Limited

## Notes to the Consolidated Statement of Cash Flow For the year ended 31 August 2023

| <b>1 Reconciliation of net income to net cash flow from operating activities</b>          | <b>2023</b>      | <b>2022</b>      |
|-------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                           | <b>£</b>         | <b>£</b>         |
| Net income for the reporting period                                                       | 807,829          | 1,066,558        |
| Adjustments for:                                                                          |                  |                  |
| Depreciation charges                                                                      | 706,349          | 696,145          |
| Pension contributions less current service and interest costs and other charges/(credits) | (422,899)        | (370,388)        |
| Decrease in stocks                                                                        | 78               | (72)             |
| Decrease in debtors                                                                       | (408,549)        | 36,142           |
| Increase in creditors                                                                     | 486,661          | 364,002          |
| Interest received                                                                         | (55,116)         | (1,013)          |
| Dividends received                                                                        | (40,207)         | (34,653)         |
| Loan interest paid                                                                        | 157,315          | 91,538           |
| <b>Net cash provided by operating activities</b>                                          | <b>1,231,461</b> | <b>1,848,259</b> |

| <b>2 Analysis of Cash and Cash Equivalents</b> | <b>2023</b>      | <b>2022</b>      |
|------------------------------------------------|------------------|------------------|
|                                                | <b>£</b>         | <b>£</b>         |
| Cash at bank and in hand                       | <b>6,425,934</b> | <b>6,067,896</b> |

| <b>3 Analysis of changes in net debt</b> | At 1<br>September<br>2022 | Cashflows      | Other     | At 31<br>August<br>2023 |
|------------------------------------------|---------------------------|----------------|-----------|-------------------------|
|                                          | £                         | £              | £         | £                       |
| Cash and cash equivalents                | 6,067,896                 | 358,038        | -         | 6,425,934               |
| Borrowings:                              |                           |                |           |                         |
| Debts due within one year                | (480,000)                 | 431,788        | (234,875) | (283,087)               |
| Debts due after one year                 | (2,213,123)               | -              | 234,875   | (1,978,248)             |
|                                          | <b>3,374,773</b>          | <b>789,826</b> | <b>-</b>  | <b>4,164,599</b>        |

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2023**

### **1. Accounting Policies**

#### **Company information**

The Independent Educational Association Limited ("the Association") was incorporated on the 8<sup>th</sup> August 1975 as a company limited by guarantee and not having a share capital, with registration number 1222329 and is considered a public benefit entity. On 8<sup>th</sup> December 1975 it was also registered as a charity under the Charities Act 1960 with the charity number 270156. The Charity's principal address and registered office is at Earsby Street, London, W14 8SH. The Association has prepared consolidated financial statements to include the activities of The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St. David's School (St. David's) and its trading subsidiary St David's Enterprises Limited on the basis that the Association and St. David's are being managed on a unified basis with common trustees. The consolidated financial statements also include the Association's subsidiary, St James Enterprises Limited.

#### **Basis of preparation and assessment of going concern**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2019 – (Charities SORP (FRS102)) Second Edition.

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

The financial statements are drawn up on the historical cost basis of accounting, as modified by the inclusion of fixed asset investments at market value.

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

Having reviewed the funding facilities available to the Association together with the expected ongoing demand for places and the Association's future projected cash flows, the Trustees have a reasonable expectation that the Association has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Association's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 9.

#### **Basis of Consolidation**

The financial statements present the consolidated statement of financial activities (SOFA), the consolidated statement of cash flow and the consolidated and Charity balance sheets comprising the consolidation of the Independent Educational Association Limited ("the school"), and its subsidiaries St David's School ("St David's"), St David's School Enterprises Limited and St James Enterprises Limited. No separate SOFA has been presented for the School alone, as permitted by s408 of the Companies Act 2006. The results of the Charity are disclosed on the Company Balance sheet.

#### **Critical accounting judgements and key sources of estimation uncertainty**

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

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

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2023**

### **1. Accounting Policies (continued)**

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year other than those noted below:

The pension scheme liabilities shown on the balance sheet are based on the annual FRS102 actuarial update at 31 August 2023 in which the actuary used a variety of assumptions concerning the future pension scheme assets and liabilities. The assumptions used in determining the net cost /(income) for pensions include the discount rate.

Any changes in these assumptions, which are disclosed in Note 13, will impact the carrying amount of the pension liability. An actuarial valuation has been carried out as at 31 March 2021 and a roll forward approach has been used by the actuary to value the pensions liability at 31 August 2023.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

#### **Fee income**

Fees receivable less any allowances, scholarships, bursaries and other grants made by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

#### **Other income**

Income is accounted for in the year to which it relates. Rental income for operating leases on non-investment property is recognised as income on a straight-line basis over the lease term.

#### **Investment income**

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accrual's basis.

#### **Donations, grants and other income**

Voluntary income resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not.

#### **Legacy income**

Pecuniary legacies are recognised when there is entitlement, which is deemed to be when probate has been granted, the legacy can be measured reliably, and there is probability of receipt. For residual legacies, entitlement is deemed to be the earlier of settled estate accounts and notification of a pending payment or actual payment being received.

#### **Expenditure**

Expenditure is accrued as soon as a liability is considered probable. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year by reference to site or the ratio of pupils in the individual schools. The irrecoverable element of VAT is included with the item of expense to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, also external audit, legal advice for the Association's Trustees, and all costs of complying with constitutional and statutory requirements.

Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2023**

### **1. Accounting Policies (continued)**

#### **Tangible Fixed Assets**

Items of equipment and furniture and fittings are capitalised if over £2,500 in cost and carried in the balance sheet at historic cost. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

#### **Depreciation**

Depreciation is provided to write off the cost of all tangible fixed assets, other than freehold land, less estimated residual value based on current market prices, in equal annual instalments over their expected useful lives as follows:

|                                                      |                           |
|------------------------------------------------------|---------------------------|
| Freehold buildings and major improvements            | 1% - 2% on cost           |
| Computers                                            | 33 1/3% on cost           |
| Plant                                                | 10% on cost               |
| IT infrastructure                                    | 20% on cost               |
| Motor vehicles                                       | 25% on written down value |
| Schools – other equipment and furniture and fittings | 20% on written down value |
| Laboratories                                         | 10% on written down value |

#### **Investments**

The Association's listed investments are valued at market value at the balance sheet date. Gains and losses arising on the sale or revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

#### **Stock**

Stock represents goods for resale and is valued at the lower of the cost and net realisable value.

#### **Fund Accounting**

The charitable trust funds of the Association and its subsidiaries are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further sub-divided into permanent and expendable.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)**

### **1. Accounting Policies (continued)**

#### **Restricted Funds**

Restricted funds are funds which have been raised for, and their use restricted to, a specific purpose, or donations or legacies subject to donor-imposed conditions against which relevant expenditure is charged. There is no capital retention obligation or power but only a trust law restriction.

#### **Unrestricted Funds**

Unrestricted funds consist of those funds which the Association may use in furtherance of its charitable objectives at the discretion of the Trustees. Where the Trustees decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by the transfer to the appropriate designated fund.

#### **Permanent endowment**

Permanent endowment arises where a donor intends the gift to be retained permanently for use by the Association.

#### **Taxation**

The Association is a registered charity and, therefore, is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

#### **Pension Costs**

Retirement benefits to employees of the Association are provided through a number of different schemes, two defined benefit schemes and a number of defined contribution schemes.

##### **IEAL Pension Scheme**

This is an occupational defined benefit scheme where the pension liabilities and assets are recorded in line with FRS 102 with a valuation undertaken by an independent actuary. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The net interest on the defined net liability and the administration costs of the scheme are charged within support costs. Remeasurement effects, comprising actuarial gains and losses and the return on plan assets greater than the discount rate are recognised within other gains and losses.

##### **The Independent Schools Pension Scheme ("ISPS" Scheme)**

This scheme is a multi-employer pension scheme. It is not possible to identify the Association's share of the underlying assets and liabilities of the ISPS scheme on a consistent and reasonable basis and therefore, as required by FRS102, the Association accounts for the scheme as if it were a defined contribution scheme. The Association's contributions, which are in accordance with the recommendations of the actuary, are charged in the period in which the salaries to which they relate are payable. Where a deficit funding arrangement has been agreed by the Trustees of the Scheme, FRS102 requires a liability to be established based on the net present value of those funding obligations at the balance sheet date.

##### **Defined contribution schemes**

Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

Further details of the pension schemes can be found in note 13.

#### **Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value, where fair value is measured by the quoted market price in an active market. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, provisions and accruals and deferred income. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)

### 2. Charitable Activities - School Fees

|                                                                   | 2023<br>£         | 2022<br>£         |
|-------------------------------------------------------------------|-------------------|-------------------|
| <b>School fees receivable consist of:</b>                         |                   |                   |
| Gross fees                                                        | 17,580,032        | 17,344,560        |
| Less: Total bursaries, scholarships and allowances                | (1,548,737)       | (1,357,061)       |
| Add back: Bursaries and other awards paid for by restricted funds | 76,200            | 76,200            |
|                                                                   | <u>16,107,495</u> | <u>16,063,699</u> |

All amounts received were in respect of general funds

### 3. Other Income

|                                             | 2023<br>£        | 2022<br>£      |
|---------------------------------------------|------------------|----------------|
| <b>Other income consist of:</b>             |                  |                |
| <b>Charitable activities – other income</b> |                  |                |
| Entrance and registration fees              | 55,820           | 64,873         |
| Activities and coach income                 | 883,209          | 687,968        |
| Letting income of non-investment properties | 91,880           | 69,954         |
|                                             | <u>1,030,909</u> | <u>822,795</u> |

All amounts received were in respect of general funds

#### Other trading activities

##### Trading income

|                              |         |         |
|------------------------------|---------|---------|
| St James Enterprises Limited | 135,047 | 138,127 |
|------------------------------|---------|---------|

##### Other activities

|                    |        |        |
|--------------------|--------|--------|
| Fundraising income | 66,814 | 12,315 |
|--------------------|--------|--------|

|  |                |                |
|--|----------------|----------------|
|  | <u>201,861</u> | <u>150,442</u> |
|--|----------------|----------------|

All amounts received were in respect of general funds

#### Investment income

|                                              |        |        |
|----------------------------------------------|--------|--------|
| Dividend income                              | 40,207 | 34,653 |
| Bank deposit and short-term deposit interest | 55,116 | 1,013  |

Amounts received in respect of restricted funds were £40,207 (2022: £34,653) and general funds £55,116 (2022: £1,013).

|  |               |               |
|--|---------------|---------------|
|  | <u>95,323</u> | <u>35,666</u> |
|--|---------------|---------------|

#### Donations & legacies

|                   |         |        |
|-------------------|---------|--------|
| General donations | 26,935  | 95,769 |
| Bursary donations | 76,320  | 77,870 |
| Legacies          | 359,525 | -      |

Amounts received in respect of restricted funds were £76,200 (2022: £76,200) and general funds £40,207 (2022: £97,439).

|  |                |                |
|--|----------------|----------------|
|  | <u>462,780</u> | <u>173,639</u> |
|--|----------------|----------------|

#### Other income

|               |       |        |
|---------------|-------|--------|
| Sundry income | 2,344 | 59,613 |
|---------------|-------|--------|

All amounts received in respect of restricted funds were £nil (2022: £nil) and general funds £2,344 (2022: £59,613)

|  |              |               |
|--|--------------|---------------|
|  | <u>2,344</u> | <u>59,613</u> |
|--|--------------|---------------|

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)

### 4. Analysis of expenditure

#### (a) Total expenditure

|                                      | Staff costs        | Other costs        | Depreciation        | Total 2023        |
|--------------------------------------|--------------------|--------------------|---------------------|-------------------|
|                                      | £                  | £                  | £                   | £                 |
| <b>Expenditure on raising funds:</b> |                    |                    |                     |                   |
| Fundraising                          | -                  | 46,521             | -                   | 46,521            |
| Investment management                | -                  | 20,807             | -                   | 20,807            |
| Trading and lettings costs           | -                  | 40,238             | -                   | 40,238            |
|                                      | -                  | 107,566            | -                   | 107,566           |
| <b>Charitable activities</b>         |                    |                    |                     |                   |
| Teaching                             | 7,428,820          | 1,330,492          | -                   | 8,759,312         |
| Welfare                              | 591,076            | 1,081,087          | -                   | 1,672,163         |
| Premises                             | 425,793            | 1,873,750          | -                   | 2,299,543         |
| Support and governance               | 2,188,938          | 1,281,848          | 706,349             | 4,177,135         |
| School's operating costs             | 10,634,627         | 5,567,177          | 706,349             | 16,908,153        |
| Grants, awards and prizes            | -                  | 77,164             | -                   | 77,164            |
|                                      | 10,634,627         | 5,644,341          | 706,349             | 16,985,317        |
| <b>Total expenditure</b>             | 10,634,627         | 5,751,907          | 706,349             | 17,092,883        |
| <b>PRIOR YEAR</b>                    | <b>Staff costs</b> | <b>Other costs</b> | <b>Depreciation</b> | <b>Total 2022</b> |
|                                      | £                  | £                  | £                   | £                 |
| <b>Expenditure on raising funds:</b> |                    |                    |                     |                   |
| Fundraising                          | -                  | 22,061             | -                   | 22,061            |
| Investment management                | -                  | 22,124             | -                   | 22,124            |
| Trading and lettings costs           | -                  | 15,246             | -                   | 15,246            |
|                                      | -                  | 59,431             | -                   | 59,431            |
| <b>Charitable activities</b>         |                    |                    |                     |                   |
| Teaching                             | 7,079,105          | 1,158,431          | -                   | 8,237,536         |
| Welfare                              | 568,491            | 947,552            | -                   | 1,516,043         |
| Premises                             | 391,121            | 1,607,615          | -                   | 1,998,736         |
| Support and governance               | 2,103,686          | 1,550,828          | 696,145             | 4,350,659         |
| School's operating costs             | 10,142,403         | 5,264,426          | 696,145             | 16,102,974        |
| Grants, awards and prizes            | -                  | 76,891             | -                   | 76,891            |
|                                      | 10,142,403         | 5,341,317          | 696,145             | 16,179,865        |
| <b>Total expenditure</b>             | 10,142,403         | 5,400,748          | 696,145             | 16,239,296        |

**The Independent Educational Association Limited**

**Notes to the Consolidated Financial Statements  
For the year ended 31 August 2023 (continued)**

**4. Analysis of expenditure (continued)**

**(b) Grants, awards and prizes**

|                                       | 2023<br>£     | 2022<br>£     |
|---------------------------------------|---------------|---------------|
| <b>From Restricted Funds:</b>         |               |               |
| Bursaries and other grants and awards | 76,200        | 76,200        |
|                                       | <u>76,200</u> | <u>76,200</u> |

**(c) Governance expenditure included in support costs:**

|                                               | 2023<br>£     | 2022<br>£     |
|-----------------------------------------------|---------------|---------------|
| Auditor's remuneration:                       |               |               |
| Audit services (including VAT) – current year | 50,780        | 45,210        |
| Other Fees – corporation tax                  | 806           | -             |
|                                               | <u>51,586</u> | <u>45,210</u> |

**(d) Analysis of support and governance costs:**

|                                                 | 2023<br>£        | 2022<br>£        |
|-------------------------------------------------|------------------|------------------|
| Staff costs                                     | 2,188,938        | 2,103,686        |
| Depreciation                                    | 706,349          | 696,145          |
| Information technology                          | 193,563          | 417,210          |
| FRS102 Pension finance and administration costs | 53,561           | 128,869          |
| Legal and professional                          | 272,319          | 336,617          |
| Advertising, marketing and publications         | 218,686          | 334,638          |
| Finance and other                               | 334,818          | 196,746          |
| Interest Paid                                   | 157,315          | 91,538           |
| Governance                                      | 51,586           | 45,210           |
|                                                 | <u>4,177,135</u> | <u>4,350,659</u> |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)

### 5. Staff costs

|                                                     | 2023<br>£         | 2022<br>£         |
|-----------------------------------------------------|-------------------|-------------------|
| <b>Total staff costs comprised:</b>                 |                   |                   |
| Salaries                                            | 8,452,774         | 8,074,635         |
| Social security costs                               | 786,322           | 750,870           |
| Pension fund costs –normal employer’s contributions | 1,395,531         | 1,316,898         |
|                                                     | <u>10,634,627</u> | <u>10,142,403</u> |

None of the Trustees received any remuneration or other benefits from the Association or a related entity. The key management of the Association are the trustees, the three head teachers and the chief operating officer as listed on page 1.

|                                                                                      | 2023<br>£      | 2022<br>£      |
|--------------------------------------------------------------------------------------|----------------|----------------|
| The aggregate employee-benefits, including employers NI, of key management personnel | <u>663,460</u> | <u>590,414</u> |

|                                                     |     |     |
|-----------------------------------------------------|-----|-----|
| The average number of employees during the year was | 188 | 182 |
|-----------------------------------------------------|-----|-----|

|                                                            |                      |   |   |
|------------------------------------------------------------|----------------------|---|---|
| Number of employees receiving gross salaries in the range: | £60,001 to £70,000   | 8 | 7 |
|                                                            | £80,001 to £90,000   | - | - |
|                                                            | £90,001 to £100,000  | - | 1 |
|                                                            | £100,001 to £110,000 | 1 | - |
|                                                            | £110,001 to £120,000 | 2 | 2 |
|                                                            | £120,001 to £130,000 | 1 | 2 |

The number accruing retirement benefits in: Defined Benefit Schemes was 6 (2022: 6)

Redundancy or termination payments in the year amounted to £41,717 (2022: £62,308). There was £15,476 outstanding as at the year end.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)

### 6. Fixed Assets

| Group                 | Freehold<br>Property<br>&<br>Improvements | Motor<br>Vehicles         | Other<br>Equipment         | Total             |
|-----------------------|-------------------------------------------|---------------------------|----------------------------|-------------------|
| <b>Cost</b>           | <b>£</b>                                  | <b>£</b>                  | <b>£</b>                   | <b>£</b>          |
| At 1 September 2022   | 31,213,394                                | 153,087                   | 4,564,606                  | 35,931,087        |
| Additions in year     | -                                         | -                         | 356,819                    | 356,819           |
| Disposals             | -                                         | -                         | -                          | -                 |
| At 31 August 2023     | <u>31,213,394</u>                         | <u>153,087</u>            | <u>4,921,425</u>           | <u>36,287,906</u> |
| <b>Depreciation</b>   |                                           |                           |                            |                   |
| At 1 September 2022   | 4,465,733                                 | 141,367                   | 3,479,112                  | 8,086,212         |
| Charge for the year   | 379,863                                   | 2,930                     | 323,556                    | 706,349           |
| Disposals             | -                                         | -                         | -                          | -                 |
| At 31 August 2023     | <u>4,845,596</u>                          | <u>144,297</u>            | <u>3,802,668</u>           | <u>8,792,561</u>  |
| <b>Net Book Value</b> |                                           |                           |                            |                   |
| At 31 August 2023     | <u>26,367,798</u>                         | <u>8,790</u>              | <u>1,118,757</u>           | <u>27,495,345</u> |
| At 31 August 2022     | <u>26,747,661</u>                         | <u>11,720</u>             | <u>1,085,494</u>           | <u>27,844,875</u> |
| <b>Company</b>        | <b>Freehold<br/>Property</b>              | <b>Motor<br/>Vehicles</b> | <b>Other<br/>Equipment</b> | <b>Total</b>      |
| <b>Cost</b>           | <b>£</b>                                  | <b>£</b>                  | <b>£</b>                   | <b>£</b>          |
| At 1 September 2022   | 31,218,317                                | 153,087                   | 4,451,444                  | 35,822,848        |
| Additions in year     | -                                         | -                         | 356,819                    | 356,819           |
| Disposals             | -                                         | -                         | -                          | -                 |
| At 31 August 2023     | <u>31,218,317</u>                         | <u>153,087</u>            | <u>4,808,263</u>           | <u>36,179,667</u> |
| <b>Depreciation</b>   |                                           |                           |                            |                   |
| At 1 September 2022   | 3,430,778                                 | 141,367                   | 3,370,526                  | 6,942,671         |
| Charge for the year   | 379,863                                   | 2,930                     | 323,556                    | 706,349           |
| Disposals             | -                                         | -                         | -                          | -                 |
| At 31 August 2023     | <u>3,810,641</u>                          | <u>144,297</u>            | <u>3,694,082</u>           | <u>7,649,020</u>  |
| <b>Net Book Value</b> |                                           |                           |                            |                   |
| At 31 August 2023     | <u>27,407,676</u>                         | <u>8,790</u>              | <u>1,114,181</u>           | <u>28,530,647</u> |
| At 31 August 2022     | <u>27,787,539</u>                         | <u>11,720</u>             | <u>1,080,918</u>           | <u>28,880,177</u> |

All tangible fixed assets are held for use on charitable activities.

IEAL holds a number of heritage assets relating to the history of the school, which includes pictures, sculptures and other artefacts. All these items have been donated to IEAL some time ago and so information on their cost or valuation is not available and cannot be obtained at a cost commensurate with the benefit to the users of the accounts and the charity.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)

### 7. Investments

#### Group

|                                   |                     | Total            |
|-----------------------------------|---------------------|------------------|
|                                   |                     | £                |
| Market value                      | At 1 September 2022 | 1,976,549        |
|                                   | Additions at cost   | 253,493          |
|                                   | Proceeds            | (230,669)        |
|                                   | Net gains           | <u>4,892</u>     |
| Market value                      | At 31 August 2023   | <u>2,004,265</u> |
| Historical cost at 31 August 2023 |                     | <u>1,258,551</u> |
| Historical cost at 31 August 2022 |                     | <u>1,248,212</u> |

#### Company

|                                                                | 2023             | 2022             |
|----------------------------------------------------------------|------------------|------------------|
|                                                                | £                | £                |
| Investments (listed) held at market value (as for Group above) | 2,004,265        | 1,976,549        |
| Investment in group undertaking                                | <u>1</u>         | <u>1</u>         |
|                                                                | <u>2,004,266</u> | <u>1,976,550</u> |

The investment in group undertaking relates to St James Enterprises Limited which was incorporated on 16 January 2018. The company is owned 100% by the Association.

### 8. Stocks

|               | Group        |              | Company  |          |
|---------------|--------------|--------------|----------|----------|
|               | 2023         | 2022         | 2023     | 2022     |
|               | £            | £            | £        | £        |
| Sundry stocks | <u>1,241</u> | <u>1,319</u> | <u>-</u> | <u>-</u> |
|               | <u>1,241</u> | <u>1,319</u> | <u>-</u> | <u>-</u> |

### 9. Debtors

|                                          | Group          |                | Company          |                |
|------------------------------------------|----------------|----------------|------------------|----------------|
|                                          | 2023           | 2022           | 2023             | 2022           |
|                                          | £              | £              | £                | £              |
| Fees outstanding less bad debt provision | 350,064        | 203,500        | 350,064          | 203,500        |
| Tax recoverable on covenants etc.        | -              | 3,948          | -                | 3,948          |
| Other debtors                            | 149,636        | 97,397         | 106,919          | 43,132         |
| Amounts due from subsidiary entities     | -              | -              | 222,756          | 134,286        |
| Prepayments and accrued income           | <u>341,804</u> | <u>128,110</u> | <u>340,380</u>   | <u>126,058</u> |
|                                          | <u>841,504</u> | <u>432,955</u> | <u>1,020,119</u> | <u>510,924</u> |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)

### 10(a). Creditors: Amounts falling due within one year

|                                          | Group            |                       | Company          |                       |
|------------------------------------------|------------------|-----------------------|------------------|-----------------------|
|                                          | 2023             | 2022                  | 2023             | 2022                  |
|                                          | £                | £                     | £                | £                     |
| Trade creditors                          | 613,129          | 570,629               | 612,028          | 563,552               |
| Fees in advance                          | 770,135          | 649,968               | 770,135          | 649,968               |
| Bank loan (See Note 10(b))               | 283,087          | 480,000               | 283,087          | 480,000               |
| Fee deposits                             | 2,892,127        | 2,718,811             | 2,892,127        | 2,718,811             |
| Other creditors                          | 439,439          | 446,364               | 442,197          | 442,538               |
| Amounts due to subsidiary entities       | -                | -                     | 32,270           | 37,310                |
| Employee taxes and social security costs | 205,283          | 205,475               | 205,283          | 205,475               |
| Accruals and deferred income             | 510,138          | 352,343               | 492,249          | 344,466               |
|                                          | <u>5,713,338</u> | <u>5,423,590</u>      | <u>5,729,376</u> | <u>5,442,120</u>      |
|                                          | <b>Group</b>     | <b>Group</b>          | <b>Company</b>   | <b>Company</b>        |
|                                          | <b>2023</b>      | <b>2023</b>           | <b>2023</b>      | <b>2023</b>           |
| <b>Deferred income</b>                   | Fees in advance  | Other deferred income | Fees in advance  | Other deferred income |
| Brought forward                          | 649,968          | 50,610                | 649,968          | 50,610                |
| Released                                 | (649,968)        | (50,610)              | (649,968)        | (50,610)              |
| Deferred in the year                     | <u>770,135</u>   | <u>137,698</u>        | <u>770,135</u>   | <u>137,698</u>        |
| Carried forward                          | <u>770,135</u>   | <u>137,698</u>        | <u>770,135</u>   | <u>137,698</u>        |

Fees in advance in 2023 and 2022 represent payments against invoices raised in respect of subsequent terms where revenue will be recognised in the following financial year. Other deferred income relates to income received in respect of trips or events in the following financial year. Fee deposits are received in advance of a pupil commencing education at St James and are repayable upon completion of the pupil's education which may be up to 14 years later. The liability is disclosed as due within one year as pupils may leave at any time, but with relatively stable pupil numbers, the probability of the liability becoming repayable in the short term is highly unlikely.

### 10(b). Creditors: amounts falling due after more than one year

|                                        | Group            |                  | Company          |                  |
|----------------------------------------|------------------|------------------|------------------|------------------|
|                                        | 2023             | 2022             | 2023             | 2022             |
|                                        | £                | £                | £                | £                |
| Bank loans                             | <u>1,978,248</u> | <u>2,213,123</u> | <u>1,978,248</u> | <u>2,213,123</u> |
|                                        | <u>1,978,248</u> | <u>2,213,123</u> | <u>1,978,248</u> | <u>2,213,123</u> |
| Bank loans - maturity:                 |                  |                  |                  |                  |
| Payable within 1 year (See Note 10(a)) | 283,087          | 480,000          | 283,087          | 480,000          |
| Payable between 1 – 2 years            | 240,000          | 293,123          | 240,000          | 293,123          |
| Payable between 2 – 5 years            | 720,000          | 720,000          | 720,000          | 720,000          |
| Payable after more than 5 years        | <u>1,018,248</u> | <u>1,200,000</u> | <u>1,018,248</u> | <u>1,200,000</u> |
|                                        | <u>2,261,335</u> | <u>2,693,123</u> | <u>2,261,335</u> | <u>2,693,123</u> |

At 31 August 2023 the Association had a secured liability of £2,261,335 (2022: £2,693,123). The liability is secured by a first legal charge over 41A North End Road, W14 8SZ. This amount comprises two loans: £1.2m repayable in equal instalments over 60 months commencing 31 October 2018; and £2.4m repayable in instalments over 60 months commencing 30 September 2022.

**The Independent Educational Association Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2023 (continued)**

**11 Analysis of Funds**

The Association's funds and the movements in the year are as follows:

| <b>Group</b>                   | <b>Balance<br/>1<br/>September<br/>2022<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>£</b> | <b>Gains /<br/>Losses<br/>£</b> | <b>Balance<br/>31 August<br/>2023<br/>£</b> |
|--------------------------------|---------------------------------------------------|---------------------|--------------------------|------------------------|---------------------------------|---------------------------------------------|
| <b>Restricted Funds</b>        |                                                   |                     |                          |                        |                                 |                                             |
| Permanent Endowment            | 400                                               | -                   | -                        | -                      | -                               | 400                                         |
| Bursary                        | 971,147                                           | 12,040              | (8,937)                  | -                      | 46,424                          | 1,020,674                                   |
| Founders scholarship           | 68,376                                            | 3,023               | (954)                    | -                      | 5,683                           | 76,128                                      |
| Valerie Cullen                 | 245,235                                           | 5,591               | (2,351)                  | -                      | (9,018)                         | 239,457                                     |
| John Lyons                     | -                                                 | 76,200              | (76,200)                 | -                      | -                               | -                                           |
| D A Nott                       | 819,383                                           | 19,553              | (8,565)                  | -                      | (38,197)                        | 792,174                                     |
|                                | 2,104,541                                         | 116,407             | (97,007)                 | -                      | 4,892                           | 2,128,833                                   |
| <b>Unrestricted Funds</b>      |                                                   |                     |                          |                        |                                 |                                             |
| General Fund                   | 26,582,340                                        | 17,784,305          | (16,930,724)             | (488,051)              | -                               | 26,947,870                                  |
| ISPS Pension deficit provision | (200,612)                                         | -                   | (8,152)                  | 22,051                 | 10,444                          | (176,269)                                   |
| IEAL Pension reserve           | (294,000)                                         | -                   | (57,000)                 | 466,000                | (1,079,000)                     | (964,000)                                   |
|                                | 28,192,269                                        | 17,900,712          | (17,092,883)             | -                      | (16,063,664)                    | 27,936,434                                  |
| <b>Company</b>                 | <b>Balance<br/>1<br/>September<br/>2022<br/>£</b> | <b>Income<br/>£</b> | <b>Expenditure<br/>£</b> | <b>Transfers<br/>£</b> | <b>Gains /<br/>Losses<br/>£</b> | <b>Balance<br/>31 August<br/>2023<br/>£</b> |
| <b>Restricted Funds</b>        |                                                   |                     |                          |                        |                                 |                                             |
| Bursary                        | 971,147                                           | 12,040              | (8,937)                  | -                      | 46,424                          | 1,020,674                                   |
| Founders scholarship           | 68,376                                            | 3,023               | (954)                    | -                      | 5,683                           | 76,128                                      |
| Valerie Cullen                 | 245,235                                           | 5,591               | (2,351)                  | -                      | (9,018)                         | 239,457                                     |
| John Lyons                     | -                                                 | 76,200              | (76,200)                 | -                      | -                               | -                                           |
| D A Nott                       | 819,383                                           | 19,553              | (8,565)                  | -                      | (38,197)                        | 792,174                                     |
|                                | 2,104,141                                         | 116,407             | (97,007)                 | -                      | 4,892                           | 2,128,433                                   |
| <b>Unrestricted Funds</b>      |                                                   |                     |                          |                        |                                 |                                             |
| General Fund                   | 27,393,995                                        | 17,776,618          | (16,876,186)             | (488,051)              | -                               | 27,806,376                                  |
| ISPS Pension deficit provision | (200,612)                                         | -                   | (8,152)                  | 22,051                 | 10,444                          | (176,269)                                   |
| IEAL Pension reserve           | (294,000)                                         | -                   | (57,000)                 | 466,000                | (1,079,000)                     | (964,000)                                   |
|                                | 29,003,524                                        | 17,893,025          | (17,038,345)             | -                      | (1,063,664)                     | 28,794,540                                  |

The Bursary fund is for disbursement of bursaries.

The Founders scholarship fund is for a pupil who would not otherwise be able to attend.

The Valerie Cullen Music Prize is for a musically talented pupil in the Senior Boys School.

The D A Nott fund is for a bursary for specified subjects up to a maximum of £10,000 per annum

The John Lyons grant is for the funding of bursaries.

**The Independent Educational Association Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2023 (continued)**

**11 Analysis of Funds (continued)**

The Association's funds and the movements in the year are as follows:

| <b>Group</b>                   | <b>Balance<br/>1 September<br/>2021</b> | <b>Income</b> | <b>Expenditure</b> | <b>Transfers</b> | <b>Gains /<br/>Losses</b> | <b>Balance<br/>31 August<br/>2022</b> |
|--------------------------------|-----------------------------------------|---------------|--------------------|------------------|---------------------------|---------------------------------------|
|                                | <b>£</b>                                | <b>£</b>      | <b>£</b>           | <b>£</b>         | <b>£</b>                  | <b>£</b>                              |
| <b>Restricted Funds</b>        |                                         |               |                    |                  |                           |                                       |
| Permanent Endowment            | 400                                     | -             | -                  | -                | -                         | 400                                   |
| Bursary                        | 1,001,483                               | 9,575         | (9,097)            | -                | (30,814)                  | 971,147                               |
| Founders scholarship           | 86,674                                  | 2,753         | (1,044)            | -                | (20,007)                  | 68,376                                |
| Valerie Cullen                 | 285,980                                 | 4,957         | (2,618)            | -                | (43,084)                  | 245,235                               |
| John Lyons                     | -                                       | 76,200        | (76,200)           | -                | -                         | -                                     |
| D A Nott                       | 936,261                                 | 17,368        | (9,365)            | -                | (124,881)                 | 819,383                               |
|                                | 2,310,798                               | 110,853       | (98,324)           | -                | (218,786)                 | 2,104,541                             |
| <b>Unrestricted Funds</b>      |                                         |               |                    |                  |                           |                                       |
| General Fund                   | 25,898,699                              | 17,195,001    | (16,014,972)       | (496,388)        | -                         | 26,582,340                            |
| ISPS Pension deficit provision | (208,000)                               | -             | -                  | 22,388           | (15,000)                  | (200,612)                             |
| IEAL Pension reserve           | (2,372,000)                             | -             | (126,000)          | 474,000          | 1,730,000                 | (294,000)                             |
|                                | 25,629,497                              | 17,305,854    | (16,239,296)       | -                | 1,496,214                 | 28,192,269                            |
| <b>Company</b>                 | <b>Balance<br/>1 September<br/>2021</b> | <b>Income</b> | <b>Expenditure</b> | <b>Transfers</b> | <b>Gains /<br/>Losses</b> | <b>Balance<br/>31 August<br/>2022</b> |
|                                | <b>£</b>                                | <b>£</b>      | <b>£</b>           | <b>£</b>         | <b>£</b>                  | <b>£</b>                              |
| <b>Restricted Funds</b>        |                                         |               |                    |                  |                           |                                       |
| Bursary                        | 1,001,483                               | 9,575         | (9,097)            | -                | (30,814)                  | 971,147                               |
| Founders scholarship           | 86,674                                  | 2,753         | (1,044)            | -                | (20,007)                  | 68,376                                |
| Valerie Cullen                 | 285,980                                 | 4,957         | (2,618)            | -                | (43,084)                  | 245,235                               |
| John Lyons                     | -                                       | 76,200        | (76,200)           | -                | -                         | -                                     |
| D A Nott                       | 936,261                                 | 17,368        | (9,365)            | -                | (124,881)                 | 819,383                               |
|                                | 2,310,398                               | 110,853       | (98,324)           | -                | (218,786)                 | 2,104,141                             |
| <b>Unrestricted Funds</b>      |                                         |               |                    |                  |                           |                                       |
| General Fund                   | 26,751,304                              | 17,138,624    | (15,999,545)       | (496,388)        | -                         | 27,393,995                            |
| ISPS Pension deficit provision | (208,000)                               | -             | -                  | 22,388           | (15,000)                  | (200,612)                             |
| IEAL Pension reserve           | (2,372,000)                             | -             | (126,000)          | 474,000          | 1,730,000                 | (294,000)                             |
|                                | 26,481,702                              | 17,249,477    | (16,223,869)       | -                | 1,496,214                 | 29,003,524                            |

The Bursary fund is for disbursement of bursaries.

The Founders scholarship fund is for a pupil who would not otherwise be able to attend.

The Valerie Cullen Music Prize is for a musically talented pupil in the Senior Boys School.

The D A Nott fund is for a bursary for specified subjects up to a maximum of £10,000 per annum.

The John Lyons grant is for the funding of bursaries.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)

### 12 Analysis of Net Assets between Funds

| Group                                 | Tangible<br>Fixed<br>Assets | Investments | Other assets<br>and<br>liabilities | Total<br>2023 |
|---------------------------------------|-----------------------------|-------------|------------------------------------|---------------|
| <b>Restricted Funds</b>               | £                           | £           | £                                  | £             |
| Permanent Endowment                   | -                           | -           | 400                                | 400           |
| Bursary                               | -                           | 892,177     | 128,497                            | 1,020,674     |
| Founders scholarship                  | -                           | 94,207      | (18,079)                           | 76,128        |
| Valerie Cullen Music Prize            | -                           | 218,613     | 20,844                             | 239,457       |
| D A Nott                              | -                           | 799,268     | (7,094)                            | 792,174       |
|                                       | -                           | 2,004,265   | 124,568                            | 2,128,833     |
| <b>General Fund</b>                   | 27,495,345                  | -           | (547,475)                          | 26,947,870    |
| <b>ISPS Pension deficit provision</b> | -                           | -           | (176,269)                          | (176,269)     |
| <b>IEAL Pension reserve</b>           | -                           | -           | (964,000)                          | (964,000)     |
|                                       | 27,495,345                  | 2,004,265   | (1,563,176)                        | 27,936,434    |

The group has no free reserves as at 31 August 2023

| Company                               | Tangible<br>Fixed<br>Assets | Investments | Other assets<br>and<br>liabilities | Total<br>2023 |
|---------------------------------------|-----------------------------|-------------|------------------------------------|---------------|
| <b>Restricted Funds</b>               | £                           | £           | £                                  | £             |
| Bursary                               | -                           | 892,177     | 128,497                            | 1,020,674     |
| Founders scholarship                  | -                           | 94,207      | (18,079)                           | 76,128        |
| Valerie Cullen Music Prize            | -                           | 218,613     | 20,844                             | 239,457       |
| D A Nott                              | -                           | 799,268     | (7,094)                            | 792,174       |
|                                       | -                           | 2,004,265   | 124,168                            | 2,128,433     |
| <b>General Fund</b>                   | 28,530,647                  | 1           | (724,272)                          | 27,806,376    |
| <b>ISPS Pension deficit provision</b> | -                           | -           | (176,269)                          | (176,269)     |
| <b>IEAL Pension reserve</b>           | -                           | -           | (964,000)                          | (964,000)     |
|                                       | 28,530,647                  | 2,004,266   | (1,740,373)                        | 28,794,540    |

The company has no free reserves as at 31 August 2023

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)

### 12 Analysis of Net Assets between Funds

| Group                                 | Tangible<br>Fixed<br>Assets | Investments | Other assets<br>and<br>liabilities | Total<br>2022 |
|---------------------------------------|-----------------------------|-------------|------------------------------------|---------------|
| <b>Restricted Funds</b>               | <b>£</b>                    | <b>£</b>    | <b>£</b>                           | <b>£</b>      |
| Permanent Endowment                   | -                           | -           | 400                                | 400           |
| Bursary                               | -                           | 843,909     | 127,238                            | 971,147       |
| Founders scholarship                  | -                           | 84,755      | (16,379)                           | 68,376        |
| Valerie Cullen Music Prize            | -                           | 223,094     | 22,141                             | 245,235       |
| D A Nott                              | -                           | 824,791     | (5,408)                            | 819,383       |
|                                       | -                           | 1,976,549   | 127,992                            | 2,104,541     |
| <b>General Fund</b>                   | 27,844,875                  | -           | (1,262,535)                        | 26,582,340    |
| <b>ISPS Pension deficit provision</b> | -                           | -           | (200,612)                          | (200,612)     |
| <b>IEAL Pension reserve</b>           | -                           | -           | (294,000)                          | (294,000)     |
|                                       | 27,844,875                  | 1,976,549   | (1,629,155)                        | 28,192,269    |

The group has no free reserves as at 31 August 2022

| Company                               | Tangible<br>Fixed<br>Assets | Investments | Other assets<br>and<br>liabilities | Total<br>2022 |
|---------------------------------------|-----------------------------|-------------|------------------------------------|---------------|
| <b>Restricted Funds</b>               | <b>£</b>                    | <b>£</b>    | <b>£</b>                           | <b>£</b>      |
| Bursary                               | -                           | 843,909     | 127,238                            | 971,147       |
| Founders scholarship                  | -                           | 84,755      | (16,379)                           | 68,376        |
| Valerie Cullen Music Prize            | -                           | 223,094     | 22,141                             | 245,235       |
| D A Nott                              | -                           | 824,791     | (5,408)                            | 819,383       |
|                                       | -                           | 1,976,549   | 127,592                            | 2,104,141     |
| <b>General Fund</b>                   | 28,880,177                  | 1           | (1,486,183)                        | 27,393,995    |
| <b>ISPS Pension deficit provision</b> | -                           | -           | (200,612)                          | (200,612)     |
| <b>IEAL Pension reserve</b>           | -                           | -           | (294,000)                          | (294,000)     |
|                                       | 28,880,177                  | 1,976,550   | (1,853,203)                        | 29,003,524    |

The company has no free reserves as at 31 August 2022

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)

### 13. Pension Schemes

#### IEAL Defined Benefit Scheme

The Association operates a pension scheme providing benefits based on final pensionable pay. With effect from 31 August 2017 the scheme was closed to all new members and to future accrual for teaching staff. The scheme continues to operate for a number of non-teaching staff.

The assets of the scheme are held separately from those of the Association, being invested with insurance companies. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Association. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2021. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments, the rates of increase in salaries and pensions and the discount rate.

The results of the most recent triennial valuation as at 31 March 2021 showed that the market value of the scheme's assets was approximately £16,614,000 with the Scheme Specific Funding Requirement standing at 86% whereas at the previous valuation it was 87%.

As a result of the 2021 valuation from 1 April 2022 deficit payments of £33,333 are due monthly until 31 August 2028 and contribution payments of £3,895 are payable monthly to cover expenses. Employer contributions have increase to 27.2% of pensionable salaries.

The financial assumptions underlying the valuation as at 31 March 2021 were as follows:

| Pre-retirement discount rate  | Market implied gilt yield curve plus 2.75% pa                                               |
|-------------------------------|---------------------------------------------------------------------------------------------|
| Post-retirement discount rate | Market implied gilt yield curve plus 0.25% pa                                               |
| RPI inflation                 | Market implied inflation gilt yield curve                                                   |
| CPI inflation                 | Pre 2030: RPI curve less 0.8% p.a.<br>Post 2030: RPI curve less 0% p.a.                     |
| Rate of salary increase       | CPI curve with floor                                                                        |
| Pension increases             | LPI Pension Increases curves derived from RPI, adjusted for the impact of the cap and floor |

The 2021 valuation was carried out using the mortality base tables Club VITA tables and for future improvements in longevity the CMI 2020 model with a long-term rate of improvement of 1.5% (tapering for ages above 85 to 0% to 110) and a smoothing parameter of  $S_k = 7.0$  and A parameter of 0.2% for men and 0.6% for women.

#### Basis of calculation

The last full actuarial valuation upon which the FRS102 figures have been based was as at 31 March 2021.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)

### 13. Pension Schemes (continued)

#### Disclosed Expense

| A – Disclosed Expense                                                           | 2023<br>£000's | 2022<br>£000's |
|---------------------------------------------------------------------------------|----------------|----------------|
| Current service cost                                                            | 15             | 37             |
| Net interest on net defined liability                                           | 4              | 34             |
| Defined benefit cost recognised in Statement of Financial Activities            | 19             |                |
| Administration costs incurred in the period                                     | 38             | 55             |
| Disclosed expense                                                               | 57             | 126            |
| <b>B – Amounts recognised in Other Comprehensive Income (OCI)</b>               |                |                |
| Actuarial gain/(loss) arising during period                                     | 1,817          | 6,677          |
| Return on plan assets                                                           | (2,896)        | (4,947)        |
| Remeasurement effects recognised in OCI                                         | (1,079)        | 1,730          |
| <b>C – Total Defined Benefit Cost</b>                                           |                |                |
| Cost recognised in the Statement of Financial Activities                        | 57             | 126            |
| Remeasurement effects recognised in the OCI                                     | 1,079          | (1,730)        |
| Defined benefit cost                                                            | 1,136          | (1,604)        |
| <b>D – Assumptions Used to Determine Expense</b>                                |                |                |
| Discount rate                                                                   | 5.25%          | 4.25%          |
| Price inflation (RPI)                                                           | 3.20%          | 3.40%          |
| Price inflation (CPI)                                                           | 2.70%          | 2.90%          |
| Rate of salary increase                                                         | 2.70%          | 2.90%          |
| Pension increases for in-payment benefits (Pre 2012 accrual)                    | 3.10%          | 3.30%          |
| Pension increases for in-payment benefits (Post 2012 accrual)                   | 2.70%          | 2.90%          |
| Pension increases in deferment for deferred benefits pre 2009                   | 2.70%          | 2.90%          |
| Pension increases in deferment for deferred benefits post 2009                  | 2.50%          | 2.50%          |
| Life expectancies:                                                              | <b>Male</b>    | <b>Female</b>  |
| Average future expectancy for a pensioner aged 65 at 31/8/23                    | 23.2 years     | 25.7 years     |
| Average future life expectancy at age 65 for a non-pensioner aged 50 at 31/8/23 | 22.9 years     | 26.7 years     |

#### Net Balance Sheet Position

| A – Development of Net Balance Sheet Position          | 2023<br>£000's | 2022<br>£000's |
|--------------------------------------------------------|----------------|----------------|
| Defined benefit obligation (DBO)                       | (12,056)       | (13,879)       |
| Fair value of assets (FVA)                             | 11,092         | 13,585         |
| Deficit in the plan                                    | (964)          | (294)          |
| <b>B – Reconciliation to Balance Sheet</b>             |                |                |
| Net defined benefit liability at end of prior period   | (294)          | (2,372)        |
| Current service cost                                   | (15)           | (37)           |
| Net interest on net defined benefit liability          | (4)            | (34)           |
| Remeasurement effects recognised in OCI                | (1,079)        | 1,730          |
| Employer contributions                                 | 466            | 474            |
| Administration costs incurred in the period            | (38)           | (55)           |
| Net defined benefit liability at end of current period | (964)          | (294)          |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)

### 13. Pension Schemes (continued)

#### Additional Disclosure Information

|                                                                                         | £000's                                  |                                         |
|-----------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>A – Expected Future Administration Expenses for the period ending 31 August 2024</b> |                                         | 38                                      |
| <b>B – Expected Contributions for period ending 31 August 2024</b>                      |                                         |                                         |
| Employer                                                                                |                                         | 466                                     |
| Scheme participants                                                                     |                                         | -                                       |
| <b>C – Actual return on Scheme Assets during period ending 31 August 2023</b>           |                                         |                                         |
| Interest on assets                                                                      |                                         | 573                                     |
| Asset gain during period                                                                |                                         | (2,896)                                 |
| Actual return on assets                                                                 |                                         | (2,323)                                 |
| <b>D – Scheme Asset Information</b>                                                     |                                         |                                         |
|                                                                                         | Allocation Percentage<br>31 August 2023 | Allocation Percentage<br>31 August 2022 |
| Equities                                                                                | 7.97%                                   | 8.86%                                   |
| Absolute bond return                                                                    | 5.24%                                   | 10.78%                                  |
| Asset backed securities                                                                 | 7.45%                                   | 32.51%                                  |
| Insurance linked securities                                                             | 3.65%                                   | 11.13%                                  |
| Synthetic credit                                                                        | 7.38%                                   | 8.69%                                   |
| LDI                                                                                     | 32.80%                                  | 17.64%                                  |
| Cash and cash equivalents                                                               | 30.62%                                  | 10.39%                                  |
| Private lending/debt                                                                    | 2.70%                                   | 0.00%                                   |
| Infrastructure                                                                          | 2.19%                                   | 0.00%                                   |
| Total                                                                                   | 100%                                    | 100%                                    |
| Fair value of plan assets                                                               | 11,092                                  | 13,585                                  |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)

### 13. Pension Schemes (continued)

#### Changes in disclosed liabilities and assets

|                                                     | 2023<br>£000's | 2022<br>£000's |
|-----------------------------------------------------|----------------|----------------|
| <b>A - Change in Actuarial Value of Liabilities</b> |                |                |
| DBO at end of prior period                          | 13,879         | 20,750         |
| Current Service Cost                                | 15             | 37             |
| Interest cost on the DBO                            | 577            | 327            |
| Administrative Costs                                | 38             | 55             |
| Actuarial Loss                                      | (1,817)        | (6,677)        |
| Benefits paid                                       | (636)          | (613)          |
| DBO at current period end                           | 12,056         | 13,879         |
| <b>B - Change in Scheme Assets</b>                  |                |                |
| Fair value of assets at end of prior period         | 13,585         | 18,378         |
| Interest income on plan assets                      | 573            | 293            |
| Return on plan assets greater than discount rate    | (2,896)        | (4,947)        |
| Employer contributions                              | 466            | 474            |
| Benefits paid                                       | (636)          | (613)          |
| Fair value of assets at current period end          | 11,092         | 13,585         |

#### IEAL Scottish Widows Stakeholder Scheme

With effect from 1 September 2010 the Association introduced a stakeholder pension scheme for non-teaching staff not eligible for participation in the IEAL Defined Benefit Scheme. The stakeholder scheme is a defined contribution scheme with funds managed by Scottish Widows. Employee contributions are a minimum of 5% and the employer's contribution rate is 10%. At the balance sheet date there were 51 members of this scheme (2022: 46). During the year £132,129 (2022: £66,641) of contributions were payable by the employer. Contributions of £nil (2022: £14,387) were owing to the scheme at the balance sheet date.

#### NEST stakeholder scheme

This scheme is for employees who are neither in the IEAL Pension Scheme or the IEAL Scottish Widows Stakeholder Scheme and who qualify for auto-enrolment into a Pension Scheme. The stakeholder scheme is a defined contribution scheme. The employee contribution rate during the year was 4% and the employer's contribution rate was 3% throughout the period. At the balance sheet date there were 9 members of this scheme (2022: 16). During the year £4,999 (2022: £13,457) of contributions were payable by the employer. Contributions of £nil (2022: £1,991) were owed to the scheme at the balance sheet date.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)**

### **13. Pension Schemes (continued)**

#### **Independent Schools' Pension Scheme**

For the period to the end of December 2014 St. David's School participated in The Independent Schools' Pension Scheme ('the Scheme'). Under a flexible apportionment arrangement, executed as a deed on 19 December 2014 and signed by the Trustee of The Pension Trust, St David's School and IEAL, the liabilities of St David's School to the Scheme with the exception of £1 were transferred to IEAL and St David's School ceased to be an employer under the Scheme. From this date IEAL is the employer within the Scheme.

The association participates in the scheme, a multi-employer scheme which provides benefits to some 61 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the association 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 occupational 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.

As at the balance sheet date there was one active member of the Scheme employed by IEAL. During the accounting period IEAL paid a joint contribution rate of 30.5% (2022: 30.5%) comprising employer contributions of 21.0% (2022: 21.0%) and member contributions of 9.5% (2022: 9.5%).

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m equivalent to a past service funding level of 80%. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

#### **Deficit contributions**

|                                        |                                                                                 |
|----------------------------------------|---------------------------------------------------------------------------------|
| From 1 September 2022 to 30 April 2032 | £2,687,000 per annum (payable monthly and increasing by 3% on each 1 September) |
|----------------------------------------|---------------------------------------------------------------------------------|

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £32.2m.

|                                        |                                                                                 |
|----------------------------------------|---------------------------------------------------------------------------------|
| From 1 September 2019 to 30 April 2030 | £2,387,357 per annum (payable monthly and increasing by 3% on each 1 September) |
|----------------------------------------|---------------------------------------------------------------------------------|

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

The annual amount due by IEAL from 1 September 2022 to 31 August 2030 is £22,016 (increasing by 3% each on 1 September).

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)

### 13. Pension Schemes (continued)

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the school 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 values of provision – Group and company

|                                                          | Year Ended<br>31 August 2023<br>(£000s) | Year Ended<br>31 August 2022<br>(£000s) |
|----------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Provision at start of period                             | 201                                     | 208                                     |
| Unwinding of the discount factor (interest expense)      | 8                                       | 2                                       |
| Deficit contribution paid                                | (23)                                    | (22)                                    |
| Remeasurements - impact of any change in assumptions     | (10)                                    | (33)                                    |
| Remeasurements - amendments to the contribution schedule | -                                       | 46                                      |
| Provision at end of period                               | 176                                     | 201                                     |

#### Statement of Financial Activities impact: - Group and company

|                                                          | Year Ended<br>31 August 2023<br>(£000s) | Year Ended<br>31 August 2022<br>(£000s) |
|----------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Interest expense                                         | 8                                       | 2                                       |
| Remeasurements – impact of any change in assumptions     | (10)                                    | (33)                                    |
| Remeasurements – amendments to the contribution schedule | -                                       | 46                                      |
| Contributions paid in respect of future service          | -                                       | -                                       |
| Costs recognised in income and expenditure account       | -                                       | -                                       |

#### Assumptions

|                  | 31 August 2023<br>% per annum | 31 August 2022<br>% per annum |
|------------------|-------------------------------|-------------------------------|
| Rate of discount | 5.79                          | 4.31                          |

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 Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)**

### **13. Pension Schemes (continued)**

Following a change in legislation in April 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

IEAL has been notified by The Pensions Trust of the estimated employer debt that would have been payable if IEAL had withdrawn from The Independent School's Pension Scheme as at 30 September 2022. As of this date the estimated employer debt for IEAL was £739,850. As IEAL currently has no plans to leave the scheme, this contingent liability has not been provided for in the accounts, and as the Actuary is unable to identify its share of the underlying assets and liabilities at 31 August 2023, the scheme has been accounted for as a defined contribution scheme as permitted by FRS102 and contributions are accounted for when due. Any agreed pension deficit funding payments are provided for on a discounted basis.

Amounts paid in respect of employer pension contributions during the year including the annual deficit contributions were £53,190 (2022: £48,336). As at 31 August 2023 £5,508 (2022: £3,228) was owing to the scheme.

### **14. Transactions with Trustees and Related Parties**

No remuneration or expenses were paid to the trustees (2022: £Nil).

The aggregate employee-benefits of the key management personnel are shown in Note 5.

The Association and St David's School along with its trading subsidiary, St David's Enterprises Limited, are under common control. At the balance sheet date St David's Enterprises Limited owed £79,097 (2022: £75,162) to the Association, and the Association owed £37,310 (2022: £37,310) to St David's School. The balance sheet movement represents the total of net recharged expenses during the year between the Association and its subsidiary undertakings. St James Enterprises Limited, a subsidiary of the Association, was incorporated on 16 January. At the balance sheet date, the Association owed £1 (2022: £1) to St James Enterprises Limited.

Certain Trustees have spouses or other relations who are employed at the school as teachers and as such receive salaries in accordance with the pay scale for all of the Association's teachers. These Trustees do not vote at Trustee meetings on any matters relating to teachers' remuneration. At 31 August 2023 there was 1 Trustee (2022: 1) with relations employed whose aggregate gross salaries for the year ending on that date were £6,773 (2022: £5,045). Certain Trustees also have children who are pupils at the school and pay fees in accordance with the normal fee rates for all pupils less any contractual discounts to which they are entitled.

Mr George Cselko, who was a Trustee, was a partner in Fletcher Day, Solicitors, a firm that has provided legal advice and services to the Association from time to time. The total value of charges for such services was £Nil (2022: £Nil). No amounts were owed to Fletcher Day at 31 August 2023 (2022: £Nil).

Mr Jerome Webb, who is a Trustee, is a partner at GIA. GIA provided services during the year to the value of £nil (2022: £nil). No amounts were owed to GIA at 31 August 2023 (2022: £Nil).

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2023 (continued)**

### **15. Operating lease commitments**

The amount charged as expenses in respect of operating leases was £Nil (2022: £Nil)

The Association had several short-term leases in respect of property let during the year. The future minimum lease rentals receivable in respect of the remaining lease period or notice period amount to £41,495 at 31 August 2023 (2022: £41,495)

### **16. Capital and other commitments**

At 31 August 2023 the Association had building works contracted for, but not accrued, amounting to £Nil (2022: £Nil) of which approximately £Nil (2022: £Nil) related to capital commitments.

### **17. Subsidiary Undertakings**

#### **A. The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St David's School**

Incorporated by Act of Parliament in 1846 in England

Registered charity number 312091

Trustees are common to those of the Independent Educational Association Limited

Former owner and manager of the property situated at Church Road, Ashford, Middlesex that is used by the Senior Boys' School of the Independent Educational Association Limited. The property was transferred to the Independent Educational Association Limited on 24 November 2014 at which point its main activity was discontinued.

Aggregate assets - £158,038 (2022: £158,217)

Aggregate liabilities - £Nil (2022: £Nil)

Aggregate funds - £158,038 (2022: £158,218)

Turnover for the year - £Nil (2022: £Nil)

Expenditure for the year - £180 (2022: £181)

Loss /Profit for the year - £180 (2022: loss £181)

#### **B. St David's Enterprises Limited**

Incorporated in England & Wales under company registration number 5154561

100% of the issued share capital is held by The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St David's School

Letting to the public and various sporting organisations the facilities located at St David's School, Church Road, Ashford

The Senior Boys' School of the Independent Educational Association Limited also occupy and utilise the facilities at Church Road, Ashford during school days and various times in the evenings and at weekends.

Aggregate assets - £62,855 (2022: £64,494)

Aggregate liabilities - £92,040 (2022: £83,403)

Aggregate funds (£29,185) (2022: (£20,909))

Turnover for the year - £Nil (2022: £Nil)

Expenditure for the year - £8,657 (2022: £3,406)

Loss for the year £8,657 (2022: £3,406)

#### **C. St James Enterprises Limited**

Incorporated on 16 January 2018 in England & Wales under company registration number 11153595

100% of the issued share capital is held by the Independent Educational Association Limited

Aggregate assets - £209,569 (2022: £163,242)

Aggregate funds - £153,186 (2022: £76,502)

Turnover for the year - £135,047 (2022: £138,127)

Expenditure for the year - £85,134 (2022: £83,403)

Profit for the year (gift aided to parent) - £49,913 (2022: (£80,270))

The company assumed the handling of commercial events from St David's Enterprises Limited on 1 April 2020

**THE INDEPENDENT EDUCATIONAL ASSOCIATION LIMITED**

England & Wales - Charity number 270156

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# Accounts

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**THE INDEPENDENT EDUCATIONAL  
ASSOCIATION LIMITED**

**Company Number 01222329  
Charity Number 270156**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2022**

**THE INDEPENDENT EDUCATIONAL ASSOCIATION LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended 31 August 2022**

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# **The Independent Educational Association Limited**

## **Company Information For the year ended 31 August 2022**

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The Independent Educational Association Limited ("the Association") was incorporated on the 8 August 1975 as a company limited by guarantee and not having a share capital, with registration number 1222329. On 8 December 1975 it was also registered as a charity under the Charities Act 1960 with the charity number 270156. The Charity's principal address and registered office is at Earsby Street, London, W14 8SH. The Association has prepared consolidated financial statements to include the activities of St James Enterprises Limited, incorporated on 16 January 2018, as a subsidiary of the Association and The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St. David's School (St. David's), and its trading subsidiary St David's Enterprises Limited on the basis that the Association and St. David's are being managed on a unified basis with common trustees.

#### **Trustees and Directors**

The trustees of the Association, known as Governors, are also the directors of the company for the purposes of company law, the Board being a self-appointing body. During the year and up to the date of approval of the financial statements they were:

Aatif Hassan  
Annabel Lubikowski  
Jeremy Sinclair (Chairman)  
John Story (resigned 6 July 2022)  
Hugh Venables  
Jerome Webb

#### **Key Executives and Professional Advisers**

##### **The Head teachers and the Schools' Addresses**

|              |                                                               |
|--------------|---------------------------------------------------------------|
| Mr D Brazier | St James Senior Boys' School, Church Road, Ashford, TW15 3DZ  |
| Mrs S Labram | St James Senior Girls' School, Earsby Street, London, W14 8SH |
| Mr K Spencer | St James Preparatory School, Earsby Street, London W14 8SH    |

**Director of St James Education:** Mrs L Hyde (Retired 31 August 2022)

**Chief Operating Officer & Company Secretary:** Mr W Wyatt

#### ***Auditor***

Haysmacintyre LLP  
10 Queen St. Place  
LONDON  
EC4R 1AG

#### ***Solicitors***

Veale Wasbrough Vizards  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS

#### ***Principal Bankers***

Lloyds Bank plc  
67 Old Brompton Road  
London SW7 3JX

#### ***Investment Advisers***

J. M. Finn & Co.  
4 Coleman Street  
London EC2R 5TA

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2022**

The Board of Trustees present their annual report for the year ended 31 August 2022.

### **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

#### **Charitable Objects**

The objects for which the Association is established (as set out in its Articles of Association) are to promote the advancement of education of children and young persons and in connection therewith to establish and conduct in any part of the world a school or schools to give instruction in all branches of education including the preparation of pupils to sit for public examinations whether academic, professional or otherwise.

#### **Aims and Intended Impact**

Within these Objects, the Association started the St James Independent Schools in January 1975 with the aim of providing a first-class independent education, through strong academic tuition, awareness of spiritual values and developing wider sporting, artistic and social skills in all pupils. This is intended to provide an environment where each pupil can begin to realise his or her own potential, thus helping to build self-confidence and self-esteem in preparation for a happy and fulfilling life contributing to the good of the wider community.

#### **Objectives for the Year**

The focus has been on the continued achievement and enhancement of academic standards throughout the schools while endeavouring to meet the individual requirements of the minority with special educational needs. Striking the right balance between these two objectives should ensure that all pupils have the opportunity of working to achieve their full potential. We continue to improve the facilities available whilst keeping clear budgetary controls.

#### **Strategies to Achieve the Year's Objectives**

These include an on-going review and where necessary updating of the schools' academic syllabuses, an exercise in which the staff are fully involved. Increased attention is also being given to staff training and development. We remain open to opportunities to extend the schools' already great range of non-academic activities by promoting excellence in sports and open-air pursuits as well as developing social skills.

#### **Principal Activities of the Year**

The Association provides education through the St James Schools: from the ages of 4 to 18 at Earsby Street for prep boys and girls and senior girls, and at Ashford for senior boys. The Association acts in an advisory capacity for a number of schools with common ethics and practices worldwide. The Association finished the year with 835 (2021: 840) pupils. From 1 September 2019 the Association expanded the provision of education through the new Nursery facilities at Earsby Street. At the year end there were 24 pupils in the nursery department (2021:22),

#### **Grant-making Policy**

This year, the value of scholarships, grants and prizes made to pupils out of restricted funds was £76,200 (2021: £119,231). In addition, a further £1,119,564 (2021: £1,138,143) of bursaries and scholarships were funded from unrestricted reserves. All bursary awards are made on the basis of financial need, and all are means tested. Further fee remissions may be made where the policy is to relieve hardship and the pupil's education and future prospects would be at risk without such support.

### **BUSINESS REVIEW**

The trustees present the consolidated financial results of IEAL incorporating the results of St David's School and its trading subsidiary St David's Enterprises Limited and those of St James Enterprises Limited, incorporated on 16 January 2018, as a trading subsidiary of the Association which began trading in September 2019.

This has been another rewarding year for the charities and the group. The trustees, the majority of whom are common to both charities, are pleased with the group's development and progress. Financial performance remains strong. The reputation of each of the St James schools continues to thrive due to the excellent all-round education and pastoral care offered and because of the hard work and dedication of all staff.

During the year we have still maintained good academic achievements. Despite the decrease in average pupil numbers reported above, the nursery expanded and St James is seeking to consolidate and grow its overall pupil numbers in future years. The building of a new sports hall at the Senior Boys School which opened in July 2021 should assist future recruitment of pupils and, as noted above, we launched a new nursery at the Olympia site in September 2019 to act as a feeder for the prep school as well as providing an additional income stream to improve the school's financial position.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2022**

### **BUSINESS REVIEW (Continued)**

Together with competitive fee rates and sound financial management, we aim to produce an operating surplus year on year.

An ongoing review of debt management procedures continues to produce a significantly improved collection rate of current debt and a reduction in overdue balances. Subsidiary company results contributed a surplus of £80,089 to the overall results compared with £16,583 in the previous year.

In October 2020 the IEAL Pension Scheme transferred to Citrus Pension Plan, a non-for-profit master trust. The aim was to improve the professional management of the scheme and reduce management and administration costs. Contributions necessary to make up for the deficit in the Scheme were £400,000 for the year to 31 August 2022 and are expected to remain at that level to August 2028. The last published full triennial actuarial valuation for the IEAL Pension Scheme was on 31 August 2022. The deficit contributions will remain at the agreed rates.

The group will continue to seek to meet the AGBIS best practice target by generating a 10% cash surplus. This is essential for long term cash flow stability and building reserves to a level that ensures sustainable development of the schools.

### **Developments**

#### **Prep School**

Cooking with celebrity chef, Allegra McEvedy MBE takes place for pupils from Nursery to Year 6. All have at least two sessions per term. These have proven to be very popular with the children and parents. We now have new fully equipped ICT suite and a full programme of ICT lessons taught by a specialist teacher every week to pupils in all year groups. The Nursery pupils can now stay until 6pm and there is a full programme of activities, including circus skill, yoga, drama, music and a special Unicorn Tea. Nursery pupils are now included in whole school assemblies, House Competitions and have weekly 'buddy times' with Year 2. Our prep pupils can join the St James Academy of Performing Arts, and this includes specialist lessons in Tap, Ballet, LAMDA, modern dance and singing. The school has adopted Talk For Writing, and a Maths Mastery Programme. Both initiatives are fully embedded into the curriculum and there has been a tangible improvement in academic standards because of it.

#### **Senior Girls' School**

We launched the St James Performing Arts Academy in September 2022 to enhance and broaden the arts offering at the two Olympia schools. Classes are running in LAMDA, Musical Theatre, ballet and modern dance, after school during the weekdays and on Saturdays for external participants. Chef Allegra is now overseeing the cookery provision in the Senior Girls' School and Year 8 are receiving timetabled lessons as well as Year 7, from September 2022. Cookery is so popular that we have expanded the curriculum to include GCSE Food Nutrition and Preparation with two groups in Year 10 in 2022-23 and a further two in Year 11 in 2023-24. The tech in the assembly hall has been completely overhauled and up-graded meaning that assemblies, school events and school productions benefit from excellent visual, audio and lighting facilities.

#### **Senior Boys' School**

The school has always been known as an outstanding Rugby School, but since Covid significant efforts have been made to develop Football and Cricket in recent years with proper coaching and a development pathway. This year our undefeated under 13 football team are due to appear in the English Schools National Football Association Final. There has also been significant improvement with cricket coaching and facilities. A new creative curriculum has been established in our lower school which is affiliated to King Charles Harmony Project. This teaches creativity, Service Before Self and has sustainability at its core using sacred geometry and a philosophy of unity. We have also achieved Bronze, Silver and Gold Eco Awards. The installation of a Climbing Wall in our new Sports Hall has also meant an expansion of climbing activities and real mountain climbing in Wales and the Alps. Finally, the Combined Cadet Force (CCF) goes from strength-to-strength and has been judged an 'outstanding' unit with extremely high standards. Key new appointments in recent years has also seen a renaissance with the Arts with vibrant concerts, plays and art installations bedecking the hall. The Arts Departments have now been harmonised as a proper faculty working together for the benefit of all.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2022**

### **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

#### **Operational Performance of the Schools**

The Senior Girls attained excellent exam results. 100% (2021: 100%) A level passes with 94% (2021: 98%) at A\* to C the GCSE pass rate was 100% (2021: 100%) with 100% at A\* to C (2021: 100%) and 96.9% (2021: 99.7%) 9 to 4 grades.

The Senior Boys achieved 100% (2021: 100%) A level passes with 87% (2021: 95%) at A\* to C; the GCSE pass rate was 100% (2021: 100%) with 99% (2021: 99%) at 9 to 4 grades.

The Prep School was pleased with the Year 6 11+ results with the majority of girls going to the Senior Girls' School (17) and 4 boys to the Senior Boys' School. Pupils also gained places at a number of schools including Dulwich College, Latymer Upper, St Paul's Boys, ACS Hillingdon and Surbiton High.

#### **Fundraising Performance**

The fund-raising and development office works for all three schools. It co-ordinates the activities of:

- 1) Long-term fund-raising;
- 2) Short-term fund-raising for small projects;
- 3) Fund-raising by parents often for a particular school.

Whilst future major developments will require substantial fund-raising initiatives, the latest forecasts indicate that the Association will generate operating surpluses sufficient to fund such developments partly from reserves.

The fund-raising department raised £108,084 (2021: £41,553) from regular activities during the year. The Development office is coordinating the activities of The Friends of St James and the Alumni in addition to fund-raising for Buildings and Bursary Funds. With continued building and facility improvements planned for both the Earsby Street and Ashford sites, fund-raising efforts will be focused on raising substantial sums

### **FINANCIAL REVIEW AND RESULTS FOR YEAR**

The Association's net income for the year was £2,562,772 (2021: £2,883,502). Net income before gains were £1,066,558 (2021: £1,380,189) a reduction year on year as inflationary pressures grew across the Association's cost base and net income included the FRS102 pension liability movement for the year in respect of the IEAL Pension Scheme £1,730,000 (2021: £1,077,000), the Independent Schools' Pension Scheme deficit £15,000 (2021: £21,666) and investment losses of £218,786 (2021: gains £404,647). The Pension Scheme liability is a long-term liability and as such the management are satisfied that they can meet current funding requirements arising in the Scheme.

There was a 3.2% year on year increase in total gross fee income before bursaries and charging for activities and coaches to £17,344,560 (2021: £16,796,100).

The Association had net current assets at 31 August 2022 of £1,078,580 (2021: £201,295). This includes fee deposit liabilities of £2,718,811 (2021: £2,807,881). These liabilities are disclosed as due within one year as pupils may leave at any time, but with a reasonable stable pupil roll currently, the probability of the liability becoming repayable in the short term is highly unlikely.

At the year end fee debtors were £203,500 (2021: £62,478). The majority of parents paid on time and for those parents who are struggling, the schools have engaged fully and assisted them by agreeing payment plans, payment holidays or by providing mean-tested hardship funding. Whilst we are likely to see an increase in bad debt this term, this will be within manageable parameters.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2022**

### **Key Performance Indicators**

We have to be aware of staff-pupil ratios and the proportion of fee income spent on salaries and salary-related expenses such as national insurance, pensions funding and training costs.

|                                             | <b>2022</b> | <b>2021</b> |
|---------------------------------------------|-------------|-------------|
| Employment costs compared to fee income     | 63%         | 62%         |
| Pupils (Average number throughout the year) | 832         | 862         |
| Teaching staff (FTE)                        | 100         | 107         |
| Staff-Pupil ratio                           | 1:8.3       | 1:8.1       |

### **PUPIL RETENTION**

The school endeavours to keep its fees as low as possible. It also offers generous bursary assistance, and competitive fees, which has stabilised pupil numbers.

### **GOING CONCERN**

The Trustees have sought to minimise the ongoing financial pressures on the charity by prioritising key areas of risk, bad debt, cash flow and pupil retention. This, combined with the continued focus on reducing the cost base of each school, and the expected continued positive cash generation from operating activities in 2022-23 support the Board's view that the Association has adequate resources to continue its activities for the foreseeable future and therefore continue as a going concern. In summary, the revised financial budget and forecast for the three years 2022/23, 2023/24 and 2024/25, is cautious and prudent. We have openly visited challenging scenarios and have action plans in place should the need arise. We are pleased that it shows that we will continue to return a cash surplus each year over the next three years. We will be able to operate without selling any part of our extensive property portfolio and will be able to meet all our financial liabilities showing that we remain a strong going concern.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2022**

### **FUTURE PLANS**

We are pleased with the quality of the young men and women coming out of our schools to play their part in society. We are delighted that so many later wish to educate their own children at a St James school and quite a number have come back to teach in the schools. We wish to grow so that more can share in what we have to offer.

The Board's current plans include the following:

- To achieve an overall pupil/teacher ratio of around 10:1. This should allow pupils to receive the necessary time and attention to make the most of their educational opportunity. At the same time, the ratio should give teachers the time and scope for preparation, marking and ancillary duties.
- To increase the school roll especially by optimising the intake at Reception at the Prep School, retaining pupils in the Sixth Form and utilising the space capacity at the Senior Boys to continue offering three-form entry at Year 7 and four-form entry at Year 9.
- The steady expansion of the prep and senior schools to their optimum sizes will require careful planning and ingenuity to make the maximum use of our existing available space. The first phase of development of the Senior Boys School, as outlined in this report, is now complete. The Trustee Directors have considered the requirements of the Prep School and the Senior Girls' School based at the Earsby Street site, and the acquisition of the adjoining youth centre site and other nearby properties has allowed space to be assigned to accommodate growth.

### **RISK MANAGEMENT**

The Board of Trustees is responsible for identifying the key risks faced by the School and for ensuring these risks are managed. Each term the Board of Trustees identify and assess risks and implement controls to mitigate against these. The major risks include; impact of political regime change on independent schools. This is largely out of the school's control. However, associations such as ISC, AGBIS, ISIS, ISA, ISBA, will seek to support the sector. There are constant changes in legislation which affect schools. These are managed through routine monitoring of the legislative environment by SMT. Increased competition from other schools remains a risk. The schools' academic and pastoral reputation is high and fees remain competitive. The trustees and governors continue to review the situation.

Risks are managed and monitored by the risk register which are grouped into the following categories:

- Mission and objectives
- Law and regulation
- Governance and management
- External factors
- Operational
- Human resources
- Environmental
- Technological
- Academic
- Financial

The key controls implemented by the School are as follows:

- Formal agendas for all Committee and Board activity;
- Annual budgeting and termly management accounting;
- Formal written Financial Regulations and Financial Procedures;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear financial authorisation and approval levels; and
- Vetting procedures required by law for the protection of the vulnerable.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2022**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Structure and Governing Document**

The Association, as well as being a registered charity, is a company limited by guarantee. In the event of liquidation, the guarantors who are the members and governors of the company will be liable to contribute £1 each as set out in the governing document of the Association which is its Articles of Association adopted by the members of the Association on 27 November 2014. This guarantee totals £10.

#### **Governing Bodies**

The structure of the Charity consists of a governing body for the St James Schools. The Trustees are assisted by various committees and the Heads and the Chief Operations Officer.

#### **Trustees**

Details of Trustees are given on page 1. The Trustees are also the Company Directors.

The founder of the Association directed the Trustees to raise funds for launching schools, endowing them and otherwise providing for them. Individual schools should have their own managers appointed by the Trustees who are free to manage the schools subject only to their conforming to the aims of the Association and to any financial control necessary to preserve its funds. The Trustees delegate the administration and co-ordination of financial and operational matters of the Schools to the Chief Operating Officer.

#### **Recruitment and Training of Governors**

New Governors are invited to serve by the existing Board of Governors. New Governors are inducted into the workings of the Charity and its schools, including any Board Policy and Procedures. All Governors receive New Governors Training provided by AGBIS and regular Safeguarding training.

#### **Organisational Management**

The Governors, as the trustees of the Charity, are legally responsible for the overall management and control of the St James Schools and associated activities and meet at least once a term including an annual "Away Day". Overall financial and operational control of the schools is delegated to a number of committees which, under the general supervision of the Governors, exercise such powers and perform such duties in relation to the affairs of the Association as are vested in or given to them by the Governors. The principal committees are the Finance and Estates Committee, the individual school committees, the Governance Committee, the Safeguarding Committee and the Health & Safety Committee which all meet each term.

The day-to-day running of the schools is delegated to the Chief Operating Officer and the respective Head Teachers (supported by their Senior Management Teams).

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the Association remains sensitive to the broader issues of pay and employment conditions elsewhere.

Delivery of the Association's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

#### **Relationships**

The Association actively supports the attainment of the highest standards in the Independent Schools sector, partly through senior staff participating in the inspection of schools, and through promoting links and networking with other schools by attendance at Seminars and events. We also endeavour to widen public access to the schooling we can provide, the facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2022 (continued)**

### **Reserves Policy**

Our policy is to accumulate sufficient reserves to acquire and maintain high quality premises for all our schools with scope for further development. Major property moves and developments have necessarily depleted our reserves. Our policy is to rebuild them by further improving our cost controls and generating the operating surpluses outlined above. At 31 August 2022 the Association had consolidated reserves of £28,192,269 (2021: £25,629,497) of which £2,104,541 (2021: £2,310,798) represents restricted funds and £26,087,728 (2021: £23,318,699) represents unrestricted funds. There are no Free Reserves which are comprised of undesignated and unrestricted funds net of fixed assets (2021 £Nil). As shown in Note 11 the ISPS Pension deficit reserve and the IEAL Pension reserve have been shown separately within unrestricted funds. There are no other designated funds as at 31 August 2022. Accounting for the Defined Benefit Pension liability in accordance with FRS102 has resulted in a negative Pension Reserve of £294,000 (2021: £2,372,000).

As a result of the Trustees having taken advice from the scheme actuary in respect of the funding of the negative Pension Reserve shown in the Balance Sheet the annual deficit contribution payment for the year ended 31 August 2022 was £400,000 (2021: £400,000). The ISPS pension reserve accounted for under FRS102 has resulted in a negative reserve of £200,612 (2021: £208,000). Under the current funding schedule, the annual deficit contribution payment for 2020 was agreed at approximately £22k, thereafter rising at 3% per annum until 2030. The amounts of restrictive and unrestrictive funds that can only be realised by the disposing of tangible fixed assets or programme related investments are shown in Note 12 Analysis of Net Assets between Funds.

### **Investment Powers & Policy**

As its objective the Board aims to maximise the total investment return. The Association is not restricted as to its investment policy. The Trustees have instructed the Association's Investment Advisors to invest in medium risk securities having regard to the differing requirements of the respective restricted or designated fund involved. The Board considers the performance of the investments in the year to be satisfactory.

### **PUBLIC BENEFIT**

In setting the School's objectives and planning its activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The Governors believe that the principal public benefit provided is in setting up and operating schools with the object of producing well rounded pupils with a comprehensive education aimed at developing the young men and women in our care physically, mentally, and spiritually, leaving them capable of entering fully and usefully into wider society. As a relatively recent foundation, the Association has not yet accumulated reserves sufficient to make significant numbers of free places available, as much of the funds given to it have been required to obtain and equip suitable buildings. During 2022 we continued to utilise the General Fund to support bursaries.

Bursary and other funding, including this year a special hardship fund (for people directly impacted due to Covid-19) assists pupils of parents who find themselves in difficulty meeting fee payments during their children's time at school. Numbers assisted are 67 (2021: 82) at a total cost of £1,217,888 (2021: £1,257,374). Reasons for awards have included insufficient funds due to divorce, sudden loss of income, ill health, parent fatalities, redundancies, Covid-19. All bursaries are means tested.

The Association has assisted in the foundation and development of a number of overseas schools, forming a world-wide family of schools, based on the same essential educational approach, offering guidance and teaching placements.

The senior schools have an active community service programme in which the pupils engage with the local community including state schools. At the very heart of the St James approach is the spirit of unity which naturally encourages the pupils to have regard to the needs of others, which necessarily includes those in less fortunate circumstances.

## **The Independent Educational Association Limited**

### **Annual Report of the Trustees For the year ended 31 August 2022 (continued)**

In 2011 the Association launched Sanskrit @ St James, an initiative supported by the Indian High Commissioner to promote, sustain and develop the teaching of Sanskrit in schools throughout the world. A separate restricted fund was set up with the benefit of a legacy received during 2011 and we have continued to receive support from subscribers throughout the year to fund specific Sanskrit activities.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also directors of The Independent Educational Association Limited for the purposes of company law) are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

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

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

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITOR**

Haysmacintyre LLP was re- appointed as auditor to audit the financial statements for the year ended 31 August 2023.

This report, including the Strategic report, was approved by the Board of Governors of the Independent Educational Association Limited on .....28/05/2023 and signed on its behalf by:

*Jeremy Sinclair*

Jeremy Sinclair  
Chairman

# **The Independent Educational Association Limited**

## **Independent auditor's report to the members of Independent Educational Association Limited**

### **Opinion**

We have audited the financial statements of Independent Educational Association Limited for the year ended 31 August 2022 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 affairs as at 31 August 2022 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report of the Trustees. 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.

# **The Independent Educational Association Limited**

## **Independent auditor's report to the members of Independent Educational Association Limited (continued)**

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

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

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

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

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

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

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

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group 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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements related to The Education (Independent School Standards) Regulations 2014, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, Statement of Recommended Practice (SORP 2019) and payroll taxes.

## **The Independent Educational Association Limited**

### **Independent auditor's report to the members of Independent Educational Association Limited (continued)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in making accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing minutes of Trustee and Governor meetings during the year;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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



Tracey Young (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place  
London  
EC4R 1AG

Date: **30.5.23**

**The Independent Educational Association Limited**  
**Consolidated Statement of Financial Activities**  
**(Including Income and Expenditure Account)**  
**For the year ended 31 August 2022**

|                                                            | Note | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2022<br>£ | Total Funds<br>2021<br>£ |
|------------------------------------------------------------|------|----------------------------|--------------------------|--------------------------|--------------------------|
| <b>Income from:</b>                                        |      |                            |                          |                          |                          |
| <b>Charitable activities</b>                               |      |                            |                          |                          |                          |
| School fees                                                | 2    | 16,063,699                 | -                        | 16,063,699               | 15,483,182               |
| Other income                                               | 3    | 822,795                    | -                        | 822,795                  | 403,854                  |
| <b>Other trading activities</b>                            |      |                            |                          |                          |                          |
| Trading income                                             | 3    | 138,127                    | -                        | 138,127                  | 45,522                   |
| Other activities                                           | 3    | 12,315                     | -                        | 12,315                   | 17,799                   |
| <b>Investments</b>                                         |      |                            |                          |                          |                          |
| Investment income                                          | 3    | 1,013                      | 34,653                   | 35,666                   | 30,023                   |
| <b>Voluntary sources</b>                                   |      |                            |                          |                          |                          |
| Donations and legacies                                     | 3    | 97,439                     | 76,200                   | 173,639                  | 99,954                   |
| <b>Other income</b>                                        |      |                            |                          |                          |                          |
| Sundry income                                              | 3    | 59,613                     | -                        | 59,613                   | 60,934                   |
| <b>Total income</b>                                        |      | <u>17,195,001</u>          | <u>110,853</u>           | <u>17,305,854</u>        | <u>16,141,268</u>        |
| <b>Expenditure on:</b>                                     |      |                            |                          |                          |                          |
| <b>Raising funds</b>                                       |      |                            |                          |                          |                          |
| Fundraising costs                                          | 4    | 22,061                     | -                        | 22,061                   | 89,979                   |
| Investment management                                      | 4    | -                          | 22,124                   | 22,124                   | 20,188                   |
| Trading & lettings costs                                   | 4    | 15,246                     | -                        | 15,246                   | 11,045                   |
|                                                            |      | <u>37,307</u>              | <u>22,124</u>            | <u>59,431</u>            | <u>121,212</u>           |
| <b>Charitable activities</b>                               |      |                            |                          |                          |                          |
| Schools and Grant making                                   | 4    | 16,103,665                 | 76,200                   | 16,179,865               | 14,639,867               |
| <b>Total expenditure</b>                                   |      | <u>16,140,972</u>          | <u>98,324</u>            | <u>16,239,296</u>        | <u>14,761,079</u>        |
| <b>Net income before transfers and investment gains</b>    |      | 1,054,029                  | 12,529                   | 1,066,558                | 1,380,189                |
| (Losses)/gains on investments                              | 7    | -                          | (218,786)                | (218,786)                | 404,647                  |
| Transfers between funds                                    | 11   | -                          | -                        | -                        | -                        |
| <b>Net income before other recognised gains and losses</b> |      | 1,054,029                  | (206,257)                | 847,772                  | 1,784,836                |
| Actuarial gain – IEAL                                      | 13   | 1,730,000                  | -                        | 1,730,000                | 1,077,000                |
| Actuarial (loss)/gain – ISPS                               | 13   | (15,000)                   | -                        | (15,000)                 | 21,666                   |
| <b>Net movement in funds</b>                               |      | <u>2,769,029</u>           | <u>(206,257)</u>         | <u>2,562,772</u>         | <u>2,883,502</u>         |
| Fund balances brought forward                              |      | <u>23,318,699</u>          | <u>2,310,798</u>         | <u>25,629,497</u>        | <u>22,745,995</u>        |
| <b>Fund balances carried forward</b>                       | 11   | <u>26,087,728</u>          | <u>2,104,541</u>         | <u>28,192,269</u>        | <u>25,629,497</u>        |

All amounts derive from continuing activities

All gains or losses recognised in the year are included in the Statement of Financial Activities

The notes on pages 18 to 40 form part of these financial statements

# The Independent Educational Association Limited

## Consolidated Balance Sheet as at 31 August 2022

|                                                       | Note  | 2022               | 2022              | 2021               | 2021              |
|-------------------------------------------------------|-------|--------------------|-------------------|--------------------|-------------------|
|                                                       |       | £                  | £                 | £                  | £                 |
| <b>Fixed Assets</b>                                   |       |                    |                   |                    |                   |
| <i>Tangible Assets</i>                                |       |                    |                   |                    |                   |
| Freehold property                                     | 6     | 26,747,661         |                   | 27,121,701         |                   |
| Motor vehicles                                        | 6     | 11,720             |                   | 17,580             |                   |
| Laboratories and equipment                            | 6     | 1,085,494          |                   | 1,178,146          |                   |
|                                                       |       | <u>27,844,875</u>  |                   | <u>28,317,427</u>  |                   |
| Investments                                           | 7     | <u>1,976,549</u>   |                   | <u>2,184,928</u>   |                   |
|                                                       |       |                    | 29,821,424        |                    | 30,502,355        |
| <b>Current Assets</b>                                 |       |                    |                   |                    |                   |
| Stocks                                                | 8     | 1,319              |                   | 1,247              |                   |
| Debtors                                               | 9     | 432,954            |                   | 469,097            |                   |
| Cash at bank and in hand                              |       | <u>6,067,896</u>   |                   | <u>4,745,357</u>   |                   |
|                                                       |       | 6,502,170          |                   | 5,215,701          |                   |
| <b>Creditors: Amounts falling due within one year</b> | 10(a) | <u>(5,423,590)</u> |                   | <u>(5,014,406)</u> |                   |
| <b>Net Current Assets</b>                             |       |                    | <u>1,078,580</u>  |                    | <u>201,295</u>    |
| <b>Total Assets less Current Liabilities</b>          |       |                    | 30,900,004        |                    | 30,703,650        |
| <b>Long-term liabilities</b>                          |       |                    |                   |                    |                   |
| Creditors payable after one year                      | 10(b) |                    | (2,213,123)       |                    | (2,494,153)       |
| ISPS Pension deficit liability                        | 13    |                    | (200,612)         |                    | (208,000)         |
| IEAL Defined Benefit Pension liability                | 13    |                    | (294,000)         |                    | (2,372,000)       |
|                                                       |       |                    | <u></u>           |                    | <u></u>           |
| <b>Net Assets</b>                                     |       |                    | <u>28,192,269</u> |                    | <u>25,629,497</u> |
| <b>The Funds of the Group:</b>                        |       |                    |                   |                    |                   |
| <b>Permanent Endowment</b>                            | 11    |                    | 400               |                    | 400               |
| <b>Restricted funds</b>                               | 11    |                    | 2,104,141         |                    | 2,310,398         |
| <b>Unrestricted funds</b>                             |       |                    |                   |                    |                   |
| General reserve                                       | 11    | 26,582,340         |                   | 25,898,699         |                   |
| ISPS Pension deficit reserve                          | 11    | (200,612)          |                   | (208,000)          |                   |
| IEAL Pension reserve                                  | 11    | <u>(294,000)</u>   |                   | <u>(2,372,000)</u> |                   |
| <b>Total unrestricted funds</b>                       |       |                    | <u>26,087,728</u> |                    | <u>23,318,699</u> |
| <b>Total group funds</b>                              | 12    |                    | <u>28,192,269</u> |                    | <u>25,629,497</u> |

28/5/23

Approved by the Board and signed on its behalf on ..... 2023

*Jeremy Sinclair*

Jeremy Sinclair  
Chairman

Registered Company Number: 01222329

The notes on pages 18 to 40 form part of these financial statements

# The Independent Educational Association Limited

## Company Balance Sheet as at 31 August 2022

|                                                       | Note  | 2022               | 2022              | 2021               | 2021              |
|-------------------------------------------------------|-------|--------------------|-------------------|--------------------|-------------------|
|                                                       |       | £                  | £                 | £                  | £                 |
| <b>Fixed Assets</b>                                   |       |                    |                   |                    |                   |
| <i>Tangible Assets</i>                                |       |                    |                   |                    |                   |
| Freehold property                                     | 6     | 27,787,539         |                   | 28,161,579         |                   |
| Motor vehicles                                        | 6     | 11,720             |                   | 17,580             |                   |
| Laboratories and equipment                            | 6     | 1,080,918          |                   | 1,173,570          |                   |
|                                                       |       | <u>28,880,177</u>  |                   | <u>29,352,729</u>  |                   |
| Investments                                           | 7     | <u>1,976,550</u>   |                   | <u>2,184,928</u>   |                   |
|                                                       |       |                    | 30,856,727        |                    | 31,537,657        |
| <b>Current Assets</b>                                 |       |                    |                   |                    |                   |
| Stocks                                                | 8     | -                  |                   | -                  |                   |
| Debtors                                               | 9     | 510,923            |                   | 514,603            |                   |
| Cash at bank and in hand                              |       | <u>5,785,728</u>   |                   | <u>4,530,110</u>   |                   |
|                                                       |       | 6,296,652          |                   | 5,044,713          |                   |
| <b>Creditors: Amounts falling due within one year</b> | 10(a) | <u>(5,422,120)</u> |                   | <u>(5,026,515)</u> |                   |
| <b>Net Current Assets</b>                             |       |                    | <u>854,532</u>    |                    | <u>18,198</u>     |
| <b>Total Assets less Current Liabilities</b>          |       |                    | 31,711,259        |                    | 31,555,855        |
| <b>Long-term liabilities</b>                          |       |                    |                   |                    |                   |
| Creditors payable after one year                      | 10(b) |                    | (2,213,123)       |                    | (2,494,153)       |
| ISPS Pension deficit liability                        | 13    |                    | (200,612)         |                    | (208,000)         |
| IEAL Defined Benefit Pension liability                | 13    |                    | (294,000)         |                    | (2,372,000)       |
|                                                       |       |                    | <u></u>           |                    | <u></u>           |
| <b>Net Assets</b>                                     |       |                    | <u>29,003,524</u> |                    | <u>26,481,702</u> |
| <b>The Funds of the Charity:</b>                      |       |                    |                   |                    |                   |
| <b>Restricted funds</b>                               | 11    |                    | 2,104,141         |                    | 2,310,398         |
| <b>Unrestricted funds</b>                             |       |                    |                   |                    |                   |
| General reserve                                       | 11    | 27,393,995         |                   | 26,751,304         |                   |
| ISPS Pension deficit reserve                          | 11    | (200,612)          |                   | (208,000)          |                   |
| IEAL Pension reserve                                  | 11    | <u>(294,000)</u>   |                   | <u>(2,372,000)</u> |                   |
| <b>Total unrestricted funds</b>                       |       |                    | <u>26,899,383</u> |                    | <u>24,171,304</u> |
| <b>Total charity funds</b>                            | 12    |                    | <u>29,003,524</u> |                    | <u>26,481,702</u> |

The surplus for the financial year dealt with in the financial statements of the parent company was £2,521,822 (2021: surplus £2,866,918).

Approved by the Board and signed on its behalf on .....28/05/2023

*Jeremy Sinclair*

Jeremy Sinclair  
Chairman

Registered Company Number: 01222329

The notes on pages 18 to 40 form part of these financial statements

**The Independent Educational Association Limited**

**Consolidated Statement of Cash Flow  
For the year ended 31 August 2022**

|                                                                              | 2022<br>£ | 2022<br>£        | 2021<br>£   | 2021<br>£        |
|------------------------------------------------------------------------------|-----------|------------------|-------------|------------------|
| <b>Cash flows from Operating Activities (Note 1)</b>                         |           |                  |             |                  |
| Net cash provided by operating activities                                    |           | 1,848,259        |             | 2,282,746        |
| <b>Cash flows from investing activities:</b>                                 |           |                  |             |                  |
| Interest received                                                            | 1,013     |                  | 416         |                  |
| Dividends received                                                           | 34,653    |                  | 29,607      |                  |
| Payments to acquire fixed assets                                             | (223,593) |                  | (2,563,654) |                  |
| Payments to acquire investments                                              | (183,673) |                  | (54,449)    |                  |
| Receipts from sales of investments                                           | 173,266   |                  | 43,031      |                  |
|                                                                              | <hr/>     |                  | <hr/>       |                  |
| <b>Net cash used in investing activities</b>                                 |           | (198,334)        |             | (2,545,049)      |
| <b>Cash flows from financing activities:</b>                                 |           |                  |             |                  |
| Loan received                                                                | -         |                  | 2,376,000   |                  |
| Loan interest paid                                                           | (91,538)  |                  | (30,542)    |                  |
| Loans repaid                                                                 | (235,848) |                  | (244,450)   |                  |
|                                                                              | <hr/>     |                  | <hr/>       |                  |
| <b>Net cash (used in) /provided by financing activities</b>                  |           | (327,386)        |             | 2,101,008        |
|                                                                              |           | <hr/>            |             | <hr/>            |
| Change in cash and cash equivalents in the reporting period                  |           | 1,322,539        |             | 1,838,705        |
| Cash and cash equivalents at the beginning of the period                     |           | 4,745,357        |             | 2,906,652        |
|                                                                              |           | <hr/>            |             | <hr/>            |
| <b>Cash and cash equivalents at the end of the reporting period (Note 2)</b> |           | <u>6,067,896</u> |             | <u>4,745,357</u> |

# The Independent Educational Association Limited

## Notes to the Consolidated Statement of Cash Flow For the year ended 31 August 2022

| <b>1 Reconciliation of net income to net cash flow from operating activities</b>          | <b>2022</b>      | <b>2021</b>      |
|-------------------------------------------------------------------------------------------|------------------|------------------|
|                                                                                           | <b>£</b>         | <b>£</b>         |
| Net income for the reporting period                                                       | 1,066,558        | 1,380,189        |
| Adjustments for:                                                                          |                  |                  |
| Depreciation charges                                                                      | 696,145          | 625,727          |
| Pension contributions less current service and interest costs and other charges/(credits) | (370,388)        | (323,500)        |
| Increase in stocks                                                                        | (72)             | -                |
| Decrease in debtors                                                                       | 36,142           | 574,402          |
| Increase in creditors                                                                     | 364,002          | 25,409           |
| Interest received                                                                         | (1,013)          | (416)            |
| Dividends received                                                                        | (34,653)         | (29,607)         |
| Loan interest paid                                                                        | 91,538           | 30,542           |
| <b>Net cash provided by operating activities</b>                                          | <b>1,848,259</b> | <b>2,282,746</b> |

| <b>2 Analysis of Cash and Cash Equivalents</b> | <b>2022</b>      | <b>2021</b>      |
|------------------------------------------------|------------------|------------------|
|                                                | <b>£</b>         | <b>£</b>         |
| Cash at bank and in hand                       | <b>6,067,896</b> | <b>4,745,357</b> |

|                                          | At 1<br>September<br>2021 | Cashflows        | Other     | At 31<br>August<br>2022 |
|------------------------------------------|---------------------------|------------------|-----------|-------------------------|
|                                          | £                         | £                | £         | £                       |
| <b>3 Analysis of changes in net debt</b> |                           |                  |           |                         |
| Cash and cash equivalents                | 4,745,357                 | 1,322,539        | -         | 6,067,896               |
| Borrowings:                              |                           |                  |           |                         |
| Debts due within one year                | (434,818)                 | 235,848          | (281,030) | (480,000)               |
| Debts due after one year                 | (2,494,153)               | -                | 281,030   | (2,213,123)             |
|                                          | <b>1,816,386</b>          | <b>1,558,387</b> | <b>-</b>  | <b>3,374,773</b>        |

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2022**

### **1. Accounting Policies**

#### **Company information**

The Independent Educational Association Limited ("the Association") was incorporated on the 8<sup>th</sup> August 1975 as a company limited by guarantee and not having a share capital, with registration number 1222329 and is considered a public benefit entity. On 8<sup>th</sup> December 1975 it was also registered as a charity under the Charities Act 1960 with the charity number 270156. The Charity's principal address and registered office is at Earsby Street, London, W14 8SH. The Association has prepared consolidated financial statements to include the activities of The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St. David's School (St. David's) and its trading subsidiary St David's Enterprises Limited on the basis that the Association and St. David's are being managed on a unified basis with common trustees. The consolidated financial statements also include the Association's subsidiary, St James Enterprises Limited.

#### **Basis of preparation and assessment of going concern**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2019 – (Charities SORP (FRS102)) Second Edition.

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

The financial statements are drawn up on the historical cost basis of accounting, as modified by the inclusion of fixed asset investments at market value.

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

Having reviewed the funding facilities available to the Association together with the expected ongoing demand for places and the Association's future projected cash flows, the Trustees have a reasonable expectation that the Association has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Association's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 9.

#### **Basis of Consolidation**

The financial statements present the consolidated statement of financial activities (SOFA), the consolidated statement of cash flow and the consolidated and Charity balance sheets comprising the consolidation of the Independent Educational Association Limited ("the school"), and its subsidiaries St David's School ("St David's"), St David's School Enterprises Limited and St James Enterprises Limited. No separate SOFA has been presented for the School alone, as permitted by s408 of the Companies Act 2006. The results of the Charity are disclosed on the Company Balance sheet.

#### **Critical accounting judgements and key sources of estimation uncertainty**

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

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

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2022**

### **1. Accounting Policies (continued)**

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year other than those noted below:

The pension scheme liabilities shown on the balance sheet are based on the annual FRS102 actuarial update at 31 August 2022 in which the actuary used a variety of assumptions concerning the future pension scheme assets and liabilities. The assumptions used in determining the net cost /(income) for pensions include the discount rate.

Any changes in these assumptions, which are disclosed in Note 13, will impact the carrying amount of the pension liability. An actuarial valuation has been carried out as at 31 March 2021 and a roll forward approach has been used by the actuary to value the pensions liability at 31 August 2022.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

#### **Fee income**

Fees receivable less any allowances, scholarships, bursaries and other grants made by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

#### **Other income**

Income is accounted for in the year to which it relates. Rental income for operating leases on non-investment property is recognised as income on a straight-line basis over the lease term.

#### **Investment income**

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accrual's basis.

#### **Donations, grants and other income**

Voluntary income resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not.

#### **Legacy income**

Pecuniary legacies are recognised when there is entitlement, which is deemed to be when probate has been granted, the legacy can be measured reliably, and there is probability of receipt. For residual legacies, entitlement is deemed to be the earlier of settled estate accounts and notification of a pending payment or actual payment being received.

#### **Expenditure**

Expenditure is accrued as soon as a liability is considered probable. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year by reference to site or the ratio of pupils in the individual schools. The irrecoverable element of VAT is included with the item of expense to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, also external audit, legal advice for the Association's Trustees, and all costs of complying with constitutional and statutory requirements.

Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2022**

### **1. Accounting Policies (continued)**

#### **Tangible Fixed Assets**

Items of equipment and furniture and fittings are capitalised if over £2,500 in cost and carried in the balance sheet at historic cost. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

#### **Depreciation**

Depreciation is provided to write off the cost of all tangible fixed assets, other than freehold land, less estimated residual value based on current market prices, in equal annual instalments over their expected useful lives as follows:

|                                                      |                           |
|------------------------------------------------------|---------------------------|
| Freehold buildings and major improvements            | 1% - 2% on cost           |
| Computers                                            | 33 1/3% on cost           |
| Plant                                                | 10% on cost               |
| IT infrastructure                                    | 20% on cost               |
| Motor vehicles                                       | 25% on written down value |
| Schools – other equipment and furniture and fittings | 20% on written down value |
| Laboratories                                         | 10% on written down value |

#### **Investments**

The Association's listed investments are valued at market value at the balance sheet date. Gains and losses arising on the sale or revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

#### **Stock**

Stock represents goods for resale and is valued at the lower of the cost and net realisable value.

#### **Fund Accounting**

The charitable trust funds of the Association and its subsidiaries are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further sub-divided into permanent and expendable.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)**

### **1. Accounting Policies (continued)**

#### **Restricted Funds**

Restricted funds are funds which have been raised for, and their use restricted to, a specific purpose, or donations or legacies subject to donor-imposed conditions against which relevant expenditure is charged. There is no capital retention obligation or power but only a trust law restriction.

#### **Unrestricted Funds**

Unrestricted funds consist of those funds which the Association may use in furtherance of its charitable objectives at the discretion of the Trustees. Where the Trustees decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by the transfer to the appropriate designated fund.

#### **Permanent endowment**

Permanent endowment arises where a donor intends the gift to be retained permanently for use by the Association.

#### **Taxation**

The Association is a registered charity and, therefore, is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

#### **Pension Costs**

Retirement benefits to employees of the Association are provided through a number of different schemes, two defined benefit schemes and a number of defined contribution schemes.

##### **IEAL Pension Scheme**

This is an occupational defined benefit scheme where the pension liabilities and assets are recorded in line with FRS 102 with a valuation undertaken by an independent actuary. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The net interest on the defined net liability and the administration costs of the scheme are charged within support costs. Remeasurement effects, comprising actuarial gains and losses and the return on plan assets greater than the discount rate are recognised within other gains and losses.

##### **The Independent Schools Pension Scheme ("ISPS" Scheme)**

This scheme is a multi-employer pension scheme. It is not possible to identify the Association's share of the underlying assets and liabilities of the ISPS scheme on a consistent and reasonable basis and therefore, as required by FRS102, the Association accounts for the scheme as if it were a defined contribution scheme. The Association's contributions, which are in accordance with the recommendations of the actuary, are charged in the period in which the salaries to which they relate are payable. Where a deficit funding arrangement has been agreed by the Trustees of the Scheme, FRS102 requires a liability to be established based on the net present value of those funding obligations at the balance sheet date.

##### **Defined contribution schemes**

Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

Further details of the pension schemes can be found in note 13.

#### **Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value, where fair value is measured by the quoted market price in an active market. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, provisions and accruals and deferred income. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)

### 2. Charitable Activities - School Fees

|                                                                   | 2022<br>£   | 2021<br>£   |
|-------------------------------------------------------------------|-------------|-------------|
| <b>School fees receivable consist of:</b>                         |             |             |
| Gross fees                                                        | 17,344,560  | 16,796,100  |
| Less: Total bursaries, scholarships and allowances                | (1,357,061) | (1,396,825) |
| Add back: Bursaries and other awards paid for by restricted funds | 76,200      | 83,907      |
|                                                                   | 16,063,699  | 15,483,182  |

All amounts received were in respect of general funds

### 3. Other Income

|                                             | 2022<br>£ | 2021<br>£ |
|---------------------------------------------|-----------|-----------|
| <b>Other income consist of:</b>             |           |           |
| <b>Charitable activities – other income</b> |           |           |
| Entrance and registration fees              | 64,873    | 69,620    |
| Activities and coach income                 | 687,968   | 212,760   |
| Letting income of non-investment properties | 69,954    | 72,755    |
| Income from Government Grants               | -         | 48,719    |
|                                             | 822,795   | 403,854   |

All amounts received were in respect of general funds

#### Other trading activities

##### Trading income

|                              |         |        |
|------------------------------|---------|--------|
| St James Enterprises Limited | 138,127 | 45,522 |
|------------------------------|---------|--------|

##### Other activities

|                    |        |        |
|--------------------|--------|--------|
| Fundraising income | 12,315 | 17,799 |
|--------------------|--------|--------|

|  |         |        |
|--|---------|--------|
|  | 150,442 | 63,321 |
|--|---------|--------|

All amounts received were in respect of general funds

#### Investment income

|                 |        |        |
|-----------------|--------|--------|
| Dividend income | 34,653 | 29,607 |
|-----------------|--------|--------|

|                                              |       |     |
|----------------------------------------------|-------|-----|
| Bank deposit and short term deposit interest | 1,013 | 416 |
|----------------------------------------------|-------|-----|

Amounts received in respect of restricted funds were £34,653 (2021: £29,607) and general funds £1,013 (2021: £416).

|  |        |        |
|--|--------|--------|
|  | 35,666 | 30,023 |
|--|--------|--------|

#### Donations & legacies

|                   |        |        |
|-------------------|--------|--------|
| General donations | 95,769 | 19,930 |
|-------------------|--------|--------|

|                   |        |        |
|-------------------|--------|--------|
| Bursary donations | 77,870 | 78,224 |
|-------------------|--------|--------|

|                    |   |       |
|--------------------|---|-------|
| Sanskrit donations | - | 1,800 |
|--------------------|---|-------|

Amounts received in respect of restricted funds were £76,200 (2021: £76,200) and general funds £97,439 (2021: £23,754).

|  |         |        |
|--|---------|--------|
|  | 173,639 | 99,954 |
|--|---------|--------|

#### Other income

|               |        |        |
|---------------|--------|--------|
| Sundry income | 59,613 | 60,934 |
|---------------|--------|--------|

All amounts received in respect of restricted funds were £nil (2021: £24,842) and general funds £59,613 (2021: £36,092)

|  |        |        |
|--|--------|--------|
|  | 59,613 | 60,934 |
|--|--------|--------|

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)

### 4. Analysis of expenditure

#### (a) Total expenditure

|                                      | Staff costs        | Other costs        | Depreciation        | Total 2022        |
|--------------------------------------|--------------------|--------------------|---------------------|-------------------|
|                                      | £                  | £                  | £                   | £                 |
| <b>Expenditure on raising funds:</b> |                    |                    |                     |                   |
| Fundraising                          | -                  | 22,061             | -                   | 22,061            |
| Investment management                | -                  | 22,124             | -                   | 22,124            |
| Trading and lettings costs           | -                  | 15,246             | -                   | 15,246            |
|                                      | -                  | 59,431             | -                   | 59,431            |
| <b>Charitable activities</b>         |                    |                    |                     |                   |
| Teaching                             | 7,079,105          | 1,158,431          | -                   | 8,237,536         |
| Welfare                              | 568,491            | 947,552            | -                   | 1,516,043         |
| Premises                             | 391,121            | 1,607,615          | -                   | 1,998,736         |
| Support and governance               | 2,103,686          | 1,550,828          | 696,145             | 4,350,659         |
| School's operating costs             | 10,142,403         | 5,264,426          | 696,145             | 16,102,974        |
| Grants, awards and prizes            | -                  | 76,891             | -                   | 76,891            |
|                                      | 10,142,403         | 5,341,317          | 696,145             | 16,179,865        |
| <b>Total expenditure</b>             | 10,142,403         | 5,400,748          | 696,145             | 16,239,296        |
| <b>PRIOR YEAR</b>                    | <b>Staff costs</b> | <b>Other costs</b> | <b>Depreciation</b> | <b>Total 2021</b> |
|                                      | £                  | £                  | £                   | £                 |
| <b>Expenditure on raising funds:</b> |                    |                    |                     |                   |
| Fundraising                          | 60,345             | 29,634             | -                   | 89,979            |
| Investment management                | -                  | 20,188             | -                   | 20,188            |
| Trading and lettings costs           | -                  | 11,045             | -                   | 11,045            |
|                                      | 60,345             | 60,867             | -                   | 121,212           |
| <b>Charitable activities</b>         |                    |                    |                     |                   |
| Teaching                             | 7,099,025          | 881,972            | -                   | 7,980,997         |
| Welfare                              | 472,944            | 397,385            | -                   | 870,329           |
| Premises                             | 580,705            | 1,088,498          | -                   | 1,669,203         |
| Support and governance               | 1,335,868          | 2,038,512          | 625,727             | 4,000,107         |
| School's operating costs             | 9,488,542          | 4,406,367          | 625,727             | 14,520,636        |
| Grants, awards and prizes            | -                  | 119,231            | -                   | 119,231           |
|                                      | 9,488,542          | 4,525,598          | 625,727             | 14,639,867        |
| <b>Total expenditure</b>             | 9,548,887          | 4,586,465          | 625,727             | 14,761,079        |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)

### 4. Analysis of expenditure (continued)

#### (b) Grants, awards and prizes

|                                       | 2022<br>£     | 2021<br>£      |
|---------------------------------------|---------------|----------------|
| <b>From Restricted Funds:</b>         |               |                |
| Bursaries and other grants and awards | 76,200        | 119,231        |
|                                       | <u>76,200</u> | <u>119,231</u> |

#### (c) Governance expenditure included in support costs:

|                                               | 2022<br>£     | 2021<br>£     |
|-----------------------------------------------|---------------|---------------|
| Auditor's remuneration:                       |               |               |
| Audit services (including VAT) – current year | 45,210        | 41,100        |
|                                               | <u>45,210</u> | <u>41,100</u> |

#### (d) Analysis of support and governance costs:

|                                                 | 2022<br>£        | 2021<br>£        |
|-------------------------------------------------|------------------|------------------|
| Staff costs                                     | 2,103,686        | 1,335,868        |
| Depreciation                                    | 696,145          | 625,727          |
| Information technology                          | 417,210          | 356,566          |
| FRS102 Pension finance and administration costs | 128,869          | 123,495          |
| Legal and professional                          | 336,617          | 551,267          |
| Advertising, marketing and publications         | 334,638          | 454,706          |
| Finance and other                               | 196,746          | 480,836          |
| Interest paid                                   | 91,538           | 30,542           |
| Governance                                      | 45,210           | 41,100           |
|                                                 | <u>4,350,659</u> | <u>4,000,107</u> |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)

### 5. Staff costs

|                                                     | 2022<br>£         | 2021<br>£        |
|-----------------------------------------------------|-------------------|------------------|
| <b>Total staff costs comprised:</b>                 |                   |                  |
| Salaries                                            | 8,074,635         | 7,283,871        |
| Social security costs                               | 750,870           | 736,283          |
| Pension fund costs –normal employer’s contributions | 1,316,898         | 1,528,733        |
|                                                     | <u>10,142,403</u> | <u>9,548,887</u> |

None of the Trustees received any remuneration or other benefits from the Association or a related entity. The key management of the Association are the trustees, the three head teachers and the chief operating officer as listed on page 1.

|                                                                                      | 2022            | 2021            |
|--------------------------------------------------------------------------------------|-----------------|-----------------|
| The aggregate employee-benefits, including employers NI, of key management personnel | <u>£590,414</u> | <u>£540,988</u> |
| The average number of employees during the year was                                  | 182             | 182             |

|                                                            |                      |   |   |
|------------------------------------------------------------|----------------------|---|---|
| Number of employees receiving gross salaries in the range: | £60,001 to £70,000   | 7 | 5 |
|                                                            | £80,001 to £90,000   | - | 1 |
|                                                            | £90,001 to £100,000  | 1 | 2 |
|                                                            | £100,001 to £110,000 | - | - |
|                                                            | £110,001 to £120,000 | 2 | 1 |
|                                                            | £120,001 to £130,000 | 2 | - |

The number accruing retirement benefits in: Defined Benefit Schemes was 6 (2021: 8)

Redundancy or termination payments in the year amounted to £62,308 (2021: £65,246). No amounts were outstanding at the year end.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)

### 6. Fixed Assets

| Group                 | Freehold<br>Property<br>&<br>Improvements | Motor<br>Vehicles         | Other<br>Equipment         | Total             |
|-----------------------|-------------------------------------------|---------------------------|----------------------------|-------------------|
| <b>Cost</b>           | <b>£</b>                                  | <b>£</b>                  | <b>£</b>                   | <b>£</b>          |
| At 1 September 2021   | 31,213,394                                | 153,087                   | 4,341,013                  | 35,707,494        |
| Additions in year     | -                                         | -                         | 223,593                    | 223,593           |
| Disposals             | -                                         | -                         | -                          | -                 |
| At 31 August 2022     | <u>31,213,394</u>                         | <u>153,087</u>            | <u>4,564,606</u>           | <u>35,931,087</u> |
| <b>Depreciation</b>   |                                           |                           |                            |                   |
| At 1 September 2021   | 4,091,693                                 | 135,507                   | 3,162,867                  | 7,390,067         |
| Charge for the year   | 374,040                                   | 5,860                     | 316,245                    | 696,145           |
| Disposals             | -                                         | -                         | -                          | -                 |
| At 31 August 2022     | <u>4,465,733</u>                          | <u>141,367</u>            | <u>3,479,112</u>           | <u>8,086,212</u>  |
| <b>Net Book Value</b> |                                           |                           |                            |                   |
| At 31 August 2022     | <u>26,747,661</u>                         | <u>11,720</u>             | <u>1,085,494</u>           | <u>27,844,875</u> |
| At 31 August 2021     | <u>27,121,701</u>                         | <u>17,580</u>             | <u>1,178,146</u>           | <u>28,317,427</u> |
| <b>Company</b>        | <b>Freehold<br/>Property</b>              | <b>Motor<br/>Vehicles</b> | <b>Other<br/>Equipment</b> | <b>Total</b>      |
| <b>Cost</b>           | <b>£</b>                                  | <b>£</b>                  | <b>£</b>                   | <b>£</b>          |
| At 1 September 2021   | 31,218,317                                | 153,087                   | 4,227,851                  | 35,599,255        |
| Additions in year     | -                                         | -                         | 223,593                    | 223,593           |
| Disposals             | -                                         | -                         | -                          | -                 |
| At 31 August 2022     | <u>31,218,317</u>                         | <u>153,087</u>            | <u>4,451,444</u>           | <u>35,822,848</u> |
| <b>Depreciation</b>   |                                           |                           |                            |                   |
| At 1 September 2021   | 3,056,738                                 | 135,507                   | 3,054,281                  | 6,246,526         |
| Charge for the year   | 374,040                                   | 5,860                     | 316,245                    | 696,145           |
| Disposals             | -                                         | -                         | -                          | -                 |
| At 31 August 2022     | <u>3,430,778</u>                          | <u>141,367</u>            | <u>3,370,526</u>           | <u>6,942,671</u>  |
| <b>Net Book Value</b> |                                           |                           |                            |                   |
| At 31 August 2022     | <u>27,787,539</u>                         | <u>11,720</u>             | <u>1,080,918</u>           | <u>28,880,177</u> |
| At 31 August 2021     | <u>28,161,579</u>                         | <u>17,580</u>             | <u>1,173,570</u>           | <u>29,352,729</u> |

All tangible fixed assets are held for use on charitable activities.

IEAL holds a number of heritage assets relating to the history of the school, which includes pictures, sculptures and other artefacts. All these items have been donated to IEAL some time ago and so information on their cost or valuation is not available and cannot be obtained at a cost commensurate with the benefit to the users of the accounts and the charity.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)

### 7. Investments

#### Group

|                                   |                     | Total            |
|-----------------------------------|---------------------|------------------|
|                                   |                     | £                |
| Market value                      | At 1 September 2022 | 2,184,928        |
|                                   | Additions at cost   | 183,673          |
|                                   | Proceeds            | (173,266)        |
|                                   | Net losses          | <u>(218,786)</u> |
| Market value                      | At 31 August 2022   | <u>1,976,549</u> |
| Historical cost at 31 August 2022 |                     | <u>1,248,212</u> |
| Historical cost at 31 August 2021 |                     | <u>1,179,156</u> |

#### Company

|                                                                | 2022<br>£        | 2021<br>£        |
|----------------------------------------------------------------|------------------|------------------|
| Investments (listed) held at market value (as for Group above) | 1,976,549        | 2,184,928        |
| Investment in group undertaking                                | <u>1</u>         | <u>1</u>         |
|                                                                | <u>1,976,550</u> | <u>2,184,929</u> |

The investment in group undertaking relates to St James Enterprises Limited which was incorporated on 16 January 2018. The company is owned 100% by the Association.

### 8. Stocks

|               | Group        |              | Company   |
|---------------|--------------|--------------|-----------|
|               | 2022<br>£    | 2021<br>£    | 2022<br>£ |
| Sundry stocks | <u>1,319</u> | <u>1,247</u> | <u>-</u>  |
|               | <u>1,319</u> | <u>1,247</u> | <u>-</u>  |

### 9. Debtors

|                                          | Group          |                | Company        |
|------------------------------------------|----------------|----------------|----------------|
|                                          | 2022<br>£      | 2021<br>£      | 2022<br>£      |
| Fees outstanding less bad debt provision | 203,500        | 62,874         | 203,500        |
| Tax recoverable on covenants etc.        | 3,948          | 3,948          | 3,948          |
| Other debtors                            | 97,397         | 210,612        | 43,132         |
| Amounts due from subsidiary entities     | -              | -              | 134,286        |
| Prepayments and accrued income           | <u>128,109</u> | <u>191,663</u> | <u>126,057</u> |
|                                          | <u>432,954</u> | <u>469,097</u> | <u>510,923</u> |
|                                          | <u>432,954</u> | <u>469,097</u> | <u>514,603</u> |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)

### 10(a). Creditors: Amounts falling due within one year

|                                          | Group            |                       | Company          |                       |
|------------------------------------------|------------------|-----------------------|------------------|-----------------------|
|                                          | 2022             | 2021                  | 2022             | 2021                  |
|                                          | £                | £                     | £                | £                     |
| Trade creditors                          | 570,629          | 381,031               | 563,552          | 381,031               |
| Fees in advance                          | 649,968          | 216,683               | 649,968          | 216,683               |
| Bank loan (See Note 10(b))               | 480,000          | 434,818               | 480,000          | 434,818               |
| Fee deposits                             | 2,718,811        | 2,807,881             | 2,718,811        | 2,807,881             |
| Other creditors                          | 446,364          | 660,006               | 442,538          | 634,804               |
| Amounts due to subsidiary entities       | -                | -                     | 37,310           | 37,311                |
| Employee taxes and social security costs | 205,475          | 168,084               | 205,475          | 168,084               |
| Accruals and deferred income             | 352,343          | 345,903               | 344,466          | 345,903               |
|                                          | <u>5,423,590</u> | <u>5,014,406</u>      | <u>5,442,120</u> | <u>5,026,515</u>      |
|                                          | <b>Group</b>     | <b>Group</b>          | <b>Company</b>   | <b>Company</b>        |
|                                          | <b>2022</b>      | <b>2022</b>           | <b>2022</b>      | <b>2022</b>           |
| <b>Deferred income</b>                   | Fees in advance  | Other deferred income | Fees in advance  | Other deferred income |
| Brought forward                          | 216,683          | 42,137                | 216,683          | 42,137                |
| Released                                 | (216,683)        | (42,137)              | (216,683)        | (42,137)              |
| Deferred in the year                     | <u>649,968</u>   | <u>50,610</u>         | <u>649,968</u>   | <u>50,610</u>         |
| Carried forward                          | <u>649,968</u>   | <u>50,610</u>         | <u>649,968</u>   | <u>50,610</u>         |

Fees in advance in 2022 and 2021 represent payments against invoices raised in respect of subsequent terms where revenue will be recognised in the following financial year. Other deferred income relates to income received in respect of trips or events in the following financial year. Fee deposits are received in advance of a pupil commencing education at St James and are repayable upon completion of the pupil's education which may be up to 14 years later. The liability is disclosed as due within one year as pupils may leave at any time, but with relatively stable pupil numbers, the probability of the liability becoming repayable in the short term is highly unlikely.

### 10(b). Creditors: amounts falling due after more than one year

|                                        | Group            |                  | Company          |                  |
|----------------------------------------|------------------|------------------|------------------|------------------|
|                                        | 2022             | 2021             | 2022             | 2021             |
|                                        | £                | £                | £                | £                |
| Bank loans                             | <u>2,213,123</u> | <u>2,494,153</u> | <u>2,213,123</u> | <u>2,494,153</u> |
|                                        | <u>2,213,123</u> | <u>2,494,153</u> | <u>2,213,123</u> | <u>2,494,153</u> |
| Bank loans - maturity:                 |                  |                  |                  |                  |
| Payable within 1 year (See Note 10(a)) | 480,000          | 434,818          | 480,000          | 434,818          |
| Payable between 1 – 2 years            | 293,122          | 502,187          | 293,122          | 502,187          |
| Payable between 2 – 5 years            | 720,000          | 569,185          | 720,000          | 569,185          |
| Payable after more than 5 years        | <u>1,200,000</u> | <u>1,422,781</u> | <u>1,200,000</u> | <u>1,422,781</u> |
|                                        | <u>2,693,123</u> | <u>2,928,971</u> | <u>2,693,123</u> | <u>2,928,971</u> |

At 31 August 2022 the Association had a secured liability of £2,693,123 (2021: £2,928,971). The liability is secured by a first legal charge over 41A North End Road, W14 8SZ. This amount comprises two loans: £1.2m repayable in equal instalments over 60 months commencing 31 October 2018; and £2.4m repayable in instalments over 60 months commencing 30 September 2022.

**The Independent Educational Association Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2022 (continued)**

**11 Analysis of Funds**

The Association's funds and the movements in the year are as follows:

| <b>Group</b>                   | <b>Balance<br/>1 September<br/>2021</b> | <b>Income</b> | <b>Expenditure</b> | <b>Transfers</b> | <b>Gains /<br/>Losses</b> | <b>Balance<br/>31 August<br/>2022</b> |
|--------------------------------|-----------------------------------------|---------------|--------------------|------------------|---------------------------|---------------------------------------|
|                                | <b>£</b>                                | <b>£</b>      | <b>£</b>           | <b>£</b>         | <b>£</b>                  | <b>£</b>                              |
| <b>Restricted Funds</b>        |                                         |               |                    |                  |                           |                                       |
| Permanent Endowment            | 400                                     | -             | -                  | -                | -                         | 400                                   |
| Bursary                        | 1,001,483                               | 9,575         | (9,097)            | -                | (30,814)                  | 971,147                               |
| Founders scholarship           | 86,674                                  | 2,753         | (1,044)            | -                | (20,007)                  | 68,376                                |
| Valerie Cullen                 | 285,980                                 | 4,957         | (2,618)            | -                | (43,084)                  | 245,235                               |
| John Lyons                     | -                                       | 76,200        | (76,200)           | -                | -                         | -                                     |
| D A Nott                       | 936,261                                 | 17,368        | (9,365)            | -                | (124,881)                 | 819,383                               |
|                                | 2,310,798                               | 110,853       | (98,324)           | -                | (218,786)                 | 2,104,541                             |
| <b>Unrestricted Funds</b>      |                                         |               |                    |                  |                           |                                       |
| General Fund                   | 25,898,699                              | 17,195,001    | (16,014,972)       | (496,388)        | -                         | 26,582,340                            |
| ISPS Pension deficit provision | (208,000)                               | -             | -                  | 22,388           | (15,000)                  | (200,612)                             |
| IEAL Pension reserve           | (2,372,000)                             | -             | (126,000)          | 474,000          | 1,730,000                 | (294,000)                             |
|                                | 25,629,497                              | 17,305,854    | (16,239,296)       | -                | 1,496,214                 | 28,192,269                            |
| <b>Company</b>                 | <b>Balance<br/>1 September<br/>2021</b> | <b>Income</b> | <b>Expenditure</b> | <b>Transfers</b> | <b>Gains /<br/>Losses</b> | <b>Balance<br/>31 August<br/>2022</b> |
|                                | <b>£</b>                                | <b>£</b>      | <b>£</b>           | <b>£</b>         | <b>£</b>                  | <b>£</b>                              |
| <b>Restricted Funds</b>        |                                         |               |                    |                  |                           |                                       |
| Bursary                        | 1,001,483                               | 9,575         | (9,097)            | -                | (30,814)                  | 971,147                               |
| Founders scholarship           | 86,674                                  | 2,753         | (1,044)            | -                | (20,007)                  | 68,376                                |
| Valerie Cullen                 | 285,980                                 | 4,957         | (2,618)            | -                | (43,084)                  | 245,235                               |
| John Lyons                     | -                                       | 76,200        | (76,200)           | -                | -                         | -                                     |
| D A Nott                       | 936,261                                 | 17,368        | (9,365)            | -                | (124,881)                 | 819,383                               |
|                                | 2,310,398                               | 110,853       | (98,324)           | -                | (218,786)                 | 2,104,141                             |
| <b>Unrestricted Funds</b>      |                                         |               |                    |                  |                           |                                       |
| General Fund                   | 26,751,304                              | 17,138,624    | (15,999,545)       | (496,388)        | -                         | 27,393,995                            |
| ISPS Pension deficit provision | (208,000)                               | -             | -                  | 22,388           | (15,000)                  | (200,612)                             |
| IEAL Pension reserve           | (2,372,000)                             | -             | (126,000)          | 474,000          | 1,730,000                 | (294,000)                             |
|                                | 26,481,702                              | 17,249,477    | (16,223,869)       | -                | 1,496,214                 | 29,003,524                            |

The Bursary fund is for disbursement of bursaries.

The Founders scholarship fund is for a pupil who would not otherwise be able to attend.

The Valerie Cullen Music Prize is for a musically talented pupil in the Senior Boys School.

The D A Nott fund is for a bursary for specified subjects up to a maximum of £10,000 per annum

The John Lyons grant is for the funding of bursaries.

**The Independent Educational Association Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2022 (continued)**

**11 Analysis of Funds (continued)**

The Association's funds and the movements in the year are as follows:

| <b>Group</b>                   | <b>Balance<br/>1 September<br/>2020</b> | <b>Income</b> | <b>Expenditure</b> | <b>Transfers</b> | <b>Gains /<br/>Losses</b> | <b>Balance<br/>31 August<br/>2021</b> |
|--------------------------------|-----------------------------------------|---------------|--------------------|------------------|---------------------------|---------------------------------------|
|                                | <b>£</b>                                | <b>£</b>      | <b>£</b>           | <b>£</b>         | <b>£</b>                  | <b>£</b>                              |
| <b>Restricted Funds</b>        |                                         |               |                    |                  |                           |                                       |
| Permanent Endowment            | 400                                     | -             | -                  | -                | -                         | 400                                   |
| Bursary                        | 827,307                                 | 7,020         | (6,361)            | -                | 173,517                   | 1,001,483                             |
| Founders scholarship           | 67,976                                  | 11,020        | (10,893)           | -                | 18,571                    | 86,674                                |
| Valerie Cullen                 | 238,165                                 | 7,735         | (5,814)            | -                | 45,894                    | 285,980                               |
| John Lyons                     | -                                       | 76,200        | (76,200)           | -                | -                         | -                                     |
| D A Nott                       | 760,885                                 | 28,674        | (19,963)           | -                | 166,665                   | 936,261                               |
|                                | 1,894,733                               | 130,649       | (119,231)          | -                | 404,647                   | 2,310,798                             |
| <b>Unrestricted Funds</b>      |                                         |               |                    |                  |                           |                                       |
| General Fund                   | 24,853,428                              | 16,010,619    | (14,965,348)       | -                | -                         | 25,898,699                            |
| ISPS Pension deficit provision | (229,666)                               | -             | -                  | -                | 21,666                    | (208,000)                             |
| IEAL Pension reserve           | (3,772,500)                             | -             | 323,500            | -                | 1,077,000                 | (2,372,000)                           |
|                                | 22,745,995                              | 16,141,268    | (14,761,079)       | -                | 1,503,313                 | 25,629,497                            |
| <b>Company</b>                 | <b>Balance<br/>1 September<br/>2020</b> | <b>Income</b> | <b>Expenditure</b> | <b>Transfers</b> | <b>Gains /<br/>Losses</b> | <b>Balance<br/>31 August<br/>2021</b> |
|                                | <b>£</b>                                | <b>£</b>      | <b>£</b>           | <b>£</b>         | <b>£</b>                  | <b>£</b>                              |
| <b>Restricted Funds</b>        |                                         |               |                    |                  |                           |                                       |
| Bursary                        | 827,307                                 | 7,020         | (6,361)            | -                | 173,517                   | 1,001,483                             |
| Founders scholarship           | 67,976                                  | 11,020        | (10,893)           | -                | 18,571                    | 86,674                                |
| Valerie Cullen                 | 238,165                                 | 7,735         | (5,814)            | -                | 45,894                    | 285,980                               |
| John Lyons                     | -                                       | 76,200        | (76,200)           | -                | -                         | -                                     |
| D A Nott                       | 760,885                                 | 28,674        | (19,963)           | -                | 166,665                   | 936,261                               |
|                                | 1,894,333                               | 130,649       | (119,231)          | -                | 404,647                   | 2,310,398                             |
| <b>Unrestricted Funds</b>      |                                         |               |                    |                  |                           |                                       |
| General Fund                   | 25,722,617                              | 15,965,097    | (14,936,410)       | -                | -                         | 26,751,304                            |
| ISPS Pension deficit provision | (229,666)                               | -             | -                  | -                | 21,666                    | (208,000)                             |
| IEAL Pension reserve           | (3,772,500)                             | -             | 323,500            | -                | 1,077,000                 | (2,372,000)                           |
|                                | 23,614,784                              | 16,095,746    | (14,732,141)       | -                | 1,503,313                 | 26,481,702                            |

The Bursary fund is for disbursement of bursaries.

The Founders scholarship fund is for a pupil who would not otherwise be able to attend.

The Valerie Cullen Music Prize is for a musically talented pupil in the Senior Boys School.

The D A Nott fund is for a bursary for specified subjects up to a maximum of £10,000 per annum

The John Lyons grant is for the funding of bursaries

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)

### 12 Analysis of Net Assets between Funds

| Group                                 | Tangible<br>Fixed<br>Assets | Investments      | Other assets<br>and<br>liabilities | Total<br>2022     |
|---------------------------------------|-----------------------------|------------------|------------------------------------|-------------------|
| <b>Restricted Funds</b>               | <b>£</b>                    | <b>£</b>         | <b>£</b>                           | <b>£</b>          |
| Permanent Endowment                   | -                           | -                | 400                                | 400               |
| Bursary                               | -                           | 843,909          | 127,238                            | 971,147           |
| Founders scholarship                  | -                           | 84,755           | (16,379)                           | 68,376            |
| Valerie Cullen Music Prize            | -                           | 223,094          | 22,141                             | 245,235           |
| D A Nott                              | -                           | 824,791          | (5,408)                            | 819,383           |
|                                       | -                           | 1,976,549        | 127,992                            | 2,104,541         |
| <b>General Fund</b>                   | 27,844,875                  | -                | (1,262,535)                        | 26,582,340        |
| <b>ISPS Pension deficit provision</b> | -                           | -                | (200,612)                          | (200,612)         |
| <b>IEAL Pension reserve</b>           | -                           | -                | (294,000)                          | (294,000)         |
|                                       | <u>27,844,875</u>           | <u>1,976,549</u> | <u>(1,629,155)</u>                 | <u>28,192,269</u> |

The group has no free reserves as at 31 August 2022

| Company                               | Tangible<br>Fixed<br>Assets | Investments      | Other assets<br>and<br>liabilities | Total<br>2022     |
|---------------------------------------|-----------------------------|------------------|------------------------------------|-------------------|
| <b>Restricted Funds</b>               | <b>£</b>                    | <b>£</b>         | <b>£</b>                           | <b>£</b>          |
| Bursary                               | -                           | 843,909          | 127,238                            | 971,147           |
| Founders scholarship                  | -                           | 84,755           | (16,379)                           | 68,376            |
| Valerie Cullen Music Prize            | -                           | 223,094          | 22,141                             | 245,235           |
| D A Nott                              | -                           | 824,791          | (5,408)                            | 819,383           |
|                                       | -                           | 1,976,549        | 127,592                            | 2,104,141         |
| <b>General Fund</b>                   | 28,880,177                  | 1                | (1,486,183)                        | 27,393,995        |
| <b>ISPS Pension deficit provision</b> | -                           | -                | (200,612)                          | (200,612)         |
| <b>IEAL Pension reserve</b>           | -                           | -                | (294,000)                          | (294,000)         |
|                                       | <u>28,880,177</u>           | <u>1,976,550</u> | <u>(1,853,203)</u>                 | <u>29,003,524</u> |

The company has no free reserves as at 31 August 2022

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)

### 12 Analysis of Net Assets between Funds

| Group                                 | Tangible<br>Fixed<br>Assets | Investments | Other assets<br>and<br>liabilities | Total<br>2021 |
|---------------------------------------|-----------------------------|-------------|------------------------------------|---------------|
|                                       | £                           | £           | £                                  | £             |
| <b>Restricted Funds</b>               |                             |             |                                    |               |
| Permanent Endowment                   |                             |             | 400                                | 400           |
| Bursary                               | -                           | 868,411     | 133,072                            | 1,001,483     |
| Founders scholarship                  | -                           | 103,497     | (16,823)                           | 86,674        |
| Valerie Cullen Music Prize            | -                           | 265,154     | 20,826                             | 285,980       |
| D A Nott                              | -                           | 947,866     | (11,605)                           | 936,261       |
|                                       | -                           | 2,184,928   | 125,870                            | 2,310,798     |
| <b>General Fund</b>                   | 28,317,427                  | -           | (2,418,728)                        | 25,898,699    |
| <b>ISPS Pension deficit provision</b> | -                           | -           | (208,000)                          | (208,000)     |
| <b>IEAL Pension reserve</b>           | -                           | -           | (2,372,000)                        | (2,372,000)   |
|                                       | 28,317,427                  | 2,184,928   | (4,872,858)                        | 25,629,497    |

The group has no free reserves as at 31 August 2021

| Company                               | Tangible<br>Fixed<br>Assets | Investments | Other assets<br>and<br>liabilities | Total<br>2021 |
|---------------------------------------|-----------------------------|-------------|------------------------------------|---------------|
|                                       | £                           | £           | £                                  | £             |
| <b>Restricted Funds</b>               |                             |             |                                    |               |
| Bursary                               |                             | 868,411     | 133,072                            | 1,001,483     |
| Founders scholarship                  |                             | 103,497     | (16,823)                           | 86,674        |
| Valerie Cullen Music Prize            |                             | 265,154     | 20,826                             | 285,980       |
| D A Nott                              | -                           | 947,866     | (11,605)                           | 936,261       |
|                                       | -                           | 2,184,928   | 125,470                            | 2,310,398     |
| <b>General Fund</b>                   | 29,352,729                  | -           | (2,601,425)                        | 26,751,304    |
| <b>ISPS Pension deficit provision</b> | -                           | -           | (208,000)                          | (208,000)     |
| <b>IEAL Pension reserve</b>           | -                           | -           | (2,372,000)                        | (2,372,000)   |
|                                       | 29,352,729                  | 2,184,928   | (5,055,955)                        | 26,481,702    |

The company has no free reserves as at 31 August 2021

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)

### 13. Pension Schemes

#### IEAL Defined Benefit Scheme

The Association operates a pension scheme providing benefits based on final pensionable pay. With effect from 31 August 2017 the scheme was closed to all new members and to future accrual for teaching staff. The scheme continues to operate for a number of non-teaching staff.

The assets of the scheme are held separately from those of the Association, being invested with insurance companies. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Association. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2022. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments, the rates of increase in salaries and pensions and the discount rate.

The preliminary results of the most recent triennial valuation as at 31 March 2021 showed that the market value of the scheme's assets was approximately £16,614,000 with the Scheme Specific Funding Requirement standing at 86% whereas at the previous valuation it was 87%.

As set out in the interim Schedule of Contributions dated 5 October 2020, regular employer contributions of 25.1% of pensionable salaries are to be paid from 5 October 2020. Deficit payments of £33,333.33 are due monthly over the period from 5 October 2020 to 31 December 2024. Contribution payments of £3,880 are payable monthly from 5 October 2020 to cover general core expenses. As a result of the 2021 valuation from 1 April 2022 deficit payments of £33,333 are due monthly until 31 August 2028 and contribution payments of £3,895 are payable monthly to cover expenses. Employer contributions have increase to 27.2% of pensionable salaries.

The financial assumptions underlying the valuation as at 31 March 2021 were as follows:

|                               |                                                                                             |
|-------------------------------|---------------------------------------------------------------------------------------------|
| Pre-retirement discount rate  | Market implied gilt yield curve plus 2.75% pa                                               |
| Post-retirement discount rate | Market implied gilt yield curve plus 0.25% pa                                               |
| RPI inflation                 | Market implied inflation gilt yield curve                                                   |
| CPI inflation                 | Pre 2030: RPI curve less 0.8% p.a.<br>Post 2030: RPI curve less 0% p.a.                     |
| Rate of salary increase       | CPI curve with floor                                                                        |
| Pension increases             | LPI Pension Increases curves derived from RPI, adjusted for the impact of the cap and floor |

The 2021 valuation was carried out using the mortality base tables Club VITA tables and for future improvements in longevity the CMI 2020 model with a long-term rate of improvement of 1.5% (tapering for ages above 85 to 0% to 110) and a smoothing parameter of  $S_k = 7.0$  and A parameter of 0.2% for men and 0.6% for women.

#### Basis of calculation

The last full actuarial valuation upon which the FRS102 figures have been based was as at 31 March 2021.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)

### 13. Pension Schemes (continued)

#### Disclosed Expense

| A – Disclosed Expense                                                           | 2022<br>£000's | 2021<br>£000's |
|---------------------------------------------------------------------------------|----------------|----------------|
| Current service cost                                                            | 37             | 44             |
| Net interest on net defined liability                                           | 34             | 61             |
| Defined benefit cost recognised in Statement of Financial                       |                |                |
| Activites                                                                       | 71             | 105            |
| Administration costs incurred in the period                                     | 55             | 107            |
| Disclosed expense                                                               | 126            | 212            |
| <b>B – Amounts recognised in Other Comprehensive Income (OCI)</b>               |                |                |
| Actuarial gain/(loss) arising during period                                     | 6,677          | (116)          |
| Return on plan assets                                                           | (4,947)        | 1,193          |
| Remeasurement effects recognised in OCI                                         | 1,730          | 1,077          |
| <b>C – Total Defined Benefit Cost</b>                                           |                |                |
| Cost recognised in the Statement of Financial Activities                        | 126            | 212            |
| Remeasurement effects recognised in the OCI                                     | (1,730)        | (1,077)        |
| Defined benefit cost                                                            | (1,604)        | (865)          |
| <b>D – Assumptions Used to Determine Expense</b>                                |                |                |
| Discount rate                                                                   | 4.25%          | 1.60%          |
| Price inflation (RPI)                                                           | 3.40%          | 3.35%          |
| Price inflation (CPI)                                                           | 2.90%          | 2.85%          |
| Rate of salary increase                                                         | 2.90%          | 2.85%          |
| Pension increases for in-payment benefits (Pre 2012 accrual)                    | 3.30%          | 3.25%          |
| Pension increases for in-payment benefits (Post 2012 accrual)                   | 2.90%          | 2.85%          |
| Pension increases in deferment for deferred benefits pre 2009                   | 2.90%          | 2.85%          |
| Pension increases in deferment for deferred benefits post 2009                  | 2.50%          | 2.50%          |
| Life expectancies:                                                              | <b>Male</b>    | <b>Female</b>  |
| Average future expectancy for a pensioner aged 65 at 31/8/22                    | 23.1 years     | 25.6 years     |
| Average future life expectancy at age 65 for a non-pensioner aged 50 at 31/8/22 | 22.8 years     | 26.5 years     |

#### Net Balance Sheet Position

|                                                        | 2022<br>£000's | 2021<br>£000's |
|--------------------------------------------------------|----------------|----------------|
| <b>A – Development of Net Balance Sheet Position</b>   |                |                |
| Defined benefit obligation (DBO)                       | (13,879)       | (20,750)       |
| Fair value of assets (FVA)                             | 13,585         | 18,378         |
| Deficit in the plan                                    | (294)          | (2,372)        |
| <b>B – Reconciliation to Balance Sheet</b>             |                |                |
| Net defined benefit liability at end of prior period   | (2,372)        | (3,773)        |
| Current service cost                                   | (37)           | (44)           |
| Net interest on net defined benefit liability          | (34)           | (61)           |
| Remeasurement effects recognised in OCI                | 1,730          | 1,077          |
| Employer contributions                                 | 474            | 536            |
| Administration costs incurred in the period            | (55)           | (107)          |
| Net defined benefit liability at end of current period | (294)          | (2,372)        |

**The Independent Educational Association Limited**

**Notes to the Consolidated Financial Statements  
For the year ended 31 August 2021 (continued)**

**13. Pension Schemes (continued)**

**Additional Disclosure Information**

|                                                                                         | <b>£000's</b>                           |
|-----------------------------------------------------------------------------------------|-----------------------------------------|
| <b>A – Expected Future Administration Expenses for the period ending 31 August 2022</b> | 55                                      |
| <b>B – Expected Contributions for period ending 31 August 2022</b>                      |                                         |
| Employer                                                                                | 447                                     |
| Scheme participants                                                                     | 0.0                                     |
| <b>C – Actual return on Scheme Assets during period ending 31 August 2022</b>           |                                         |
| Interest on assets                                                                      | 293                                     |
| Asset gain during period                                                                | (4,947)                                 |
| Actual return on assets                                                                 | (4,654)                                 |
| <b>D – Scheme Asset Information</b>                                                     |                                         |
|                                                                                         | Allocation Percentage<br>31 August 2022 |
|                                                                                         | Allocation Percentage<br>31 August 2021 |
| Equities                                                                                | 8.86%                                   |
| Absolute bond return                                                                    | 10.78%                                  |
| Asset backed securities                                                                 | 32.51%                                  |
| Insurance linked securities                                                             | 11.13%                                  |
| Synthetic credit                                                                        | 8.69%                                   |
| LDI                                                                                     | 17.64%                                  |
| Cash and cash equivalents                                                               | 10.39%                                  |
| Total                                                                                   | 100%                                    |
| Fair value of plan assets                                                               | 13,585                                  |
|                                                                                         | 18,378                                  |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)

### 13. Pension Schemes (continued)

#### Changes in disclosed liabilities and assets

|                                                     | 2022<br>£000's | 2021<br>£000's |
|-----------------------------------------------------|----------------|----------------|
| <b>A - Change in Actuarial Value of Liabilities</b> |                |                |
| DBO at end of prior period                          | 20,750         | 20,865         |
| Current Service Cost                                | 37             | 44             |
| Interest cost on the DBO                            | 327            | 349            |
| Administrative Costs                                | 55             | 107            |
| Actuarial Loss                                      | (6,677)        | 116            |
| Benefits paid                                       | (613)          | (731)          |
| DBO at current period end                           | 13,879         | 20,750         |
| <b>B - Change in Scheme Assets</b>                  |                |                |
| Fair value of assets at end of prior period         | 18,378         | 17,092         |
| Interest income on plan assets                      | 293            | 288            |
| Return on plan assets greater than discount rate    | (4,947)        | 1,193          |
| Employer contributions                              | 474            | 536            |
| Benefits paid                                       | (613)          | (731)          |
| Fair value of assets at current period end          | 13,585         | 18,378         |

#### IEAL Scottish Widows Stakeholder Scheme

With effect from 1 September 2010 the Association introduced a stakeholder pension scheme for non-teaching staff not eligible for participation in the IEAL Defined Benefit Scheme. The stakeholder scheme is a defined contribution scheme with funds managed by Scottish Widows. Employee contributions are a minimum of 5% and the employer's contribution rate is 10%. At the balance sheet date there were 46 members of this scheme (2021: 44). During the year £66,641 (2021: £130,001) of contributions were payable by the employer. Contributions of £14,387 (2021: £18,367) were owing to the scheme at the balance sheet date.

#### NEST stakeholder scheme

This scheme is for employees who are neither in the IEAL Pension Scheme or the IEAL Scottish Widows Stakeholder Scheme and who qualify for auto-enrolment into a Pension Scheme. The stakeholder scheme is a defined contribution scheme. The employee contribution rate during the year was 4% and the employer's contribution rate was 3% throughout the period. At the balance sheet date there were 16 members of this scheme (2021: 14). During the year £13,457 (2021: £10,365) of contributions were payable by the employer. Contributions of £1,991 (2021: £1,750) were owed to the scheme at the balance sheet date.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)**

### **13. Pension Schemes (continued)**

#### **Independent Schools' Pension Scheme**

For the period to the end of December 2014 St. David's School participated in The Independent Schools' Pension Scheme ('the Scheme'). Under a flexible apportionment arrangement, executed as a deed on 19 December 2014 and signed by the Trustee of The Pension Trust, St David's School and IEAL, the liabilities of St David's School to the Scheme with the exception of £1 were transferred to IEAL and St David's School ceased to be an employer under the Scheme. From this date IEAL is the employer within the Scheme.

The association participates in the scheme, a multi-employer scheme which provides benefits to some 61 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the association 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 occupational 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.

As at the balance sheet date there was one active member of the Scheme employed by IEAL. During the accounting period IEAL paid a joint contribution rate of 30.5% (2021: 30.5%) comprising employer contributions of 21.0% (2021: 21.0%) and member contributions of 9.5% (2021: 9.5%).

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2020. This actuarial valuation was certified on 22 December 2021 and showed assets of £201.1m, liabilities of £256.3m and a deficit of £55.2m equivalent to a past service funding level of 80%. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

#### **Deficit contributions**

|                                        |                                                                                 |
|----------------------------------------|---------------------------------------------------------------------------------|
| From 1 September 2022 to 30 April 2032 | £2,687,000 per annum (payable monthly and increasing by 3% on each 1 September) |
|----------------------------------------|---------------------------------------------------------------------------------|

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2017. This valuation showed assets of £149.4m, liabilities of £187.6m and a deficit of £32.2m.

|                                        |                                                                                 |
|----------------------------------------|---------------------------------------------------------------------------------|
| From 1 September 2019 to 30 April 2030 | £2,387,357 per annum (payable monthly and increasing by 3% on each 1 September) |
|----------------------------------------|---------------------------------------------------------------------------------|

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

The annual amount due by IEAL from 1 September 2022 to 31 August 2030 is £22,016 (increasing by 3% each on 1 September).

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)

### 13. Pension Schemes (continued)

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the school 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 values of provision – Group and company

|                                                          | Year Ended<br>31 August 2022<br>(£000s) | Year Ended<br>31 August 2021<br>(£000s) |
|----------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Provision at start of period                             | 208                                     | 230                                     |
| Unwinding of the discount factor (interest expense)      | 2                                       | 2                                       |
| Deficit contribution paid                                | (22)                                    | (22)                                    |
| Remeasurements - impact of any change in assumptions     | (33)                                    | (2)                                     |
| Remeasurements - amendments to the contribution schedule | 46                                      | -                                       |
| Provision at end of period                               | 201                                     | 208                                     |

#### Statement of Financial Activities impact: - Group and company

|                                                          | Year Ended<br>31 August 2022<br>(£000s) | Year Ended<br>31 August 2021<br>(£000s) |
|----------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Interest expense                                         | 2                                       | 2                                       |
| Remeasurements – impact of any change in assumptions     | (33)                                    | (2)                                     |
| Remeasurements – amendments to the contribution schedule | 46                                      | -                                       |

#### Assumptions

|                  | 31 August 2022<br>% per annum | 31 August 2021<br>% per annum |
|------------------|-------------------------------|-------------------------------|
| Rate of discount | 4.31                          | 1.09                          |

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 Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)**

### **13. Pension Schemes (continued)**

Following a change in legislation in April 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

IEAL has been notified by The Pensions Trust of the estimated employer debt that would have been payable if IEAL had withdrawn from The Independent School's Pension Scheme as at 30 September 2021. As of this date the estimated employer debt for IEAL was £852,114. As IEAL currently has no plans to leave the scheme, this contingent liability has not been provided for in the accounts, and as the Actuary is unable to identify its share of the underlying assets and liabilities at 31 August 2022, the scheme has been accounted for as a defined contribution scheme as permitted by FRS102 and contributions are accounted for when due. Any agreed pension deficit funding payments are provided for on a discounted basis.

Amounts paid in respect of employer pension contributions during the year including the annual deficit contributions were £48,336 (2021: £59,275). As at 31 August 2022 £3,228 (2021: £6,051) was owing to the scheme.

### **14. Transactions with Trustees and Related Parties**

No remuneration or expenses were paid to the trustees (2021: £Nil).

The aggregate employee-benefits of the key management personnel are shown in Note 5.

The Association and St David's School along with its trading subsidiary, St David's Enterprises Limited, are under common control. At the balance sheet date St David's Enterprises Limited owed £75,162 (2021: £83,319) to the Association, and the Association owed £37,310 (2021: £37,310) to St David's School. The balance sheet movement represents the total of net recharged expenses during the year between the Association and its subsidiary undertakings. St James Enterprises Limited, a subsidiary of the Association, was incorporated on 16 January. At the balance sheet date, the Association owed £1 (2021:£1) to St James Enterprises Limited and St James Enterprises Limited owed £59,125 to the Association (2021: £17,295).

Certain Trustees have spouses or other relations who are employed at the school as teachers and as such receive salaries in accordance with the pay scale for all of the Association's teachers. These Trustees do not vote at Trustee meetings on any matters relating to teachers' remuneration. At 31 August 2022 there was one Trustee (2021: 2) with relations employed whose aggregate gross salaries for the year ending on that date were £5,045 (2021: £14,580). Certain Trustees also have children who are pupils at the school and pay fees in accordance with the normal fee rates for all pupils less any contractual discounts to which they are entitled.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2022 (continued)**

### **15. Operating lease commitments**

The amount charged as expenses in respect of operating leases was £Nil (2021: £Nil)

The Association had several short-term leases in respect of property let during the year. The future minimum lease rentals receivable in respect of the remaining lease period or notice period amount to £41,495 at 31 August 2022 (2021: £41,495)

### **16. Capital and other commitments**

At 31 August 2022 the Association had building works contracted for, but not accrued, amounting to £Nil (2021: £Nil) of which approximately £Nil (2021: £Nil) related to capital commitments.

### **17. Subsidiary Undertakings**

#### **A. The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St David's School**

Incorporated by Act of Parliament in 1846 in England

Registered charity number 312091

Trustees are common to those of the Independent Educational Association Limited

Former owner and manager of the property situated at Church Road, Ashford, Middlesex that is used by the Senior Boys' School of the Independent Educational Association Limited. The property was transferred to the Independent Educational Association Limited on 24 November 2014 at which point its main activity was discontinued.

Aggregate assets - £158,217 (2021: £158,470)

Aggregate liabilities - £Nil (2021: £72)

Aggregate funds - £158,218 (2021: £158,399)

Turnover for the year - £Nil (2021: £(410))

Expenditure for the year - £181 (2021: £127)

(Loss) for the year - £(181) (2021: £(537))

#### **B. St David's Enterprises Limited**

Incorporated in England & Wales under company registration number 5154561

100% of the issued share capital is held by The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St David's School

Letting to the public and various sporting organisations the facilities located at St David's School, Church Road, Ashford

The Senior Boys' School of the Independent Educational Association Limited also occupy and utilise the facilities at Church Road, Ashford during school days and various times in the evenings and at weekends

Aggregate assets - £64,494 (2021: £64,204)

Aggregate liabilities - £83,403 (2021: £81,707)

Aggregate funds (£20,909) (2021: (£17,503))

Turnover for the year - £Nil (2021: £Nil)

Expenditure for the year - £3,406 (2021: £7,320)

Loss for the year £3,406 (2021: £7,320)

#### **C. St James Enterprises Limited**

Incorporated on 16 January 2018 in England & Wales under company registration number 11153595

100% of the issued share capital is held by the Independent Educational Association Limited

Aggregate assets - £163,242 (2021: £58,806)

Aggregate liabilities - £76,502 (2021: £31,160)

Aggregate funds - £86,740 (2021: £27,646)

Turnover for the year - £138,127 (2021: £45,523)

Expenditure for the year - £57,857 (2021: £24,347)

Profit for the year (gift aided to parent) - £80,270 (2021: £21,176)

The company assumed the handling of commercial events from St David's Enterprises Limited on 1 April 2020

**THE INDEPENDENT EDUCATIONAL ASSOCIATION LIMITED**

England & Wales - Charity number 270156

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# Accounts

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**THE INDEPENDENT EDUCATIONAL  
ASSOCIATION LIMITED**

**Company Number 01222329  
Charity Number 270156**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2021**

**THE INDEPENDENT EDUCATIONAL ASSOCIATION LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended 31 August 2021**

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# **The Independent Educational Association Limited**

## **Company Information For the year ended 31 August 2021**

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The Independent Educational Association Limited ("the Association") was incorporated on the 8 August 1975 as a company limited by guarantee and not having a share capital, with registration number 1222329. On 8 December 1975 it was also registered as a charity under the Charities Act 1960 with the charity number 270156. The Charity's principal address and registered office is at Earsby Street, London, W14 8SH. The Association has prepared consolidated financial statements to include the activities of St James Enterprises Limited, incorporated on 16 January 2018, as a subsidiary of the Association and The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St. David's School (St. David's), and its trading subsidiary St David's Enterprises Limited on the basis that the Association and St. David's are being managed on a unified basis with common trustees.

#### **Trustees and Directors**

The trustees of the Association, known as Governors, are also the directors of the company for the purposes of company law, the Board being a self-appointing body. During the year and up to the date of approval of the financial statements they were:

Aatif Hassan  
Annabel Lubikowski  
Jeremy Sinclair (Chairman)  
John Story  
Hugh Venables  
Jerome Webb

#### **Key Executives and Professional Advisers**

##### **The Head teachers and the Schools' Addresses**

|              |                                                               |
|--------------|---------------------------------------------------------------|
| Mr D Brazier | St James Senior Boys' School, Church Road, Ashford, TW15 3DZ  |
| Mrs S Labram | St James Senior Girls' School, Earsby Street, London, W14 8SH |
| Mr K Spencer | St James Preparatory School, Earsby Street, London W14 8SH    |

**Director of St James Education:** Mrs L Hyde

**Chief Operating Officer & Company Secretary:** Mr W Wyatt

#### ***Auditor***

Haysmacintyre LLP  
10 Queen St. Place  
LONDON  
EC4R 1AG

#### ***Solicitors***

Veale Wasbrough Vizards  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS

#### ***Principal Bankers***

Lloyds Bank plc  
67 Old Brompton Road  
London SW7 3JX

#### ***Investment Advisers***

J. M. Finn & Co.  
4 Coleman Street  
London EC2R 5TA

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2021**

The Board of Trustees present their annual report for the year ended 31 August 2021.

### **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

#### **Charitable Objects**

The objects for which the Association is established (as set out in its Articles of Association) are to promote the advancement of education of children and young persons and in connection therewith to establish and conduct in any part of the world a school or schools to give instruction in all branches of education including the preparation of pupils to sit for public examinations whether academic, professional or otherwise.

#### **Aims and Intended Impact**

Within these Objects, the Association started the St James Independent Schools in January 1975 with the aim of providing a first-class independent education, through strong academic tuition, awareness of spiritual values and developing wider sporting, artistic and social skills in all pupils. This is intended to provide an environment where each pupil can begin to realise his or her own potential, thus helping to build self-confidence and self-esteem in preparation for a happy and fulfilling life contributing to the good of the wider community.

#### **Objectives for the Year**

The focus has been on the continued achievement and enhancement of academic standards throughout the schools while endeavouring to meet the individual requirements of the minority with special educational needs. Striking the right balance between these two objectives should ensure that all pupils have the opportunity of working to achieve their full potential. We continue to improve the facilities available whilst keeping clear budgetary controls.

#### **Strategies to Achieve the Year's Objectives**

These include an on-going review and where necessary updating of the schools' academic syllabuses, an exercise in which the staff are fully involved. Increased attention is also being given to staff training and development. We remain open to opportunities to extend the schools' already great range of non-academic activities by promoting excellence in sports and open-air pursuits as well as developing social skills.

#### **Principal Activities of the Year**

The Association provides education through the St James Schools: from the ages of 4 to 18 at Earsby Street for junior boys and girls and senior girls, and at Ashford for senior boys. The Association acts in an advisory capacity for a number of schools with common ethics and practices worldwide. The Association finished the year with 840 (2020: 849) pupils. From 1 September 2019 the Association expanded the provision of education through the new Nursery facilities at Earsby Street. At the year end there were 22 pupils in the nursery department (2020:17),

#### **Grant-making Policy**

This year, the value of scholarships, grants and prizes made to pupils out of restricted funds was £119,231 (2020: £153,965). In addition, a further £1,138,143 (2020:£940,044) of bursaries and scholarships were funded from unrestricted reserves. All bursary awards are made on the basis of financial need, and all are means tested. Further fee remissions may be made where the policy is to relieve hardship and the pupil's education and future prospects would be at risk without such support.

### **BUSINESS REVIEW**

The Trustees present the consolidated financial results of IEAL incorporating the results of St David's School and its trading subsidiary St David's Enterprises Limited and those of St James Enterprises Limited, incorporated on 16 January 2018, as a trading subsidiary of the Association which began trading in September 2019.

This has been another rewarding year for the charities and the group. The Trustees, the majority of whom are common to both charities, are pleased with the group's development and progress. Financial performance remains strong. The reputation of each of the St James schools continues to thrive due to the excellent all-round education and pastoral care offered and because of the hard work and dedication of all staff.

During the year we have still maintained good academic achievements. Despite the decrease in average pupil numbers reported above, the nursery expanded and St James is seeking to consolidate and grow its overall pupil numbers in future years. The building of a new sports hall at the Senior Boys School which opened in July 2021 should assist future recruitment of pupils and, as noted above, we launched a new nursery at the Olympia site in September 2019 to act as a feeder for the prep school as well as providing an additional income stream to improve the school's financial position.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2021**

### **BUSINESS REVIEW (Continued)**

Together with competitive fee rates and sound financial management, we aim to produce an operating surplus year on year.

This was another year affected by COVID. School was closed again for most of the spring term. However, the standard of online learning was excellent and all three schools received very positive feedback from parents. The school has frozen fees for this year and we gave parents a rebate of 5% of the spring term fees which was based on the savings we were able to make.

An ongoing review of debt management procedures continues to produce a significantly improved collection rate of current debt and a reduction in overdue balances. Subsidiary company results contributed a surplus of £16,583 to the overall results compared with £2,318 in the previous year.

In October 2020 the IEAL Pension Scheme transferred to Citrus Pension Plan, a non-for-profit master trust. The aim was to improve the professional management of the scheme and reduce management and administration costs. Contributions necessary to make up for the deficit in the Scheme were £400,000 for the year to 31 August 2021 and are expected to remain at that level to August 2028. The last published full triennial actuarial valuation for the IEAL Pension Scheme was on 1 September 2017. However, a valuation has been carried out as at March 2021 and the report will be available in June 2022. It is anticipated that the deficit contributions will remain at the agreed rates.

The group will continue to seek to meet the AGBIS best practice target by generating a 10% cash surplus. This is essential for long term cash flow stability and building reserves to a level that ensures sustainable development of the schools.

### **Developments**

Construction of the new sports hall at Ashford commenced and was completed in July 2021.

The trustees are conscious of their responsibility to ensure that the Charity considers its duty to operate for the public benefit. The Association has provided Bursary and Scholarship funding equivalent to 7.5% of fee income (2020: 6.7%). Except for bursary specific funds received during the year from benefactors, bursaries have been funded from the General Fund. The Development Office is actively seeking additional sources of Bursary funding in order to minimise the on-going impact on the General Fund.

### **Supporting Activities**

The Association provides bursaries and scholarships to pupils of families in need of financial assistance. In 2021 support of £1,257,374 was given (2020: £1,094,009) to pupils, these include externally funded bursaries and grants.

The fund-raising and development office works for all three schools. It co-ordinates the activities of:

- 1) Long-term fund-raising;
- 2) Short-term fund-raising for small projects;
- 3) Fund-raising by parents often for a particular school.

Whilst future major developments will require substantial fund-raising initiatives, the latest forecasts indicate that the Association will generate operating surpluses sufficient to fund such developments partly from reserves.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2021**

### **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

#### **Operational Performance of the Schools**

The Senior Girls attained excellent exam results. 100% (2020: 100%) A level passes with 98% (2020: 100%) at A\* to C the GCSE pass rate was 100% (2020: 100%) with 100% at A\* to C and 99.7% (2020: 100%) 9 to 4 grades.

The Senior Boys achieved 100% (2020: 100%) A level passes with 95% (2020: 98%) at A\* to C; the GCSE pass rate was 100% (2020: 100%) with 99% (2020: 98%) at 9 to 4 grades.

#### **Fundraising Performance**

The fund-raising department raised £41,553 (2020: £16,951) from regular activities during the year. The Development office is coordinating the activities of The Friends of St James and the Alumni in addition to fund-raising for Buildings and Bursary Funds. With continued building and facility improvements planned for both the Earsby Street and Ashford sites, fund-raising efforts will be focused on raising substantial sums

The Association received no complaints about its fundraising activities in the year.

### **FINANCIAL REVIEW AND RESULTS FOR YEAR**

The Association's net income for the year was £2,883,502 (2020:restated £1,538,950). Net income before gains were £1,380,189 (2020: restated £1,861,153). Net income includes the FRS102 actuarial gain in respect of the IEAL Pension Scheme of £1,077,000 (2020:£402,600 deficit) and investment gains of £404,647 (2020: £64,063). The Pension Scheme liability is a long-term liability and as such the management are satisfied that they can meet current funding requirements arising in the Scheme.

There was a 1% year on year reduction in total gross fee income before bursaries and charging for activities and coaches £16,796,100 (2020: £16,928, 208 which was the result of a reduced pupil roll and fee remissions of 5% in the Summer Term.

The Association had net current assets at 31 August 2021 of £201,295 (2020: £(841,708)). This includes fee deposit liabilities of £2,807,881 (2020: £2,773,370). These liabilities are disclosed as due within one year as pupils may leave at any time, but with a reasonable stable pupil roll currently, the probability of the liability becoming repayable in the short term is highly unlikely. .

At the year end fee debtors were £62,478 (2020: £535,370) This reflects the proactive approach to fee collection taken by management during the financial year and into 2022. The majority of parents paid on time and for those parents who are struggling, the schools have engaged fully and assisted them by agreeing payment plans, payment holidays or by providing mean-tested hardship funding.

#### **Key Performance Indicators**

We have to be aware of staff-pupil ratios and the proportion of fee income spent on salaries and salary-related expenses such as national insurance, pensions funding and training costs.

|                                             | <b>2021</b> | <b>2020<br/>restated</b> |
|---------------------------------------------|-------------|--------------------------|
| Employment costs compared to fee income     | 62%         | 55%                      |
| Pupils (Average number throughout the year) | 862         | 883                      |
| Teaching staff (FTE)                        | 107         | 101                      |
| Staff-Pupil ratio                           | 1:8.1       | 1:8.7                    |

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2021**

### **PUPIL RETENTION**

Recognising the continuing pressures on parents, the Governors announced that there was to be no fee increase in the financial year 20-21. This, combined with a generous bursary assistance, has stabilised pupil numbers which are forecast to be at around 860 in financial year 22-23.

### **GOING CONCERN**

The Trustees have sought to minimise the ongoing financial impact of Covid-19 on the charity by prioritising key areas of risk, bad debt, cash flow and pupil retention. This, combined with the continued focus on reducing the cost base of each school, and the expected continued positive cash generation from operating activities in 2021-22 support the Board's view that the Association has adequate resources to continue its activities for the foreseeable future and therefore continue as a going concern. In summary, the revised financial budget and forecast for 2021/22 and 2022/23, is cautious and prudent. We openly visited challenging scenarios and have action plans in place should the need arise. We are pleased that it shows that we will continue to return a cash surplus each year over the next two years. We will be able to operate without selling any part of our extensive property portfolio and will be able to meet all our financial liabilities showing that we remain a strong going concern.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2021**

### **FUTURE PLANS**

We are pleased with the quality of the young men and women coming out of our schools to play their part in society. We are delighted that so many later wish to educate their own children at a St James school and quite a number have come back to teach in the schools. We wish to grow so that more can share in what we have to offer.

The Board's current plans include the following:

- To achieve an overall pupil/teacher ratio of around 10:1. This should allow pupils to receive the necessary time and attention to make the most of their educational opportunity. At the same time the ratio should give teachers the time and scope for preparation, marking and ancillary duties.
- To increase the school roll especially by optimising the intake at Reception at the Prep School, retaining pupils in the Sixth Form and utilising the increased space capacity at the Senior Boys to continue offering three-form entry at Year 7 and four-form entry at Year 9.
- The steady expansion of the prep and senior schools to their optimum sizes will require careful planning and ingenuity to make the maximum use of our existing available space. The first phase of development of the Senior Boys School, as outlined in this report, is now complete. The Trustee Directors are conscious of the need to consider the requirements of the Prep School and the Senior Girls' School based at the Earsby Street site, and the acquisition of the adjoining youth centre site and other nearby properties will allow space to be re-assigned to accommodate growth.

### **RISK MANAGEMENT**

The Board of Governors is responsible for identifying the key risks faced by the School and for ensuring these risks are managed. Each term the Board of Governors identify and assess risks and implement controls to mitigate against these. The major risks include; impact of political regime change on independent schools. This is largely out of the school's control. However, associations such as AGBIS, ISIS, ASA, ISBA, will seek to support the sector. There are constant changes in legislation which affect schools. These are managed through routine monitoring of the legislative environment by SMT. Increased competition from other schools remains a risk. The schools' academic and pastoral reputation is high and fees remain competitive. SMT continue to review the situation.

Risks are managed and monitored by the risk register which are grouped into the following categories:

- Mission and objectives
- Law and regulation
- Governance and management
- External factors
- Operational
- Human resources
- Environmental
- Technological
- Academic
- Financial

The key controls implemented by the School are as follows:

- Formal agendas for all Committee and Board activity;
- Annual budgeting and termly management accounting;
- Formal written Financial Regulations and Financial Procedures;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear financial authorisation and approval levels; and
- Vetting procedures required by law for the protection of the vulnerable.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2021**

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Structure and Governing Document**

The Association, as well as being a registered charity, is a company limited by guarantee. In the event of liquidation, the guarantors who are the members and governors of the company will be liable to contribute £1 each as set out in the governing document of the Association which is its Articles of Association adopted by the members of the Association on 27 November 2014. This guarantee totals £10.

#### **Governing Bodies**

The structure of the Charity consists of a governing body for the St James Schools. The Trustees are assisted by various committees and the Heads and the Chief Operations Officer.

#### **Trustees**

Details of Trustees are given on page 1. The Trustees are also the Company Directors.

The founder of the Association directed the Trustees to raise funds for launching schools, endowing them and otherwise providing for them. Individual schools should have their own managers appointed by the Trustees who are free to manage the schools subject only to their conforming to the aims of the Association and to any financial control necessary to preserve its funds. The Trustees delegate the administration and co-ordination of financial and operational matters of the Schools to the Chief Operating Officer.

#### **Recruitment and Training of Governors**

New Governors are invited to serve by the existing Board of Governors. New Governors are inducted into the workings of the Charity and its schools, including any Board Policy and Procedures. All Governors receive New Governors Training provided by AGBIS and regular Safeguarding training.

#### **Organisational Management**

The Governors, as the trustees of the Charity, are legally responsible for the overall management and control of the St James Schools and associated activities and meet at least once a term including an annual "Away Day". Overall financial and operational control of the schools is delegated to a number of committees which, under the general supervision of the Governors, exercise such powers and perform such duties in relation to the affairs of the Association as are vested in or given to them by the Governors. The principal committees are the Finance and Estates Committee, the individual school committees, the Governance Committee, the Safeguarding Committee and the Health & Safety Committee which all meet each term.

Mrs Hyde became the first Director of Education across all the St James Schools in September 2014.

The day-to-day running of the schools is delegated to the Chief Operating Officer and the respective Head Teachers (supported by their Senior Management Teams).

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the Association remains sensitive to the broader issues of pay and employment conditions elsewhere.

Delivery of the Association's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

#### **Relationships**

The Association actively supports the attainment of the highest standards in the Independent Schools sector, partly through senior staff participating in the inspection of schools, and through promoting links and networking with other schools by attendance at Seminars and events. We also endeavour to widen public access to the schooling we can provide, the facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2021 (continued)**

### **Reserves Policy**

Our policy is to accumulate sufficient reserves to acquire and maintain high quality premises for all our schools with scope for further development. Major property moves and developments have necessarily depleted our reserves. Our policy is to rebuild them by further improving our cost controls and generating the operating surpluses outlined above. At 31 August 2021 the Association had consolidated reserves of £25,629,497 (2020: £22,745,995, as restated) of which £2,310,798 represents restricted funds (2020: £1,894,733) and £23,318,699, represents unrestricted funds (2020: £20,851,262, as restated). There are no Free Reserves which are comprised of undesignated and unrestricted funds net of fixed Assets (2020 £Nil). As shown in Note 11 the ISPS Pension deficit reserve and the IEAL Pension reserve have been shown separately within unrestricted funds. There are no other designated funds as at 31 August 2021. Accounting for the Defined Benefit Pension liability in accordance with FRS102 has resulted in a negative Pension Reserve of £2,372,000 (2020: £3,772,500).

As a result of the Trustees having taken advice from the scheme actuary in respect of the funding of the negative Pension Reserve shown in the Balance Sheet the annual deficit contribution payment for the year ended 31 August 2021 was £400,000 (2020: £400,000). The ISPS pension reserve accounted for under FRS102 has resulted in a negative reserve of £208,000 (2020: £229,666). Under the current funding schedule, the annual deficit contribution payment for 2021 was agreed at approximately £22k, thereafter rising at 3% per annum until 2030. The amounts of restrictive and unrestrictive funds that can only be realised by the disposing of tangible fixed assets or programme related investments are shown in Note 12 Analysis of Net Assets between Funds.

### **Investment Powers & Policy**

As its objective the Board aims to maximise the total investment return. The Association is not restricted as to its investment policy. The Trustees have instructed the Association's Investment Advisors to invest in medium risk securities having regard to the differing requirements of the respective restricted or designated fund involved. The Board considers the performance of the investments in the year to be satisfactory.

### **PUBLIC BENEFIT**

In setting the School's objectives and planning its activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The Governors believe that the principal public benefit provided is in setting up and operating schools with the object of producing well rounded pupils with a comprehensive education aimed at developing the young men and women in our care physically, mentally, and spiritually, leaving them capable of entering fully and usefully into wider society. As a relatively recent foundation, the Association has not yet accumulated reserves sufficient to make significant numbers of free places available, as much of the funds given to it have been required to obtain and equip suitable buildings. During 2021 we continued to utilise the General Fund to support bursaries.

Bursary and other funding, including this year a special hardship fund (for people directly impacted due to Covid-19) assists pupils of parents who find themselves in difficulty meeting fee payments during their children's time at school. Numbers assisted are 82 (2020: 81) at a total cost of £1,257,374 (2020: £1,094,009). Reasons for awards have included insufficient funds due to divorce, sudden loss of income, ill health, parent fatalities, redundancies, Covid-19. All bursaries are means tested.

The Association has assisted in the foundation and development of a number of overseas schools, forming a world-wide family of schools, based on the same essential educational approach, offering guidance and teaching placements.

The senior schools have an active community service programme in which the pupils engage with the local community including state schools. At the very heart of the St James approach is the spirit of unity which naturally encourages the pupils to have regard to the needs of others, which necessarily includes those in less fortunate circumstances.

## **The Independent Educational Association Limited**

### **Annual Report of the Trustees For the year ended 31 August 2021 (continued)**

In 2011 the Association launched Sanskrit @ St James, an initiative supported by the Indian High Commissioner to promote, sustain and develop the teaching of Sanskrit in schools throughout the world. A separate restricted fund was set up with the benefit of a legacy received during 2011 and we have continued to receive support from subscribers throughout the year to fund specific Sanskrit activities.

#### **STATEMENT OF TRUSTEES' RESPONSIBILITIES**

The Trustees (who are also directors of The Independent Educational Association Limited for the purposes of company law) are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

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

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

#### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

#### **AUDITOR**

Crowe UK LLP was re-appointed as auditor at the meeting to approve the prior year accounts. Although Crowe UK LLP expressed its willingness to continue as auditor for the next financial year, the Governors have appointed Haysmacintyre LLP to audit the financial statements for the year ended 31 August 2021.

This report, including the Strategic report, was approved by the Board of Governors of the Independent Educational Association Limited on 30 June 2022 and signed on its behalf by,

*Jeremy Sinclair*

Jeremy Sinclair  
Chairman

# **The Independent Educational Association Limited**

## **Independent auditor's report to the members of Independent Educational Association Limited**

### **Opinion**

We have audited the financial statements of Independent Educational Association Limited for the year ended 31 August 2021 which comprise the Consolidated Statement of Financial Activities, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Cash flows, and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including 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 affairs as at 31 August 2021 and of the group's and parent charitable company's net movement in funds, including the income and expenditure, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Basis for opinion**

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

### **Conclusions relating to going concern**

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

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

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

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report of the Trustees. 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.

# **The Independent Educational Association Limited**

## **Independent auditor's report to the members of Independent Educational Association Limited (continued)**

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

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

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

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

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

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

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

### **Responsibilities of trustees for the financial statements**

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's and the parent charitable company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the group 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:

Based on our understanding of the group and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the regulatory requirements related to independent school regulations, safeguarding regulations, health and safety requirements, GDPR, employment law and charity law, and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, the Charities Act 2011, Statement of Recommended Practice (SORP 2019) and payroll taxes.

## **The Independent Educational Association Limited**

### **Independent auditor's report to the members of Independent Educational Association Limited (continued)**

We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries and management bias in making accounting estimates and judgements. Audit procedures performed by the engagement team included:

- Inspecting correspondence with regulators and tax authorities;
- Discussions with management including consideration of known or suspected instances of non-compliance with laws and regulation and fraud;
- Evaluating management's controls designed to prevent and detect irregularities;
- Reviewing minutes of Trustee and Governor meetings during the year;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings by unusual users or with unusual descriptions; and
- Challenging assumptions and judgements made by management in their critical accounting estimates.

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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Use of our report**

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



Tracey Young (Senior Statutory Auditor)  
For and on behalf of Haysmacintyre LLP, Statutory Auditor

10 Queen Street Place  
London  
EC4R 1AG

Date: 30 June 2022

**The Independent Educational Association Limited**  
**Consolidated Statement of Financial Activities**  
**(Including Income and Expenditure Account)**  
**For the year ended 31 August 2021**

|                                                            | Note | Unrestricted<br>Funds<br>£ | Restricted<br>Funds<br>£ | Total Funds<br>2021<br>£ | Total Funds<br>2020<br>£ |
|------------------------------------------------------------|------|----------------------------|--------------------------|--------------------------|--------------------------|
| <b>Income from:</b>                                        |      |                            |                          |                          |                          |
| <b>Charitable activities</b>                               |      |                            |                          |                          | <b>Restated</b>          |
| School fees                                                | 2    | 15,483,182                 | -                        | 15,483,182               | 15,882,939               |
| Other income                                               | 3    | 403,854                    | -                        | 403,854                  | 627,512                  |
| <b>Other trading activities</b>                            |      |                            |                          |                          |                          |
| Trading income                                             | 3    | 45,522                     | -                        | 45,522                   | 12,335                   |
| Other activities                                           | 3    | 17,799                     | -                        | 17,799                   | 14,161                   |
| <b>Investments</b>                                         |      |                            |                          |                          |                          |
| Investment income                                          | 3    | 416                        | 29,607                   | 30,023                   | 43,699                   |
| <b>Voluntary sources</b>                                   |      |                            |                          |                          |                          |
| Donations and legacies                                     | 3    | 23,754                     | 76,200                   | 99,954                   | 42,923                   |
| <b>Other income</b>                                        |      |                            |                          |                          |                          |
| Sundry income                                              | 3    | 36,092                     | 24,842                   | 60,934                   | 3,710                    |
| <b>Total income</b>                                        |      | <u>16,010,619</u>          | <u>130,649</u>           | <u>16,141,268</u>        | <u>16,627,279</u>        |
| <b>Expenditure on:</b>                                     |      |                            |                          |                          |                          |
| <b>Raising funds</b>                                       |      |                            |                          |                          |                          |
| Fundraising costs                                          | 4    | 89,979                     | -                        | 89,979                   | 73,806                   |
| Investment management                                      | 4    | 20,188                     | -                        | 20,188                   | 18,401                   |
| Trading & lettings costs                                   | 4    | 11,045                     | -                        | 11,045                   | 95,934                   |
|                                                            |      | <u>121,212</u>             | <u>-</u>                 | <u>121,212</u>           | <u>188,141</u>           |
| <b>Charitable activities</b>                               |      |                            |                          |                          |                          |
| Schools and Grant making                                   | 4    | 14,520,636                 | 119,231                  | 14,639,867               | 14,577,985               |
| <b>Total expenditure</b>                                   |      | <u>14,641,848</u>          | <u>119,231</u>           | <u>14,761,079</u>        | <u>14,766,126</u>        |
| <b>Net income before transfers and gains</b>               |      | 1,368,771                  | 11,418                   | 1,380,189                | 1,861,153                |
| Gains on investments                                       |      | -                          | 404,647                  | 404,647                  | 64,063                   |
| Transfers between funds                                    | 11   | <u>-</u>                   | <u>-</u>                 | <u>-</u>                 | <u>-</u>                 |
| <b>Net income before other recognised gains and losses</b> |      | 1,368,771                  | 416,065                  | 1,784,836                | 1,925,216                |
| Actuarial gain/(loss) – IEAL                               | 13   | 1,077,000                  | -                        | 1,077,000                | (402,600)                |
| Actuarial gain – ISPS                                      | 13   | 21,666                     | -                        | 21,666                   | 16,334                   |
| <b>Net movement in funds</b>                               |      | <u>2,467,437</u>           | <u>416,065</u>           | <u>2,883,502</u>         | <u>1,538,590</u>         |
| <b>Fund balances brought forward</b>                       |      |                            |                          |                          |                          |
| As previously stated                                       |      | 20,548,262                 | 1,894,733                | 22,442,995               | 21,207,045               |
| Prior year adjustment                                      | 18   | 303,000                    | -                        | 303,000                  | -                        |
| As restated                                                |      | <u>20,851,262</u>          | <u>1,894,733</u>         | <u>22,745,995</u>        | <u>21,207,045</u>        |
| <b>Fund balances carried forward</b>                       | 12   | <u>23,318,699</u>          | <u>2,310,798</u>         | <u>25,629,497</u>        | <u>22,745,995</u>        |

All amounts derive from continuing activities

All gains or losses recognised in the year are included in the Statement of Financial Activities

The notes on pages 18 to 41 form part of these financial statements

# The Independent Educational Association Limited

## Consolidated Balance Sheet as at 31 August 2021

|                                                       | Note  | 2021               | 2021              | 2020               | 2020              |
|-------------------------------------------------------|-------|--------------------|-------------------|--------------------|-------------------|
|                                                       |       | £                  | £                 | £                  | £                 |
| <b>Fixed Assets</b>                                   |       |                    |                   | Restated           | Restated          |
| <i>Tangible Assets</i>                                |       |                    |                   |                    |                   |
| Freehold property                                     | 6     | 27,121,701         |                   | 25,030,175         |                   |
| Motor vehicles                                        | 6     | 17,580             |                   | 23,440             |                   |
| Laboratories and equipment                            | 6     | 1,178,146          |                   | 1,325,884          |                   |
|                                                       |       | <u>28,317,427</u>  |                   | <u>26,379,499</u>  |                   |
| Investments                                           | 7     | <u>2,184,928</u>   |                   | <u>1,768,863</u>   |                   |
|                                                       |       |                    | 30,502,355        |                    | 28,148,362        |
| <b>Current Assets</b>                                 |       |                    |                   |                    |                   |
| Stocks                                                | 8     | 1,247              |                   | 1,247              |                   |
| Debtors                                               | 9     | 469,097            |                   | 1,043,499          |                   |
| Cash at bank and in hand                              |       | <u>4,745,357</u>   |                   | <u>2,906,652</u>   |                   |
|                                                       |       | 5,215,701          |                   | 3,951,398          |                   |
| <b>Creditors: Amounts falling due within one year</b> | 10(a) | <u>(5,014,406)</u> |                   | <u>(4,793,106)</u> |                   |
| <b>Net Current Assets/(Liabilities)</b>               |       |                    | <u>201,295</u>    |                    | <u>(841,708)</u>  |
| <b>Total Assets less Current Liabilities</b>          |       |                    | 30,703,650        |                    | 27,306,654        |
| <b>Long-term liabilities</b>                          |       |                    |                   |                    |                   |
| Creditors payable after one year                      | 10(b) |                    | (2,494,153)       |                    | (558,493)         |
| ISPS Pension deficit liability                        | 13    |                    | (208,000)         |                    | (229,666)         |
| IEAL Defined Benefit Pension Liability                | 13    |                    | (2,372,000)       |                    | (3,772,500)       |
|                                                       |       |                    | <u></u>           |                    | <u></u>           |
| <b>Net Assets</b>                                     |       |                    | <u>25,629,497</u> |                    | <u>22,748,995</u> |
| <b>The Funds of the Group:</b>                        |       |                    |                   |                    |                   |
| <b>Permanent Endowment</b>                            | 11    |                    | 400               |                    | 400               |
| <b>Restricted funds</b>                               | 11    |                    | 2,310,398         |                    | 1,894,333         |
| <b>Unrestricted funds</b>                             |       |                    |                   |                    |                   |
| General reserve                                       | 11    | 25,898,699         |                   | 24,853,428         |                   |
| ISPS Pension deficit reserve                          | 11    | (208,000)          |                   | (229,666)          |                   |
| IEAL Pension reserve                                  | 11    | <u>(2,372,000)</u> |                   | <u>(3,772,500)</u> |                   |
| <b>Total unrestricted funds</b>                       |       |                    | <u>23,318,699</u> |                    | <u>20,851,262</u> |
| <b>Total group funds</b>                              | 12    |                    | <u>25,629,497</u> |                    | <u>22,745,995</u> |

Approved by the Board and signed on its behalf on 30 June 2022

*Jeremy Sinclair*

Jeremy Sinclair  
Chairman

Registered Company Number: 01222329

The notes on pages 18 to 41 form part of these financial statements

# The Independent Educational Association Limited

## Company Balance Sheet as at 31 August 2021

|                                                       | Note  | 2021               | 2021              | 2020               | 2020               |
|-------------------------------------------------------|-------|--------------------|-------------------|--------------------|--------------------|
|                                                       |       | £                  | £                 | £                  | £                  |
| <b>Fixed Assets</b>                                   |       |                    |                   | Restated           | Restated           |
| <i>Tangible Assets</i>                                |       |                    |                   |                    |                    |
| Freehold property                                     | 6     | 28,161,579         |                   | 26,070,053         |                    |
| Motor vehicles                                        | 6     | 17,580             |                   | 23,440             |                    |
| Laboratories and equipment                            | 6     | 1,173,570          |                   | 1,321,308          |                    |
|                                                       |       | <u>29,352,729</u>  |                   | <u>27,414,801</u>  |                    |
| Investments                                           | 7     | <u>2,184,928</u>   |                   | <u>1,768,863</u>   |                    |
|                                                       |       |                    | 31,537,657        |                    | 29,183,664         |
| <b>Current Assets</b>                                 |       |                    |                   |                    |                    |
| Stocks                                                | 8     | -                  |                   | -                  |                    |
| Debtors                                               | 9     | 514,603            |                   | 1,111,524          |                    |
| Cash at bank and in hand                              |       | <u>4,530,110</u>   |                   | <u>2,704,119</u>   |                    |
|                                                       |       | 5,044,713          |                   | 3,815,643          |                    |
| <b>Creditors: Amounts falling due within one year</b> | 10(a) | <u>(5,026,515)</u> |                   | <u>(4,823,864)</u> |                    |
| <b>Net Current Assets /(Liabilities)</b>              |       |                    | <u>18,198</u>     |                    | <u>(1,008,221)</u> |
| <b>Total Assets less Current Liabilities</b>          |       |                    | 31,555,855        |                    | 28,175,443         |
| <b>Long-term liabilities</b>                          |       |                    |                   |                    |                    |
| Creditors payable after one year                      | 10(b) |                    | (2,494,153)       |                    | (558,493)          |
| ISPS Pension deficit liability                        | 13    |                    | (208,000)         |                    | (229,666)          |
| IEAL Defined Benefit Pension liability                | 13    |                    | (2,372,000)       |                    | (3,772,500)        |
|                                                       |       |                    |                   |                    |                    |
| <b>Net Assets</b>                                     |       |                    | <u>26,481,702</u> |                    | <u>23,614,784</u>  |
| <b>The Funds of the Charity:</b>                      |       |                    |                   |                    |                    |
| <b>Restricted funds</b>                               | 11    |                    | 2,310,398         |                    | 1,894,333          |
| <b>Unrestricted funds</b>                             |       |                    |                   |                    |                    |
| General reserve                                       | 11    | 26,751,304         |                   | 25,722,617         |                    |
| ISPS Pension deficit reserve                          | 11    | (208,000)          |                   | (229,666)          |                    |
| IEAL Pension reserve                                  | 11    | <u>(2,372,000)</u> |                   | <u>(3,772,500)</u> |                    |
| <b>Total unrestricted funds</b>                       |       |                    | <u>24,171,304</u> |                    | <u>21,720,451</u>  |
| <b>Total charity funds</b>                            | 12    |                    | <u>26,481,702</u> |                    | <u>23,614,784</u>  |

The surplus for the financial year dealt with in the financial statements of the parent company was £2,866,918 (2020: surplus £1,228,084).

Approved by the Board and signed on its behalf on 30 June 2022

*Jeremy Sinclair*

Jeremy Sinclair  
Chairman

Registered Company Number: 01222329

The notes on pages 18 to 41 form part of these financial statements

**The Independent Educational Association Limited**

**Consolidated Statement of Cash Flow  
For the year ended 31 August 2021**

|                                                                              | 2021<br>£   | 2021<br>£        | 2020<br>£   | 2020<br>£        |
|------------------------------------------------------------------------------|-------------|------------------|-------------|------------------|
|                                                                              |             |                  |             | Restated         |
| <b>Cash flows from Operating Activities (Note 1)</b>                         |             |                  |             |                  |
| Net cash provided by operating activities                                    |             | 2,282,746        |             | 2,189,055        |
| <b>Cash flows from investing activities:</b>                                 |             |                  |             |                  |
| Interest received                                                            | 416         |                  | 9,304       |                  |
| Dividends received                                                           | 29,607      |                  | 34,395      |                  |
| Payments to acquire fixed assets                                             | (2,563,654) |                  | (1,195,123) |                  |
| Payments to acquire investments                                              | (54,449)    |                  | (166,550)   |                  |
| Receipts from sales of investments                                           | 43,031      |                  | 153,965     |                  |
|                                                                              | <hr/>       |                  | <hr/>       |                  |
| <b>Net cash used in investing activities</b>                                 |             | (2,545,049)      |             | (1,164,009)      |
| <b>Cash flows from financing activities:</b>                                 |             |                  |             |                  |
| Loan received                                                                | 2,376,000   |                  | -           |                  |
| Loan interest paid                                                           | (30,542)    |                  | (22,944)    |                  |
| Loans repaid                                                                 | (244,450)   |                  | (255,568)   |                  |
|                                                                              | <hr/>       |                  | <hr/>       |                  |
| <b>Net cash provided by / (used in) financing activities</b>                 |             | 2,101,008        |             | (278,512)        |
|                                                                              |             | <hr/>            |             | <hr/>            |
| Change in cash and cash equivalents in the reporting period                  |             | 1,838,705        |             | 746,534          |
| Cash and cash equivalents at the beginning of the period                     |             | 2,906,652        |             | 2,160,118        |
|                                                                              |             | <hr/>            |             | <hr/>            |
| <b>Cash and cash equivalents at the end of the reporting period (Note 2)</b> |             | <u>4,745,357</u> |             | <u>2,906,652</u> |

# The Independent Educational Association Limited

## Notes to the Consolidated Statement of Cash Flow For the year ended 31 August 2021

| 1 Reconciliation of net income to net cash flow from operating activities                 | 2021<br>£                      | 2020<br>£<br>Restated |                              |
|-------------------------------------------------------------------------------------------|--------------------------------|-----------------------|------------------------------|
| Net income for the reporting period                                                       | 1,380,189                      | 1,861,153             |                              |
| Adjustments for:                                                                          |                                |                       |                              |
| Depreciation charges                                                                      | 625,727                        | 816,884               |                              |
| Pension contributions less current service and interest costs and other charges/(credits) | (323,500)                      | (303,000)             |                              |
| Decrease in stocks                                                                        | -                              | 164                   |                              |
| Decrease/(increase) in debtors                                                            | 574,402                        | (384,200)             |                              |
| Increase in creditors                                                                     | 25,409                         | 218,809               |                              |
| Interest received                                                                         | (416)                          | (9,304)               |                              |
| Dividends received                                                                        | (29,607)                       | (34,395)              |                              |
| Loan interest paid                                                                        | 30,542                         | 22,944                |                              |
| Net cash provided by operating activities                                                 | 2,282,746                      | 2,189,055             |                              |
| 2 Analysis of Cash and Cash Equivalents                                                   | 2021<br>£                      | 2020<br>£             |                              |
| Cash at bank and in hand                                                                  | 4,745,357                      | 2,603,652             |                              |
|                                                                                           |                                |                       |                              |
|                                                                                           | At 1<br>September<br>2020<br>£ | Cashflows<br>£        | At 31<br>August<br>2021<br>£ |
| 3 Analysis of changes in net debt                                                         |                                |                       |                              |
| Cash and cash equivalents                                                                 | 2,603,652                      | 2,141,705             | 4,745,357                    |
| Borrowings:                                                                               |                                |                       |                              |
| Debts due within one year                                                                 | (238,920)                      | (195,898)             | (434,818)                    |
| Debts due after one year                                                                  | (558,493)                      | (1,935,660)           | (2,494,153)                  |
|                                                                                           | 1,806,239                      | 10,147                | 1,816,386                    |

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2021**

### **1. Accounting Policies**

#### **Company information**

The Independent Educational Association Limited ("the Association") was incorporated on the 8 August 1975 as a company limited by guarantee and not having a share capital, with registration number 1222329 and is considered a public benefit entity. On 8 December 1975 it was also registered as a charity under the Charities Act 1960 with the charity number 270156. The Charity's principal address and registered office is at Earsby Street, London, W14 8SH. The Association has prepared consolidated financial statements to include the activities of The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St. David's School (St. David's) and its trading subsidiary St David's Enterprises Limited on the basis that the Association and St. David's are being managed on a unified basis with common trustees. The consolidated financial statements also include the Association's subsidiary, St James Enterprises Limited.

#### **Basis of preparation and assessment of going concern**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2019 – (Charities SORP (FRS102)) Second Edition.

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

The financial statements are drawn up on the historical cost basis of accounting, as modified by the inclusion of fixed asset investments at market value.

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

Having reviewed the funding facilities available to the Association together with the expected ongoing demand for places and the Association's future projected cash flows, the Trustees have a reasonable expectation that the Association has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Association's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Trustees' Responsibilities on page 9.

#### **Basis of Consolidation**

The financial statements present the consolidated statement of financial activities (SOFA), the consolidated statement of cash flow and the consolidated and Charity balance sheets comprising the consolidation of the Independent Educational Association Limited ("the school"), and its subsidiaries St David's School ("St David's"), St David's School Enterprises Limited and St James Enterprises Limited. No separate SOFA has been presented for the School alone, as permitted by s408 of the Companies Act 2006. The results of the Charity are disclosed on the Company Balance sheet.

#### **Critical accounting judgements and key sources of estimation uncertainty**

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

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

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2021**

### **1. Accounting Policies (continued)**

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year other than those noted below:

The pension scheme liabilities shown on the balance sheet are based on the annual FRS102 actuarial update at 31 August 2021 in which the actuary used a variety of assumptions concerning the future pension scheme assets and liabilities. The assumptions used in determining the net cost /(income) for pensions include the discount rate.

Any changes in these assumptions, which are disclosed in Note 13, will impact the carrying amount of the pension liability. An actuarial valuation has been carried out as at 31 March 2021 and a roll forward approach has been used by the actuary to value the pensions liability at 31 August 2021.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School's financial statements.

#### **Fee income**

Fees receivable less any allowances, scholarships, bursaries and other grants made by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

#### **Other income**

Income is accounted for in the year to which it relates. Rental income for operating leases on non-investment property is recognised as income on a straight-line basis over the lease term.

#### **Investment income**

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accrual's basis.

#### **Donations, grants and other income**

Voluntary income is accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Voluntary income for the School's general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not.

Grant income in respect of the Coronavirus Job Retention Scheme is recognised in the same period as the related employment costs are incurred

#### **Legacy income**

Pecuniary legacies are recognised when there is entitlement, which is deemed to be when probate has been granted, the legacy can be measured reliably, and there is probability of receipt. For residual legacies, entitlement is deemed to be the earlier of settled estate accounts and notification of a pending payment or actual payment being received.

#### **Expenditure**

Expenditure is accrued as soon as a liability is considered probable. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year by reference to site or the ratio of pupils in the individual schools. The irrecoverable element of VAT is included with the item of expense to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, also external audit, legal advice for the Association's Trustees, and all costs of complying with constitutional and statutory requirements.

Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2021**

### **1. Accounting Policies (continued)**

#### **Tangible Fixed Assets**

Items of equipment and furniture and fittings are capitalised if over £2,500 in cost and carried in the balance sheet at historic cost. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

#### **Depreciation**

Depreciation is provided to write off the cost of all tangible fixed assets, other than freehold land, less estimated residual value based on current market prices, in equal annual instalments over their expected useful lives as follows:

|                                                      |                           |
|------------------------------------------------------|---------------------------|
| Freehold buildings and major improvements            | 1% - 2% on cost           |
| Computers                                            | 33 1/3% on cost           |
| Plant                                                | 10% on cost               |
| IT infrastructure                                    | 20% on cost               |
| Motor vehicles                                       | 25% on written down value |
| Schools – other equipment and furniture and fittings | 20% on written down value |
| Laboratories                                         | 10% on written down value |

#### **Investments**

The Association's listed investments are valued at market value at the balance sheet date. Gains and losses arising on the sale or revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

#### **Stock**

Stock represents goods for resale and is valued at the lower of the cost and net realisable value.

#### **Fund Accounting**

The charitable trust funds of the Association and its subsidiaries are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further sub-divided into permanent and expendable.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)**

### **1. Accounting Policies (continued)**

#### **Restricted Funds**

Restricted funds are funds which have been raised for, and their use restricted to, a specific purpose, or donations or legacies subject to donor-imposed conditions against which relevant expenditure is charged. There is no capital retention obligation or power but only a trust law restriction.

#### **Unrestricted Funds**

Unrestricted funds consist of those funds which the Association may use in furtherance of its charitable objectives at the discretion of the Trustees. Where the Trustees decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by the transfer to the appropriate designated fund.

#### **Permanent endowment**

Permanent endowment arises where a donor intends the gift to be retained permanently for use by the Association.

#### **Taxation**

The Association is a registered charity and, therefore, is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

#### **Pension Costs**

Retirement benefits to employees of the Association are provided through a number of different schemes, two defined benefit schemes and a number of defined contribution schemes.

##### **IEAL Pension Scheme**

This is an occupational defined benefit scheme where the pension liabilities and assets are recorded in line with FRS 102 with a valuation undertaken by an independent actuary. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The net interest on the defined net liability and the administration costs of the scheme are charged within support costs. Remeasurement effects, comprising actuarial gains and losses and the return on plan assets greater than the discount rate are recognised within other gains and losses.

##### **The Independent Schools Pension Scheme ("ISPS" Scheme)**

This scheme is a multi-employer pension scheme. It is not possible to identify the Association's share of the underlying assets and liabilities of the ISPS scheme on a consistent and reasonable basis and therefore, as required by FRS102, the Association accounts for the scheme as if it were a defined contribution scheme. The Association's contributions, which are in accordance with the recommendations of the actuary, are charged in the period in which the salaries to which they relate are payable. Where a deficit funding arrangement has been agreed by the Trustees of the Scheme, FRS102 requires a liability to be established based on the net present value of those funding obligations at the balance sheet date.

##### **Defined contribution schemes**

Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

Further details of the pension schemes can be found in note 13.

#### **Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value, where fair value is measured by the quoted market price in an active market. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, provisions and accruals and deferred income. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)

### 2. Charitable Activities - School Fees

|                                                                   | 2021<br>£         | 2020<br>£         |
|-------------------------------------------------------------------|-------------------|-------------------|
| <b>School fees receivable consist of:</b>                         |                   |                   |
| Gross fees                                                        | 16,796,100        | 16,928,208        |
| Less: Total bursaries, scholarships and allowances                | (1,396,825)       | (1,131,354)       |
| Add back: Bursaries and other awards paid for by restricted funds | 83,907            | 86,085            |
|                                                                   | <u>15,483,182</u> | <u>15,882,939</u> |

All amounts received were in respect of general funds

### 3. Other Income

|                                             | 2021<br>£      | 2020<br>£      |
|---------------------------------------------|----------------|----------------|
| <b>School fees receivable consist of:</b>   |                |                |
| <b>Charitable activities – other income</b> |                |                |
| Entrance and registration fees              | 69,620         | 72,054         |
| Activities and coach income                 | 212,760        | 187,091        |
| Letting income of non-investment properties | 72,755         | 73,672         |
| Income from Government Grants               | 48,719         | 294,695        |
|                                             | <u>403,854</u> | <u>627,512</u> |

All amounts received were in respect of general funds

#### Other trading activities

##### Trading income

|                              |        |        |
|------------------------------|--------|--------|
| St James Enterprises Limited | 45,522 | 12,335 |
|------------------------------|--------|--------|

##### Other activities

|                    |        |        |
|--------------------|--------|--------|
| Fundraising income | 17,799 | 14,161 |
|--------------------|--------|--------|

|  |               |               |
|--|---------------|---------------|
|  | <u>63,321</u> | <u>26,496</u> |
|--|---------------|---------------|

All amounts received were in respect of general funds

#### Investment income

|                                              |        |        |
|----------------------------------------------|--------|--------|
| Dividend income                              | 29,607 | 34,395 |
| Bank deposit and short term deposit interest | 416    | 9,304  |

Amounts received in respect of restricted funds were £29,607 (2020: £34,395) and general funds £416 (2020: £9,304).

|  |               |               |
|--|---------------|---------------|
|  | <u>30,023</u> | <u>43,699</u> |
|--|---------------|---------------|

#### Donations & legacies

|                            |        |        |
|----------------------------|--------|--------|
| General donations          | 19,930 | -      |
| Bursary donations          | 78,224 | -      |
| Grants towards school fees | -      | 40,133 |
| Sanskrit donations         | 1,800  | 2,790  |

Amounts received in respect of restricted funds were £76,200 (2020: £2,790) and general funds £23,754 (2020: £40,133).

|  |               |               |
|--|---------------|---------------|
|  | <u>99,954</u> | <u>42,923</u> |
|--|---------------|---------------|

#### Other income

|               |        |       |
|---------------|--------|-------|
| Sundry income | 60,934 | 3,710 |
|---------------|--------|-------|

All amounts received in respect of restricted funds were £24,842 (2020: £nil) and general funds £36,092 (2020: £3,710).

|  |               |              |
|--|---------------|--------------|
|  | <u>60,934</u> | <u>3,710</u> |
|--|---------------|--------------|

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)

### 4. Analysis of expenditure

#### (a) Total expenditure

|                                      | Staff costs      | Other costs      | Depreciation   | Total 2021        |
|--------------------------------------|------------------|------------------|----------------|-------------------|
|                                      | £                | £                | £              | £                 |
| <b>Expenditure on raising funds:</b> |                  |                  |                |                   |
| Fundraising                          | 60,345           | 29,634           | -              | 89,979            |
| Investment management                | -                | 20,188           | -              | 20,188            |
| Trading and lettings costs           | -                | 11,045           | -              | 11,045            |
|                                      | <u>60,345</u>    | <u>60,867</u>    | <u>-</u>       | <u>121,212</u>    |
| <b>Charitable activities</b>         |                  |                  |                |                   |
| Teaching                             | 7,099,025        | 881,972          | -              | 7,980,997         |
| Welfare                              | 472,944          | 397,385          | -              | 870,329           |
| Premises                             | 580,705          | 1,088,498        | -              | 1,669,203         |
| Support and governance               | 1,335,868        | 2,038,512        | 625,727        | 4,000,107         |
|                                      | <u>9,488,542</u> | <u>4,406,367</u> | <u>625,727</u> | <u>14,520,636</u> |
| School's operating costs             | -                | 119,231          | -              | 119,231           |
|                                      | <u>9,488,542</u> | <u>4,525,598</u> | <u>625,727</u> | <u>14,639,867</u> |
| <b>Total expenditure</b>             | <u>9,548,887</u> | <u>4,586,465</u> | <u>625,727</u> | <u>14,761,079</u> |
| <b>RESTATED</b>                      |                  |                  |                |                   |
|                                      | Staff costs      | Other costs      | Depreciation   | Total 2020        |
|                                      | £                | £                | £              | £                 |
| <b>Expenditure on raising funds:</b> |                  |                  |                |                   |
| Fundraising                          | -                | 73,806           | -              | 73,806            |
| Investment management                | -                | 18,401           | -              | 18,401            |
| Trading and lettings costs           | 81,281           | 14,653           | -              | 95,934            |
|                                      | <u>81,281</u>    | <u>106,860</u>   | <u>-</u>       | <u>188,141</u>    |
| <b>Charitable activities</b>         |                  |                  |                |                   |
| Teaching                             | 6,481,694        | 936,731          | -              | 7,418,425         |
| Welfare                              | 113,895          | 67,504           | -              | 181,399           |
| Premises                             | 394,881          | 1,492,461        | -              | 1,887,342         |
| Support and governance               | 1,659,636        | 2,460,334        | 816,884        | 4,936,854         |
|                                      | <u>8,650,106</u> | <u>4,957,030</u> | <u>816,884</u> | <u>14,424,020</u> |
| School's operating costs             | -                | 153,965          | -              | 153,965           |
|                                      | <u>8,650,106</u> | <u>5,110,995</u> | <u>816,884</u> | <u>14,577,985</u> |
| <b>Total expenditure</b>             | <u>8,731,387</u> | <u>5,217,855</u> | <u>816,884</u> | <u>14,766,126</u> |

**The Independent Educational Association Limited**

**Notes to the Consolidated Financial Statements  
For the year ended 31 August 2021 (continued)**

**4. Analysis of expenditure (continued)**

**(b) Grants, awards and prizes**

|                                       | <b>2021</b>    | <b>2020</b>    |
|---------------------------------------|----------------|----------------|
|                                       | <b>£</b>       | <b>£</b>       |
| <b>From Restricted Funds:</b>         |                |                |
| Bursaries and other grants and awards | 119,231        | 153,965        |
|                                       | <u>119,231</u> | <u>153,965</u> |

**(c) Governance expenditure included in support costs:**

|                                               | <b>2021</b>   | <b>2020</b>   |
|-----------------------------------------------|---------------|---------------|
|                                               | <b>£</b>      | <b>£</b>      |
| Auditor's remuneration:                       |               |               |
| Audit services (including VAT) – current year | 41,100        | 51,164        |
|                                               | <u>41,100</u> | <u>51,164</u> |

**(d) Analysis of support and governance costs:**

|                                                 | <b>2021</b>      | <b>2020</b>      |
|-------------------------------------------------|------------------|------------------|
|                                                 | <b>£</b>         | <b>£</b>         |
|                                                 |                  | Restated         |
| Staff costs                                     | 1,335,868        | 1,659,636        |
| Depreciation                                    | 625,727          | 816,884          |
| Information technology                          | 356,566          | 527,980          |
| FRS102 Pension finance and administration costs | 123,495          | 537,786          |
| Legal and professional                          | 551,267          | 630,923          |
| Advertising, marketing and publications         | 454,706          | 361,429          |
| Finance and other                               | 511,378          | 351,052          |
| Governance                                      | 41,100           | 51,164           |
|                                                 | <u>4,000,107</u> | <u>4,936,854</u> |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)

### 5. Staff costs

|                                                     | 2021<br>£        | 2020<br>£<br>Restated |
|-----------------------------------------------------|------------------|-----------------------|
| <b>Total staff costs comprised:</b>                 |                  |                       |
| Salaries                                            | 7,283,871        | 6,866,578             |
| Social security costs                               | 736,283          | 647,485               |
| Pension fund costs –normal employer’s contributions | 1,528,733        | 1,217,324             |
|                                                     | <u>9,548,887</u> | <u>8,731,387</u>      |

None of the Trustees received any remuneration or other benefits from the Association or a related entity.  
The key management of the Association are the trustees, the three head teachers and the chief operating officer as listed on page 1.

|                                                                                      | 2021<br>£      | 2020<br>£      |
|--------------------------------------------------------------------------------------|----------------|----------------|
| The aggregate employee-benefits, including employers NI, of key management personnel | <u>540,988</u> | <u>524,475</u> |

|                                                     |     |     |
|-----------------------------------------------------|-----|-----|
| The average number of employees during the year was | 182 | 185 |
|-----------------------------------------------------|-----|-----|

|                                                            |                      |   |   |
|------------------------------------------------------------|----------------------|---|---|
| Number of employees receiving gross salaries in the range: | £60,001 to £70,000   | 5 | 5 |
|                                                            | £80,001 to £90,000   | 1 | 1 |
|                                                            | £90,001 to £100,000  | 2 | 2 |
|                                                            | £100,001 to £110,000 | - | 1 |
|                                                            | £110,001 to £120,00  | 1 | - |

The number accruing retirement benefits in: Defined Benefit Schemes was 8 (2020: 5)

Redundancy or termination payments in the year amounted to £65,246 (2020: £33,270).

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)

### 6. Fixed Assets

| Group                             | Freehold<br>Property         | Freehold<br>Improve-<br>ments          | Motor<br>Vehicles         | Other<br>Equipment         | Total             |
|-----------------------------------|------------------------------|----------------------------------------|---------------------------|----------------------------|-------------------|
| <b>Cost</b>                       | <b>£</b>                     | <b>£</b>                               | <b>£</b>                  | <b>£</b>                   | <b>£</b>          |
| At 1 September 2020               | 24,203,289                   | 4,641,952                              | 153,087                   | 4,145,511                  | 33,143,839        |
| Additions in year                 | 2,368,153                    | -                                      | -                         | 195,502                    | 2,563,655         |
| Disposals                         | -                            | -                                      | -                         | -                          | -                 |
| At 31 August 2021                 | <u>26,571,442</u>            | <u>4,641,952</u>                       | <u>153,087</u>            | <u>4,341,013</u>           | <u>35,707,494</u> |
| <b>Depreciation</b>               |                              |                                        |                           |                            |                   |
| At 1 <sup>st</sup> September 2020 | 2,807,117                    | 1,007,949                              | 129,647                   | 2,819,627                  | 6,764,340         |
| Charge for the year               | 276,627                      | -                                      | 5,860                     | 343,240                    | 625,727           |
| Disposals                         | -                            | -                                      | -                         | -                          | -                 |
| At 31 <sup>st</sup> August 2021   | <u>3,083,744</u>             | <u>1,007,949</u>                       | <u>135,507</u>            | <u>3,162,867</u>           | <u>7,390,067</u>  |
| <b>Net Book Value</b>             |                              |                                        |                           |                            |                   |
| At 31 <sup>st</sup> August 2021   | <u>23,487,698</u>            | <u>3,634,003</u>                       | <u>17,580</u>             | <u>1,178,146</u>           | <u>28,317,427</u> |
| At 31 <sup>st</sup> August 2020   | <u>21,396,172</u>            | <u>3,634,003</u>                       | <u>23,440</u>             | <u>1,325,884</u>           | <u>26,379,499</u> |
| <b>Company</b>                    | <b>Freehold<br/>Property</b> | <b>Freehold<br/>Improve-<br/>ments</b> | <b>Motor<br/>Vehicles</b> | <b>Other<br/>Equipment</b> | <b>Total</b>      |
| <b>Cost</b>                       | <b>£</b>                     | <b>£</b>                               | <b>£</b>                  | <b>£</b>                   | <b>£</b>          |
| At 1 <sup>st</sup> September 2020 | 24,208,212                   | 4,641,952                              | 153,087                   | 4,032,349                  | 33,035,600        |
| Additions in year                 | 2,368,153                    | -                                      | -                         | 195,502                    | 2,563,655         |
| Disposals                         | -                            | -                                      | -                         | -                          | -                 |
| At 31 August 2021                 | <u>26,576,365</u>            | <u>4,641,952</u>                       | <u>153,087</u>            | <u>4,227,851</u>           | <u>35,599,255</u> |
| <b>Depreciation</b>               |                              |                                        |                           |                            |                   |
| At 1 <sup>st</sup> September 2020 | 1,772,162                    | 1,007,949                              | 129,647                   | 2,711,041                  | 5,620,799         |
| Charge for the year               | 276,627                      | -                                      | 5,860                     | 343,240                    | 625,727           |
| Disposals                         | -                            | -                                      | -                         | -                          | -                 |
| At 31 <sup>st</sup> August 2021   | <u>2,048,789</u>             | <u>1,007,949</u>                       | <u>135,507</u>            | <u>3,054,281</u>           | <u>6,246,526</u>  |
| <b>Net Book Value</b>             |                              |                                        |                           |                            |                   |
| At 31 <sup>st</sup> August 2021   | <u>24,527,576</u>            | <u>3,634,003</u>                       | <u>17,580</u>             | <u>1,173,570</u>           | <u>29,352,729</u> |
| At 31 <sup>st</sup> August 2020   | <u>22,436,050</u>            | <u>3,634,003</u>                       | <u>23,440</u>             | <u>1,321,308</u>           | <u>27,414,801</u> |

All tangible fixed assets are held for use on charitable activities.

IEAL holds a number of heritage assets relating to the history of the school, which includes pictures, sculptures and other artefacts. All these items have been donated to IEAL some time ago and so information on their cost or valuation is not available and cannot be obtained at a cost commensurate with the benefit to the users of the accounts and the charity.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)

### 7. Investments

#### Group

|                                   |                     | Listed<br>UK<br>£ | Listed<br>Other<br>£ | Total<br>£ |
|-----------------------------------|---------------------|-------------------|----------------------|------------|
| Market value                      | At 1 September 2021 | 1,372,902         | 395,961              | 1,768,863  |
|                                   | Additions at cost   | 33,060            | 21,389               | 54,449     |
|                                   | Proceeds            | (43,031)          | -                    | (43,031)   |
|                                   | Net gains           | 294,412           | 110,235              | 404,647    |
| Market value                      | At 31 August 2021   | 1,657,343         | 527,585              | 2,184,928  |
| Historical cost at 31 August 2021 |                     | 1,040,264         | 138,892              | 1,179,156  |
| Historical cost at 31 August 2020 |                     | 1,019,436         | 108,306              | 1,127,742  |

#### Company

|                                                                | 2021<br>£ | 2020<br>£ |
|----------------------------------------------------------------|-----------|-----------|
| Investments (listed) held at market value (as for Group above) | 2,184,928 | 1,768,863 |
| Investment in group undertaking                                | 1         | 1         |
|                                                                | 2,184,929 | 1,768,864 |

The investment in group undertaking relates to St James Enterprises Limited which was incorporated on 16 January 2018. The company is owned 100% by the Association.

### 8. Stocks

|               | Group     |           | Company   |           |
|---------------|-----------|-----------|-----------|-----------|
|               | 2021<br>£ | 2020<br>£ | 2021<br>£ | 2020<br>£ |
| Sundry stocks | 1,247     | 1,247     | -         | -         |
|               | 1,247     | 1,247     | -         | -         |

### 9. Debtors

|                                          | Group     |           | Company   |           |
|------------------------------------------|-----------|-----------|-----------|-----------|
|                                          | 2021<br>£ | 2020<br>£ | 2021<br>£ | 2020<br>£ |
| Fees outstanding less bad debt provision | 62,874    | 535,370   | 62,874    | 530,830   |
| Tax recoverable on covenants etc.        | 3,948     | 3,948     | 3,948     | 3,948     |
| Other debtors                            | 210,612   | 176,299   | 182,190   | 175,875   |
| Amounts due from subsidiary entities     | -         | -         | 73,930    | 73,514    |
| Prepayments and accrued income           | 191,663   | 327,882   | 191,661   | 327,357   |
|                                          | 469,097   | 1,043,499 | 514,603   | 1,111,524 |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)

### 10(a). Creditors: Amounts falling due within one year

|                                          | Group                 |                       | Company                 |                         |
|------------------------------------------|-----------------------|-----------------------|-------------------------|-------------------------|
|                                          | 2021<br>£             | 2020<br>£<br>Restated | 2021<br>£               | 2020<br>£<br>Restated   |
| Trade creditors                          | 381,031               | 587,790               | 381,031                 | 587,771                 |
| Fees in advance                          | 216,683               | 257,450               | 216,683                 | 257,450                 |
| Bank loan (See Note 10(b))               | 434,818               | 238,920               | 434,818                 | 238,920                 |
| Fee deposits                             | 2,807,881             | 2,773,370             | 2,807,881               | 2,770,837               |
| Other creditors                          | 660,006               | 32,446                | 634,804                 | 32,445                  |
| Amounts due to subsidiary entities       | -                     | -                     | 37,311                  | 37,311                  |
| Employee taxes and social security costs | 168,084               | 181,475               | 168,084                 | 181,475                 |
| Accruals and deferred income             | 345,903               | 721,655               | 345,903                 | 717,655                 |
|                                          | <u>5,014,406</u>      | <u>4,793,106</u>      | <u>5,026,515</u>        | <u>4,823,864</u>        |
|                                          | <b>Group<br/>2021</b> | <b>Group<br/>2021</b> | <b>Company<br/>2021</b> | <b>Company<br/>2021</b> |
| <b>Deferred income</b>                   | Fees in advance       | Other deferred income | Fees in advance         | Other deferred income   |
| Brought forward                          | 257,450               | 43,616                | 257,450                 | 43,616                  |
| Released                                 | (257,450)             | (43,616)              | (257,450)               | (43,616)                |
| Deferred in the year                     | <u>216,683</u>        | <u>42,137</u>         | <u>216,683</u>          | <u>42,137</u>           |
| Carried forward                          | <u>216,683</u>        | <u>42,137</u>         | <u>216,683</u>          | <u>42,137</u>           |

Fees in advance in 2021 and 2020 represent payments against invoices raised in respect of subsequent terms where revenue will be recognised in the following financial year. Other deferred income relates to income received in respect of trips or events in the following financial year. Fee deposits are received in advance of a pupil commencing education at St James and are repayable upon completion of the pupil's education which may be up to 14 years later. The liability is disclosed as due within one year as pupils may leave at any time, but with relatively stable pupil numbers, the probability of the liability becoming repayable in the short term is highly unlikely.

### 10(b). Creditors: amounts falling due after more than one year

|                                        | Group            |                | Company          |                |
|----------------------------------------|------------------|----------------|------------------|----------------|
|                                        | 2021<br>£        | 2020<br>£      | 2021<br>£        | 2020<br>£      |
| Bank loans                             | <u>2,494,153</u> | <u>558,493</u> | <u>2,494,153</u> | <u>558,493</u> |
|                                        | <u>2,494,153</u> | <u>558,493</u> | <u>2,494,153</u> | <u>558,493</u> |
| Bank loans - maturity:                 |                  |                |                  |                |
| Payable within 1 year (See Note 10(a)) | 434,818          | 238,920        | 434,818          | 238,920        |
| Payable between 1 – 2 years            | 502,187          | 253,200        | 502,187          | 253,200        |
| Payable between 2 – 5 years            | 569,185          | 305,293        | 569,185          | 305,293        |
| Payable after more than 5 years        | <u>1,422,781</u> | <u>-</u>       | <u>1,422,781</u> | <u>-</u>       |
|                                        | <u>2,928,971</u> | <u>797,413</u> | <u>2,928,971</u> | <u>797,413</u> |

At 31 August 2021 the Association had a secured liability of £2,928,971 (2020: £797,413). The liability is secured by a first legal charge over 41A North End Road, W14 8SZ and St James School, Church Road, Ashford, TW15 3DZ. This amount comprises two loans: £1.2m repayable in equal instalments over 60 months commencing 31 October 2018; and £2.4m repayable in instalments over 60 months commencing 30 September 2022.

**The Independent Educational Association Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2021 (continued)**

**11 Analysis of Funds**

The Association's funds and the movements in the year are as follows:

| <b>Group</b>                   | <b>Balance<br/>1 September<br/>2020</b> | <b>Income</b>     | <b>Expenditure</b>  | <b>Transfers</b> | <b>Gains /<br/>Losses</b> | <b>Balance<br/>31 August<br/>2021</b> |
|--------------------------------|-----------------------------------------|-------------------|---------------------|------------------|---------------------------|---------------------------------------|
|                                | <b>Restated</b>                         |                   |                     |                  |                           |                                       |
|                                | <b>£</b>                                | <b>£</b>          | <b>£</b>            | <b>£</b>         | <b>£</b>                  | <b>£</b>                              |
| <b>Restricted Funds</b>        |                                         |                   |                     |                  |                           |                                       |
| Permanent Endowment            | 400                                     | -                 | -                   | -                | -                         | 400                                   |
| Bursary                        | 827,307                                 | 7,020             | (6,361)             | -                | 173,517                   | 1,001,483                             |
| Founders scholarship           | 67,976                                  | 11,020            | (10,893)            | -                | 18,571                    | 86,674                                |
| Valerie Cullen                 | 238,165                                 | 7,735             | (5,814)             | -                | 45,894                    | 285,980                               |
| John Lyons                     | -                                       | 76,200            | (76,200)            | -                | -                         | -                                     |
| D A Nott                       | 760,885                                 | 28,674            | (19,963)            | -                | 166,665                   | 936,261                               |
|                                | <u>1,894,733</u>                        | <u>130,649</u>    | <u>(119,231)</u>    | <u>-</u>         | <u>404,647</u>            | <u>2,310,798</u>                      |
| <b>Unrestricted Funds</b>      |                                         |                   |                     |                  |                           |                                       |
| General Fund                   | 24,853,428                              | 16,010,619        | (14,965,348)        | -                | -                         | 25,898,699                            |
| ISPS Pension deficit provision | (229,666)                               | -                 | -                   | -                | 21,666                    | (208,000)                             |
| IEAL Pension reserve           | (3,772,500)                             | -                 | 323,500             | -                | 1,077,000                 | (2,372,000)                           |
|                                | <u>22,745,995</u>                       | <u>16,141,268</u> | <u>(14,761,079)</u> | <u>-</u>         | <u>1,503,313</u>          | <u>25,629,497</u>                     |
| <b>Company</b>                 | <b>Balance<br/>1 September<br/>2020</b> | <b>Income</b>     | <b>Expenditure</b>  | <b>Transfers</b> | <b>Gains /<br/>Losses</b> | <b>Balance<br/>31 August<br/>2021</b> |
|                                | <b>Restated</b>                         |                   |                     |                  |                           |                                       |
|                                | <b>£</b>                                | <b>£</b>          | <b>£</b>            | <b>£</b>         | <b>£</b>                  | <b>£</b>                              |
| <b>Restricted Funds</b>        |                                         |                   |                     |                  |                           |                                       |
| Bursary                        | 827,307                                 | 7,020             | (6,361)             | -                | 173,517                   | 1,001,483                             |
| Founders scholarship           | 67,976                                  | 11,020            | (10,893)            | -                | 18,571                    | 86,674                                |
| Valerie Cullen                 | 238,165                                 | 7,735             | (5,814)             | -                | 45,894                    | 285,980                               |
| John Lyons                     | -                                       | 76,200            | (76,200)            | -                | -                         | -                                     |
| D A Nott                       | 760,885                                 | 28,674            | (19,963)            | -                | 166,665                   | 936,261                               |
|                                | <u>1,894,333</u>                        | <u>130,649</u>    | <u>(119,231)</u>    | <u>-</u>         | <u>404,647</u>            | <u>2,310,398</u>                      |
| <b>Unrestricted Funds</b>      |                                         |                   |                     |                  |                           |                                       |
| General Fund                   | 25,722,617                              | 15,965,097        | (14,936,410)        | -                | -                         | 26,751,304                            |
| ISPS Pension deficit provision | (229,666)                               | -                 | -                   | -                | 21,666                    | (208,000)                             |
| IEAL Pension reserve           | (3,772,500)                             | -                 | 323,500             | -                | 1,077,000                 | (2,372,000)                           |
|                                | <u>23,614,784</u>                       | <u>16,095,746</u> | <u>(14,732,141)</u> | <u>-</u>         | <u>1,503,313</u>          | <u>26,481,702</u>                     |

The Bursary fund is for disbursement of bursaries.

The Founders scholarship fund is for a pupil who would not otherwise be able to attend.

The Valerie Cullen Music Prize is for a musically talented pupil in the Senior Boys School.

The D A Nott fund is for a bursary for specified subjects up to a maximum of £10,000 per annum.

The John Lyons grant is for the funding of bursaries.

**The Independent Educational Association Limited**  
**Notes to the Consolidated Financial Statements**  
**For the year ended 31 August 2021 (continued)**

**11 Analysis of Funds (continued)**

The Association's funds and the movements in the year are as follows:

| <b>Group Restated</b>          | <b>Balance<br/>1 September<br/>2019</b> | <b>Income</b> | <b>Expenditure</b> | <b>Transfers</b> | <b>Gains /<br/>Losses</b> | <b>Balance<br/>31 August<br/>2020</b> |
|--------------------------------|-----------------------------------------|---------------|--------------------|------------------|---------------------------|---------------------------------------|
|                                | <b>£</b>                                | <b>£</b>      | <b>£</b>           | <b>£</b>         | <b>£</b>                  | <b>£</b>                              |
| <b>Restricted Funds</b>        |                                         |               |                    |                  |                           |                                       |
| Permanent Endowment            | 400                                     | -             | -                  | -                | -                         | 400                                   |
| Bursary                        | 821,944                                 | 44,636        | (48,159)           | -                | 8,886                     | 827,307                               |
| Founders scholarship           | 66,823                                  | 22,217        | (20,737)           | -                | (327)                     | 67,976                                |
| Valerie Cullen                 | 219,577                                 | 20,535        | (17,305)           | -                | 15,358                    | 238,165                               |
| D A Nott                       | 709,340                                 | 79,163        | (67,764)           | -                | 40,146                    | 760,885                               |
|                                | 1,818,084                               | 166,551       | (153,965)          | -                | 64,063                    | 1,894,733                             |
| <b>Unrestricted Funds</b>      |                                         |               |                    |                  |                           |                                       |
| General Fund                   | 23,307,861                              | 16,460,728    | (14,915,161)       | -                | -                         | 24,853,428                            |
| ISPS Pension deficit provision | (246,000)                               | -             | -                  | -                | 16,334                    | (229,666)                             |
| IEAL Pension reserve           | (3,672,900)                             | -             | 303,000            | -                | (402,600)                 | (3,772,500)                           |
|                                | 21,207,045                              | 16,627,279    | (14,766,126)       | -                | (322,203)                 | 22,745,995                            |
| <b>Company Restated</b>        | <b>Balance<br/>1 September<br/>2019</b> | <b>Income</b> | <b>Expenditure</b> | <b>Transfers</b> | <b>Gains /<br/>Losses</b> | <b>Balance<br/>31 August<br/>2020</b> |
|                                | <b>£</b>                                | <b>£</b>      | <b>£</b>           | <b>£</b>         | <b>£</b>                  | <b>£</b>                              |
| <b>Restricted Funds</b>        |                                         |               |                    |                  |                           |                                       |
| Bursary                        | 821,944                                 | 44,636        | (48,159)           | -                | 8,886                     | 827,307                               |
| Founders scholarship           | 66,823                                  | 22,217        | (20,737)           | -                | (327)                     | 67,976                                |
| Valerie Cullen                 | 219,577                                 | 20,535        | (17,305)           | -                | 15,358                    | 238,165                               |
| D A Nott                       | 709,340                                 | 79,163        | (67,764)           | -                | 40,146                    | 760,885                               |
|                                | 1,817,684                               | 166,551       | (153,965)          | -                | 64,063                    | 1,894,333                             |
| <b>Unrestricted Funds</b>      |                                         |               |                    |                  |                           |                                       |
| General Fund                   | 24,184,916                              | 16,448,393    | (14,910,692)       | -                | -                         | 25,722,617                            |
| ISPS Pension deficit provision | (246,000)                               | -             | -                  | -                | 16,334                    | (229,666)                             |
| IEAL Pension reserve           | (3,672,900)                             | -             | 303,000            | -                | (402,600)                 | (3,772,500)                           |
|                                | 22,083,700                              | 16,614,944    | (14,761,657)       | -                | (322,203)                 | 23,614,784                            |

The Bursary fund is for disbursement of bursaries.

The Founders scholarship fund is for a pupil who would not otherwise be able to attend.

The Valerie Cullen Music Prize is for a musically talented pupil in the Senior Boys School.

The D A Nott fund is for a bursary for specified subjects up to a maximum of £10,000 per annum.

The John Lyons grant is for the funding of bursaries.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)

### 12 Analysis of Net Assets between Funds

| Group                                 | Tangible<br>Fixed<br>Assets | Investments      | Other assets<br>and<br>liabilities | Total<br>2021     |
|---------------------------------------|-----------------------------|------------------|------------------------------------|-------------------|
| <b>Restricted Funds</b>               | <b>£</b>                    | <b>£</b>         | <b>£</b>                           | <b>£</b>          |
| Permanent Endowment                   |                             |                  | 400                                | 400               |
| Bursary                               | -                           | 868,411          | 133,072                            | 1,001,483         |
| Founders scholarship                  | -                           | 103,497          | (16,823)                           | 86,674            |
| Valerie Cullen Music Prize            | -                           | 265,154          | 20,826                             | 285,980           |
| D A Nott                              | -                           | 947,866          | (11,605)                           | 936,261           |
|                                       | -                           | 2,184,928        | 125,870                            | 2,310,798         |
| <b>General Fund</b>                   | 28,317,427                  | -                | (2,418,728)                        | 25,898,699        |
| <b>ISPS Pension deficit provision</b> | -                           | -                | (208,000)                          | (208,000)         |
| <b>IEAL Pension reserve</b>           | -                           | -                | (2,372,000)                        | (2,372,000)       |
|                                       | <u>28,317,427</u>           | <u>2,184,928</u> | <u>(4,872,858)</u>                 | <u>25,629,497</u> |

The group has no free reserves as at 31 August 2021

| Company                               | Tangible<br>Fixed<br>Assets | Investments      | Other assets<br>and<br>liabilities | Total<br>2021     |
|---------------------------------------|-----------------------------|------------------|------------------------------------|-------------------|
| <b>Restricted Funds</b>               | <b>£</b>                    | <b>£</b>         | <b>£</b>                           | <b>£</b>          |
| Bursary                               |                             | 868,411          | 133,072                            | 1,001,483         |
| Founders scholarship                  |                             | 103,497          | (16,823)                           | 86,674            |
| Valerie Cullen Music Prize            |                             | 265,154          | 20,826                             | 285,980           |
| D A Nott                              | -                           | 947,866          | (11,605)                           | 936,261           |
|                                       | -                           | 2,184,928        | 125,470                            | 2,310,398         |
| <b>General Fund</b>                   | 29,352,729                  | -                | (2,601,425)                        | 26,751,304        |
| <b>ISPS Pension deficit provision</b> | -                           | -                | (208,000)                          | (208,000)         |
| <b>IEAL Pension reserve</b>           | -                           | -                | (2,372,000)                        | (2,372,000)       |
|                                       | <u>29,352,729</u>           | <u>2,184,928</u> | <u>(5,055,955)</u>                 | <u>26,481,702</u> |

The company has no free reserves as at 31 August 2021

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)

### 12 Analysis of Net Assets between Funds

| Group Restated                        | Tangible Fixed Assets | Investments | Other assets and liabilities | Total 2020  |
|---------------------------------------|-----------------------|-------------|------------------------------|-------------|
|                                       | £                     | £           | £                            | £           |
| <b>Restricted Funds</b>               |                       |             |                              |             |
| Permanent Endowment                   | -                     | -           | 400                          | 400         |
| Bursary                               | -                     | 694,235     | 133,072                      | 827,307     |
| Founders scholarship                  | -                     | 84,799      | (16,823)                     | 67,976      |
| Valerie Cullen Music Prize            | -                     | 217,339     | 20,826                       | 238,165     |
| D A Nott                              | -                     | 772,490     | (11,605)                     | 760,885     |
|                                       | -                     | 1,768,863   | 125,870                      | 1,894,733   |
| <b>General Fund</b>                   | 26,379,499            | -           | (1,526,071)                  | 24,853,428  |
| <b>ISPS Pension deficit provision</b> | -                     | -           | (229,666)                    | (229,666)   |
| <b>IEAL Pension reserve</b>           | -                     | -           | (3,772,500)                  | (3,772,500) |
|                                       | 26,379,499            | 1,768,863   | (5,402,367)                  | 22,745,995  |

The group has no free reserves as at 31 August 2020

| Company Restated                      | Tangible Fixed Assets | Investments | Other assets and liabilities | Total 2020  |
|---------------------------------------|-----------------------|-------------|------------------------------|-------------|
|                                       | £                     | £           | £                            | £           |
| <b>Restricted Funds</b>               |                       |             |                              |             |
| Bursary                               | -                     | 694,235     | 133,072                      | 827,307     |
| Founders scholarship                  | -                     | 84,799      | (16,823)                     | 67,976      |
| Valerie Cullen Music Prize            | -                     | 217,339     | 20,826                       | 238,165     |
| D A Nott                              | -                     | 772,490     | (11,605)                     | 760,885     |
|                                       | -                     | 1,768,863   | 125,470                      | 1,894,333   |
| <b>General Fund</b>                   | 27,414,801            | -           | (1,692,184)                  | 25,722,617  |
| <b>ISPS Pension deficit provision</b> | -                     | -           | (229,666)                    | (229,666)   |
| <b>IEAL Pension reserve</b>           | -                     | -           | (3,772,500)                  | (3,772,500) |
|                                       | 27,414,801            | 1,768,863   | (5,568,880)                  | 25,614,784  |

The company has no free reserves as at 31 August 2020

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)

### 13. Pension Schemes

#### IEAL Defined Benefit Scheme

The Association operates a pension scheme providing benefits based on final pensionable pay. With effect from 31 August 2017 the scheme was closed to all new members and to future accrual for teaching staff. The scheme continues to operate for a number of non-teaching staff.

The assets of the scheme are held separately from those of the Association, being invested with insurance companies. Contributions to the scheme are charged to the Statement of Financial Activities so as to spread the cost of pensions over employees' working lives with the Association. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 31 March 2021. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments, the rates of increase in salaries and pensions and the discount rate.

The preliminary results of the most recent triennial valuation as at 31 March 2021 showed that the market value of the scheme's assets was approximately £16,614,000 with the Scheme Specific Funding Requirement standing at 86% whereas at the previous valuation it was 87%.

As set out in the interim Schedule of Contributions dated 5 October 2020, regular employer contributions of 25.1% of pensionable salaries are to be paid from 5 October 2020. Deficit payments of £33,333.33 are due monthly over the period from 5 October 2020 to 31 December 2024. Contribution payments of £3,880 are payable monthly from 5 October 2020 to cover general core expenses. As a result of the 2021 valuation from 1 April 2022 deficit payments of £33,333 are due monthly until 31 August 2028 and contribution payments of £3,895 are payable monthly to cover expenses. Employer contributions have increase to 27.2% of pensionable salaries.

The financial assumptions underlying the valuation as at 31 March 2021 were as follows:

| Pre-retirement discount rate  | Market implied gilt yield curve plus 2.75% pa                                               |
|-------------------------------|---------------------------------------------------------------------------------------------|
| Post-retirement discount rate | Market implied gilt yield curve plus 0.25% pa                                               |
| RPI inflation                 | Market implied inflation gilt yield curve                                                   |
| CPI inflation                 | Pre 2030: RPI curve less 0.8% p.a.<br>Post 2030: RPI curve less 0% p.a.                     |
| Rate of salary increase       | CPI curve with floor                                                                        |
| Pension increases             | LPI Pension Increases curves derived from RPI, adjusted for the impact of the cap and floor |

The 2021 valuation was carried out using the mortality base tables Club VITA tables and for future improvements in longevity the CMI 2020 model with a long-term rate of improvement of 1.5% (tapering for ages above 85 to 0% to 110) and a smoothing parameter of  $S_k = 7.0$  and A parameter of 0.2% for men and 0.6% for women.

#### Basis of calculation

The last full actuarial valuation upon which the FRS102 figures have been based was as at 31 March 2021 (preliminary results).

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)

### 13. Pension Schemes (continued)

#### Disclosed Expense

| <b>A – Disclosed Expense</b>                                                    | <b>2021<br/>£000's</b> | <b>2020<br/>£000's</b> |
|---------------------------------------------------------------------------------|------------------------|------------------------|
| Current service cost                                                            | 44                     | 87                     |
| Net interest on net defined liability                                           | 61                     | 63                     |
| Defined benefit cost recognised in Statement of Financial                       |                        |                        |
| Activities                                                                      | 105                    | 150                    |
| Administration costs incurred in the period                                     | 107                    | 3                      |
| Disclosed expense                                                               | 212                    | 153                    |
| <b>B – Amounts recognised in Other Comprehensive Income (OCI)</b>               |                        |                        |
| Actuarial loss arising during period                                            | 116                    | 180                    |
| Return on plan assets                                                           | (1,193)                | 223                    |
| Remeasurement effects recognised in OCI                                         | (1,077)                | 403                    |
| <b>C – Total Defined Benefit Cost</b>                                           |                        |                        |
| Cost recognised in the Statement of Financial Activities                        | 212                    | 153                    |
| Remeasurement effects recognised in the OCI                                     | (1,077)                | 403                    |
| Defined benefit cost                                                            | (865)                  | 556                    |
| <b>D – Assumptions Used to Determine Expense</b>                                |                        |                        |
| Discount rate                                                                   | 1.60%                  | 1.70%                  |
| Price inflation (RPI)                                                           | 3.35%                  | 3.10%                  |
| Price inflation (CPI)                                                           | 2.85%                  | 2.40%                  |
| Rate of salary increase                                                         | 2.85%                  | 2.40%                  |
| Pension increases for in-payment benefits (Pre 2012 accrual)                    | 3.25%                  | 3.00%                  |
| Pension increases for in-payment benefits (Post 2012 accrual)                   | 2.85%                  | 2.40%                  |
| Pension increases in deferment for deferred benefits pre 2009                   | 2.85%                  | 2.40%                  |
| Pension increases in deferment for deferred benefits post 2009                  | 2.50%                  | 2.40%                  |
| Life expectancies:                                                              | <b>Male</b>            | <b>Female</b>          |
| Average future expectancy for a pensioner aged 65 at 31/8/21                    | 23 years               | 25.5 years             |
| Average future life expectancy at age 65 for a non-pensioner aged 50 at 31/8/21 | 22.7 years             | 26.4 years             |

#### Net Balance Sheet Position

|                                                        | <b>2021<br/>£000's</b> | <b>2020<br/>£000's</b> |
|--------------------------------------------------------|------------------------|------------------------|
| <b>A – Development of Net Balance Sheet Position</b>   |                        |                        |
| Defined benefit obligation (DBO)                       | (20,750)               | (20,865)               |
| Fair value of assets (FVA)                             | 18,378                 | 17,092                 |
| Deficit in the plan                                    | (2,372)                | (3,773)                |
| <b>B – Reconciliation to Balance Sheet</b>             |                        |                        |
| Net defined benefit liability at end of prior period   | (3,773)                | (3,673)                |
| Current service cost                                   | (44)                   | (87)                   |
| Net interest on net defined benefit liability          | (61)                   | (63)                   |
| Remeasurement effects recognised in OCI                | 1,077                  | (402)                  |
| Employer contributions                                 | 536                    | 455                    |
| Administration costs incurred in the period            | (107)                  | (3)                    |
| Net defined benefit liability at end of current period | (2,372)                | (3,773)                |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 13. Pension Schemes (continued)

#### Additional Disclosure Information

|                                                                                         | £000's                                  |                                         |
|-----------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| <b>A – Expected Future Administration Expenses for the period ending 31 August 2022</b> |                                         | 43                                      |
| <b>B – Expected Contributions for period ending 31 August 2022</b>                      |                                         |                                         |
| Employer                                                                                |                                         | 447                                     |
| Scheme participants                                                                     |                                         | 0.0                                     |
| <b>C – Actual return on Scheme Assets during period ending 31 August 2021</b>           |                                         |                                         |
| Interest on assets                                                                      |                                         | 288                                     |
| Asset gain during period                                                                |                                         | 1,193                                   |
| Actual return on assets                                                                 |                                         | <u>1,481</u>                            |
| <b>D – Scheme Asset Information</b>                                                     |                                         |                                         |
|                                                                                         | Allocation Percentage<br>31 August 2021 | Allocation Percentage<br>31 August 2020 |
| Equities                                                                                | 12%                                     | 0.0%                                    |
| Absolute bond return                                                                    | 8%                                      | 0%                                      |
| Asset backed securities                                                                 | 25%                                     | 0%                                      |
| Insurance linked securities                                                             | 7%                                      | 0%                                      |
| Synthetic credit                                                                        | 7%                                      | 0%                                      |
| LDI                                                                                     | 24%                                     | 0%                                      |
| Cash and cash equivalents                                                               | 17%                                     | 0%                                      |
| Gilts                                                                                   | 0%                                      | 23.3%                                   |
| Corporate bonds                                                                         | 0%                                      | 25.1%                                   |
| Real estate / property                                                                  | 0%                                      | 0.0%                                    |
| Other                                                                                   | 0%                                      | 56.1%                                   |
| Total                                                                                   | 100%                                    | 100.0%                                  |
| Fair value of plan assets                                                               | 18,378                                  | 17,092                                  |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)

### 13. Pension Schemes (continued)

#### Changes in disclosed liabilities and assets

|                                                     | 2021<br>£000's | 2020<br>£000's |
|-----------------------------------------------------|----------------|----------------|
| <b>A - Change in Actuarial Value of Liabilities</b> |                |                |
| DBO at end of prior period                          | 20,865         | 20,768         |
| Current Service Cost                                | 44             | 87             |
| Interest cost on the DBO                            | 349            | 370            |
| Administrative Costs                                | 107            | -              |
| Scheme participants' contributions                  | -              | -              |
| Actuarial Loss                                      | 116            | 180            |
| Benefits paid                                       | (731)          | (540)          |
| DBO at current period end                           | 20,750         | 20,865         |
| <b>B - Change in Scheme Assets</b>                  |                |                |
| Fair value of assets at end of prior period         | 17,092         | 17,095         |
| Interest income on plan assets                      | 288            | 307            |
| Return on plan assets greater than discount rate    | 1,193          | (223)          |
| Employer contributions                              | 536            | 456            |
| Scheme participants' contributions                  | -              | -              |
| Administrative costs paid                           | -              | (3)            |
| Benefits paid                                       | (731)          | (540)          |
| Fair value of assets at current period end          | 18,378         | 17,092         |

#### IEAL Scottish Widows Stakeholder Scheme

With effect from 1 September 2010 the Association introduced a stakeholder pension scheme for non-teaching staff not eligible for participation in the IEAL Defined Benefit Scheme. The stakeholder scheme is a defined contribution scheme with funds managed by Scottish Widows. Employee contributions are a minimum of 5% and the employer's contribution rate is 10%. At the balance sheet date there were 44 members of this scheme (2020: 44). During the year £130,001 (2020: £109,584) of contributions were payable by the employer. Contributions of £18,367 (2020: £13,650) were owing to the scheme at the balance sheet date.

#### NEST stakeholder scheme

This scheme is for employees who are neither in the IEAL Pension Scheme or the IEAL Scottish Widows Stakeholder Scheme and who qualify for auto-enrolment into a Pension Scheme. The stakeholder scheme is a defined contribution scheme. The employee contribution rate during the year was 4% and the employer's contribution rate was 3% throughout the period. At the balance sheet date there were 14 members of this scheme (2020: 9). During the year £10,365 (2020: £8,148) of contributions were payable by the employer. Contributions of £1,750 (2020: £1,459) were owed to the scheme at the balance sheet date.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)**

### **13. Pension Schemes (continued)**

#### **Independent Schools' Pension Scheme**

For the period to the end of December 2014 St. David's School participated in The Independent Schools' Pension Scheme ('the Scheme'). Under a flexible apportionment arrangement, executed as a deed on 19 December 2014 and signed by the Trustee of The Pension Trust, St David's School and IEAL, the liabilities of St David's School to the Scheme with the exception of £1 were transferred to IEAL and St David's School ceased to be an employer under the Scheme. From this date IEAL is the employer within the Scheme.

The association participates in the scheme, a multi-employer scheme which provides benefits to some 66 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the association 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 occupational 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.

As at the balance sheet date there was one active member of the Scheme employed by IEAL. During the accounting period IEAL paid a joint contribution rate of 30.5% (2020: 27.3%) comprising employer contributions of 21.0% (2020: 18.8%) and member contributions of 9.5% (2020:8.5%).

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 27 December 2018 and showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m equivalent to a past service funding level of 80%. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

#### **Deficit contributions**

|                                        |                                                                                 |
|----------------------------------------|---------------------------------------------------------------------------------|
| From 1 September 2019 to 30 April 2030 | £2,387,357 per annum (payable monthly and increasing by 3% on each 1 September) |
|----------------------------------------|---------------------------------------------------------------------------------|

Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £110.0m, liabilities of £147.4m and a deficit of £37.4m. To eliminate this funding shortfall, the Trustee has asked the participating employers to pay additional contributions to the scheme as follows:

|                                         |                                                                                 |
|-----------------------------------------|---------------------------------------------------------------------------------|
| From 1 September 2016 to 30 August 2029 | £2,341,000 per annum (payable monthly and increasing by 3% on each 1 September) |
|-----------------------------------------|---------------------------------------------------------------------------------|

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

The annual amount due by IEAL from 1 September 2021 to 31 August 2030 is £22,443 (increasing by 3% each on 1 September).

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)

### 13. Pension Schemes (continued)

Where the scheme is in deficit and where the company has agreed to a deficit funding arrangement the school 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 values of provision – Group and company

|                                                          | Year Ended<br>31 August 2021<br>(£000s) | Year Ended<br>31 August 2020<br>(£000s) |
|----------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Provision at start of period                             | 230                                     | 246                                     |
| Unwinding of the discount factor (interest expense)      | 2                                       | 3                                       |
| Deficit contribution paid                                | (22)                                    | (22)                                    |
| Remeasurements - impact of any change in assumptions     | (2)                                     | 2                                       |
| Remeasurements - amendments to the contribution schedule | -                                       | -                                       |
| Provision at end of period                               | 208                                     | 230                                     |

#### Statement of Financial Activities impact: - Group and company

|                                                          | Year Ended<br>31 August 2021<br>(£000s) | Year Ended<br>31 August 2020<br>(£000s) |
|----------------------------------------------------------|-----------------------------------------|-----------------------------------------|
| Interest expense                                         | 2                                       | 3                                       |
| Remeasurements – impact of any change in assumptions     | (2)                                     | 2                                       |
| Remeasurements – amendments to the contribution schedule | -                                       | -                                       |
| Contributions paid in respect of future service          | -                                       | (22)                                    |
| Costs recognised in income and expenditure account       | -                                       | 16                                      |

#### Assumptions

|                  | 31 August 2021<br>% per annum | 31 August 2020<br>% per annum |
|------------------|-------------------------------|-------------------------------|
| Rate of discount | 1.09                          | 1.7                           |

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 Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)**

### **13. Pension Schemes (continued)**

Following a change in legislation in April 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

IEAL has been notified by The Pensions Trust of the estimated employer debt that would have been payable if IEAL had withdrawn from The Independent School's Pension Scheme as at 30 September 2019. As of this date the estimated employer debt for IEAL was £905,879. As IEAL currently has no plans to leave the scheme, this contingent liability has not been provided for in the accounts, and as the Actuary is unable to identify its share of the underlying assets and liabilities at 31 August 2021, the scheme has been accounted for as a defined contribution scheme as permitted by FRS102 and contributions are accounted for when due. Any agreed pension deficit funding payments are provided for on a discounted basis.

Amounts paid in respect of employer pension contributions during the year including the annual deficit contributions were £59,275 (2020: £43,333). As at 31 August 2021 £6,051 (2020: £4,334) was owing to the scheme.

### **14. Transactions with Trustees and Related Parties**

No remuneration or expenses were paid to the trustees (2020: £Nil).

The aggregate employee-benefits of the key management personnel are shown in Note 5.

The Association and St David's School along with its trading subsidiary, St David's Enterprises Limited, are under common control. At the balance sheet date St David's Enterprises Limited owed £71,637 (2020: £81,682) to the Association, and the Association owed £37,310 (2020: £37,310) to St David's School. St James Enterprises Limited, a subsidiary of the Association, was incorporated on 16 January 2018. At the balance sheet date, St James Enterprises Limited owed the Association £2,294 (2020: £1 due from Association).

Certain Trustees have spouses or other relations who are employed at the school as teachers and as such receive salaries in accordance with the pay scale for all of the Association's teachers. These Trustees do not vote at Trustee meetings on any matters relating to teachers' remuneration. At 31 August 2021 there were two Trustees with relatives employed whose aggregate gross salaries for the year ending on that date was £14,580 (2020: £95,560). Certain Trustees also have children who are pupils at the school and pay fees in accordance with the normal fee rates for all pupils less any contractual discounts to which they are entitled.

Mr George Cselko, who was a Trustee, was a partner in Fletcher Day, Solicitors, a firm that has provided legal advice and services to the Association from time to time. The total value of charges for such services was £Nil (2020: £3,996). No amounts were owed to Fletcher Day at 31 August 2021 (2020: £Nil).

Mr Jerome Webb, who is a Trustee, is a partner at GIA. GIA provided services during the year to the value of £nil (2020: £326). No amounts were owed to GIA at 31 August 2021 (2020 - £Nil).

## **The Independent Educational Association Limited**

### **Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)**

#### **15. Operating lease commitments**

The amount charged as expenses in respect of operating leases was £Nil (2020: £Nil)

The Association had several short-term leases in respect of property let during the year. The future minimum lease rentals receivable in respect of the remaining lease period or notice period amount to £41,495 at 31 August 2021 (2020: £41,495)

#### **16. Capital and other commitments**

At 31 August 2021 the Association had building works contracted for, but not accrued, amounting to £Nil (2020: £1,137,531) of which approximately £Nil (2020: £1,137,531) related to capital commitments.

#### **17. Subsidiary Undertakings**

##### **A. The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St David's School**

Incorporated by Act of Parliament in 1846 in England

Registered charity number 312091

Trustees are common to those of the Independent Educational Association Limited

Former owner and manager of the property situated at Church Road, Ashford, Middlesex that is used by the Senior Boys' School of the Independent Educational Association Limited. The property was transferred to the Independent Educational Association Limited on 24 November 2014 at which point its main activity was discontinued.

Aggregate assets - £158,804 (2020: £158,936)

Aggregate liabilities - £Nil (2020: £Nil)

Aggregate funds - £158,804 (2020: £158,936)

Turnover for the year - £Nil (2020: £410)

Expenditure for the year - £132 (2020: £121)

Loss /Profit for the year - £132 (2020: £289)

##### **B. St David's Enterprises Limited**

Incorporated in England & Wales under company registration number 5154561

100% of the issued share capital is held by The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St David's School

Letting to the public and various sporting organisations the facilities located at St David's School, Church Road, Ashford

The Senior Boys' School of the Independent Educational Association Limited also occupy and utilise the facilities at Church Road, Ashford during school days and various times in the evenings and at weekends

Aggregate assets - £64,839 (2020: £74,796)

Aggregate liabilities - £77,888 (2020: £84,979)

Aggregate funds £(13,049) (2020: £10,183)

Turnover for the year - £Nil (2020: £Nil)

Expenditure for the year - £2,864 (2020: £10,184)

Loss for the year £2,864 (2020: £Nil)

##### **C. St James Enterprises Limited**

Incorporated on 16 January 2018 in England & Wales under company registration number 11153595

100% of the issued share capital is held by the Independent Educational Association Limited

Aggregate assets - £61,269 (2020: £1)

Aggregate liabilities - £23,929 (2020: £nil)

Aggregate funds - £37,340 (2020: £1)

Turnover for the year - £45,522 (2020: £12,335)

Expenditure for the year - £8,182 (2020: £372)

Profit for the year (gift aided to parent) - £37,340 (2020: £7,986)

The company assumed the handling of commercial events from St David's Enterprises Limited on 1 April 2020

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2021 (continued)**

### **18. Prior Year Adjustment**

During the course of the year it was discovered that employer tax and pension liabilities in respect of August 2020 had been included twice within the financial statements of that year totalling £303,000. The correction has been treated as a prior year adjustment and the prior year figures restated accordingly. The adjustment relates to general unrestricted funds.

|                                                                   |                          |
|-------------------------------------------------------------------|--------------------------|
|                                                                   | £                        |
| Net income for the year to 31 August 2020 as previously stated    | 1,235,950                |
| Add back staff costs overstated                                   | <u>303,000</u>           |
| Net income for the year to 31 August 2020 as restated             | <u>1,538,950</u>         |
| Net assets carried forward at 31 August 2020 as previously stated | 22,442,995               |
| Add back payroll liabilities overstated                           | <u>303,000</u>           |
| Net assets carried forward at 31 August 2020 as restated          | <u><u>22,745,995</u></u> |

**THE INDEPENDENT EDUCATIONAL ASSOCIATION LIMITED**

England & Wales - Charity number 270156

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# Accounts

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**THE INDEPENDENT EDUCATIONAL  
ASSOCIATION LIMITED**

**Company Number 1222329  
Charity Number 270156**

**CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 AUGUST 2020**

**THE INDEPENDENT EDUCATIONAL ASSOCIATION LIMITED**

**CONSOLIDATED FINANCIAL STATEMENTS**

**For the Year Ended 31 August 2020**

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# **The Independent Educational Association Limited**

## **Company Information For the year ended 31 August 2020**

### **REFERENCE AND ADMINISTRATIVE INFORMATION**

The Independent Educational Association Limited ("the Association") was incorporated on the 8<sup>th</sup> March 1975 as a company limited by guarantee and not having a share capital, with registration number 1222329. On 8<sup>th</sup> December 1975 it was also registered as a charity under the Charities Act 1960 with the charity number 270156. The Charity's principal address and registered office is at Earsby Street, London, W14 8SH. The Association has prepared consolidated financial statements to include the activities of The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St. David's School (St. David's) and its trading subsidiary St David's Enterprises Limited on the basis that the Association and St. David's are being managed on a unified basis with common trustees. St James Enterprises Limited, incorporated on 16 January 2019, as a subsidiary of the Association has remained dormant throughout the period.

#### **Trustees and Directors**

The trustees of the Association, known as Governors, are also the directors of the company for the purposes of company law, the Board being a self-appointing body. During the year and up to the date of approval of the financial statements they were:

Koula Ansell (Resigned 12th March 2020)  
Jennie Buchanan (Resigned 12th March 2020)  
George Cselko (Resigned 12th March 2020)  
Aatif Hassan  
Annabel Lubikowski  
Miranda Munden (Resigned 12<sup>th</sup> March 2020)  
Jeremy Sinclair (Chairman)  
John Story  
Hugh Venables  
Jerome Webb

#### **Key Executives and Professional Advisers**

##### **The Head teachers and the Schools' Addresses**

|              |                                                               |
|--------------|---------------------------------------------------------------|
| Mr D Brazier | St James Senior Boys' School, Church Road, Ashford, TW15 3DZ  |
| Mrs S Labram | St James Senior Girls' School, Earsby Street, London, W14 8SH |
| Mr K Spencer | St James Preparatory School, Earsby Street, London W14 8SH    |

**Director of St James Education:** Mrs L Hyde

**Chief Operating Officer & Company Secretary:** Mr W Wyatt

#### **Auditor**

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

#### **Solicitors**

Veale Wasbrough Vizards  
Orchard Court  
Orchard Lane  
Bristol  
BS1 5WS

#### **Principal Bankers**

Lloyds Bank plc  
67 Old Brompton Road  
London SW7 3JX

#### **Investment Advisers**

J. M. Finn & Co.  
4 Coleman Street  
London EC2R 5TA

# **The Independent Educational Association Limited**

## **Strategic Report For the year ended 31 August 2020**

### **OBJECTS, AIMS, OBJECTIVES AND ACTIVITIES**

#### **Charitable Objects**

The objects for which the Association is established (as set out in its Articles of Association) are to promote the advancement of education of children and young persons and in connection therewith to establish and conduct in any part of the world a school or schools to give instruction in all branches of education including the preparation of pupils to sit for public examinations whether academic, professional or otherwise.

#### **Aims and Intended Impact**

Within these Objects, the Association started the St James Independent Schools in January 1975 with the aim of providing a first-class independent education, through strong academic tuition, awareness of spiritual values and developing wider sporting, artistic and social skills in all pupils. This is intended to provide an environment where each pupil can begin to realise his or her own potential, thus helping to build self-confidence and self-esteem in preparation for a happy and fulfilling life contributing to the good of the wider community.

#### **Objectives for the Year**

The focus has been on the continued achievement and enhancement of academic standards throughout the schools while endeavouring to meet the individual requirements of the minority with special educational needs. Striking the right balance between these two objectives should ensure that all pupils have the opportunity of working to achieve their full potential. We continue to improve the facilities available whilst keeping clear budgetary controls.

#### **Strategies to Achieve the Year's Objectives**

These include an on-going review and where necessary updating of the schools' academic syllabuses, an exercise in which the staff are fully involved. Increased attention is also being given to staff training and development. We remain open to opportunities to extend the schools' already great range of non-academic activities by promoting excellence in sports and open-air pursuits as well as developing social skills.

#### **Principal Activities of the Year**

The Association provides education through the St James Schools: from the ages of 4 to 18 at Earsby Street for junior boys and girls and senior girls, and at Ashford for senior boys. The Association acts in an advisory capacity for a number of schools with common ethics and practices worldwide. The Association finished the year with 849 (2019: 891) pupils. From 1 September 2020 the Association expanded the provision of education through the new Nursery facilities at Earsby Street.

#### **Grant-making Policy**

This year, the value of scholarships, grants and prizes made to pupils out of restricted funds was £86,085 (2019: £81,354). In addition, a further £1,007,924 (2019: £1,016,581) of bursaries and scholarships were funded from unrestricted reserves. All bursary awards are made on the basis of financial need and all are means tested. Further fee remissions may be made where the policy is to relieve hardship and the pupil's education and future prospects would be at risk without such support.

### **BUSINESS REVIEW**

The trustees present the consolidated financial results of IEAL incorporating the results of St David's School, its trading subsidiary St David's Enterprises Limited and St James Enterprises Limited, incorporated on 16 January 2018, as a subsidiary of the Association which began trading in September 2019.

This has been another rewarding year for the charities and the group. The trustees, the majority of whom are common to both charities, are pleased with the group's development and progress. Financial performance remains strong. The reputation of each of the St James schools continues to thrive due to the excellent all-round education offered and because of the hard work and dedication of all staff.

During the year we have still maintained good academic achievements. There was a decrease in average pupil numbers to 849 (2019: 886). However, we had an additional 17 nursery pupils in the year. St James is seeking to consolidate and grow its overall pupil numbers in future years. The building of a new sports hall at the Senior Boys School which is due to open in July 2021 should assist future recruitment of pupils and, as noted above, we have launched a new nursery at the Olympia site to act as a feeder for the prep school as well as providing an additional income stream to improve the school's financial position.

Together with competitive fee rates and sound financial management we aim to produce an operating surplus year on year.

# **The Independent Educational Association Limited**

## **Strategic Report For the year ended 31 August 2020 (continued)**

An ongoing review of debt management procedures continues to produce a significantly improved collection rate of current debt and a reduction in overdue balances. Subsidiary company results contributed a surplus of £2,318 to the overall results compared with £1,336 in the previous year.

The IEAL Pension scheme contribution rates increased from 16.1% to 25.1% from 1 September 2018 in respect of employer's normal contributions. Contributions necessary to make up for the deficit in the Scheme were £400,000 for the year to 31 August 2020 and are expected to remain at that level to December 2024. With effect from 31 August 2017 the scheme was closed to new members and to future accrual by teaching staff. An offer was in place at 31 August 2017 to all those teaching staff whereby the Association confirmed that it would make good any shortfall necessary to transfer the equivalent benefits to those accrued in the IEAL Pension Scheme to the Teachers' Pension Scheme by way of additional employer contributions to the IEAL Pension Scheme. During the year 2019-2020 contributions of approximately £10K (£7k 2018-19) were paid to the IEAL Pension Scheme. The employer's contribution rates to the Teachers' Pension Scheme throughout the year were 16.48%. See the Financial Review and Results for the Year section below for further details. The last full triennial actuarial valuation for the IEAL Pension Scheme was on 1 September 2017. The IEAL Scheme will continue for a number of support staff.

The group will continue to seek to meet the AGBIS best practise target by generating a 10% cash surplus. This is essential for long term cash flow stability and building reserves to a level that ensures sustainable development of the schools.

### **Developments**

The company acquired a new freehold property near its Earsby Street site in October 2018 which should eventually add to and enhance the educational facilities of the Association. This has been financed by a bank loan repayable over a period of five years.

Construction of the new sports hall at Ashford has commenced and is due to complete in July 2021. The bank loan that was approved and intended for use to cover the sports hall development has not been used as at July 2021.

The trustees are conscious of their responsibility to ensure that the Charity considers its duty to operate for the public benefit. The Association has provided Bursary and Scholarship funding equivalent to 6.6% of fee income (2019: 6.5%). Except for bursary specific funds received during the year from benefactors and the income generated on the various Bursary Funds, bursaries have been funded from the General Fund. The Development Office is actively seeking additional sources of Bursary funding in order to minimise the on-going impact on the General Fund.

### **Supporting Activities**

The Association provides bursaries and scholarships to pupils of families in need of financial assistance. In 2020 support of £1,094,009 was given (2019: £1,097,935) to pupils, these include externally funded bursaries and grants.

The fund-raising and development office for the schools is run under the name of "The Friends of St James Schools". This endeavours to co-ordinate the activities of:

- 1) Long-term fund-raising;
- 2) Short-term fund-raising for small projects;
- 3) Fund-raising by parents often for a particular school.

Whilst future major developments will require substantial fund-raising initiatives, our latest forecasts indicate that the Association will generate operating surpluses sufficient to fund partially such developments

# **The Independent Educational Association Limited**

## **Strategic Report For the year ended 31 August 2020 (continued)**

### **REVIEW OF ACHIEVEMENTS AND PERFORMANCE FOR THE YEAR**

#### **Operational Performance of the Schools**

The Senior Girls attained excellent exam results. 100% (2019: 100%) A level passes with 100% (2019: 96%) at A\* to C; the GCSE pass rate was 100% (2019: 100%) with 96% at A\* to C and 100% (2019: 99%) 9 to 4 grades. The Senior Boys achieved 100% (2019: 100%) A level passes with 98% (2019: 84%) at A\* to C; the GCSE pass rate was 100% (2019: 99%) with 98% (2019: 89%) at 9 to 4 grades.

#### **Fundraising Performance**

The fund-raising department raised £49,547 (2019: £62,290) from regular activities during the year. The Development office is coordinating the activities of The Friends of St James and the Alumni in addition to fund-raising for Buildings and Bursary Funds. With continued building and facility improvements planned for both the Earsby Street and Ashford sites, fund-raising efforts will be focused on raising substantial sums

### **FINANCIAL REVIEW AND RESULTS FOR YEAR**

The Association's net income for the year was £1,219,616 (2019: net deficit £803,024). Factors contributing to the results for the year include the FRS102 pension liability movement for the year in respect of the IEAL Pension Scheme. In 2020 there was an increase in the pension liability of £402,600 of which £402,600 represented an actuarial loss, whereas in 2019 there was an increase in the pension liability of £1,339,900 of which £1,711,700 represented an actuarial gain. The balance of gains or losses between the actuarial gains or losses, referred to above, and the pension liability movements in each year are included within charitable activities expenditure for the year. In 2020 there is a reduction in the charitable activities' expenditure disclosed in the SOFA of £303,000 compared to £371,800 in 2019. The Association's net income excluding any FRS102 pension liability movement was £882,232 (2019: £536,872). The Pension Scheme liability is a long term liability and as such the management are satisfied that they can meet current funding requirements arising in the Scheme.

Total gross fee income before charging for activities and coaches of £16,659,448 (2019: £16,861,622) was down by 1.2% reflecting the decrease in pupil numbers and no increase in termly fee rates. There was no increase in fee rates to help combat challenges faced by Covid-19 and in line with other schools in the area.

The Association has net current liabilities at 31 August 2020 of £1,385,327 (2019: £1,769,336). This includes fee deposit liabilities of £2,773,370 (2019: £2,624,322). As referred to in Note 10 these liabilities are disclosed as due within one year as pupils may leave at any time, but with a reasonably stable pupil roll currently, the probability of the liability becoming repayable in the short term is highly unlikely. This combined with the expected continued positive cash generation from operating activities in 2020-21 support the Board's view that despite its net current liability position the Association has adequate resources to continue its activities for the foreseeable future and therefore continue as a going concern (See below for more detail).

# **The Independent Educational Association Limited**

## **Strategic Report For the year ended 31 August 2020 (continued)**

### **Key Performance Indicators**

We have to be aware of staff-pupil ratios and the proportion of fee income spent on salaries and salary-related expenses such as national insurance, pensions funding and training costs.

| <b>London data:</b>                         | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> |
|---------------------------------------------|-------------|-------------|-------------|-------------|
| Employment costs compared to fee income     | 53.80%      | 54.10%      | 54.60%      | 57.86%      |
| Pupils (Average number throughout the year) | 940         | 921         | 886         | 883         |
| Teaching staff (FTE)                        | 101         | 103         | 103         | 101         |
| Staff-Pupil ratio                           | 1:9.3       | 1:8.9       | 1:8.6       | 1:8.7       |
| Average class size                          | 19          | 19          | 18          | 18          |

### **GOING CONCERN AND CONSIDERATION OF COVID-19**

As part of the review and in light of COVID-19, the Trustees have carried out a Post Balance Sheet Review of the going concern.

Due to the ongoing global pandemic caused by Covid-19 and the impact the virus has had on the local, national and global economy, St James Schools has had to consider very thoroughly the nature of its operations and its going concern status. We considered a worst-case scenario to really stress test the going concern basis.

The Trustees have sought to minimise the financial impact of Covid-19 on the charity. The key areas of risk are bad debt, cash flow and pupil retention. The schools needed to reduce their costs, maximise the collection of summer term fees and help minimise the financial impact on our parents. The Trustees remain fully confident that St James is a going concern.

### **COST SAVINGS**

During periods of closure throughout the year the schools 'furloughed' members of staff representing 23.8% of the total workforce. These include teachers, teaching assistants, sports staff, and administration staff. In addition to this, the schools identified other costs savings including, materials, supplies, food, transport, clubs and trips and temporarily suspended the catering and cleaning contracts (whose employees have also been furloughed). While the school buildings were closed, cost savings continued to be measured on a termly basis and passed on to parents and/or guardians via credit notes to the following term's fees.

### **SUMMER TERM FEES 2020**

It was imperative for the schools to offer a strong programme of remote education to justify charging fees while the school buildings were closed during the summer term. Notwithstanding the building's temporary closure, the schools provided a full-time education and pastoral care to all children remotely including its programmes of learning which were delivered by virtual platforms including, FireFly VLE, Zoom, Planet e-Stream video platform and Office 365 which includes the Microsoft Office Suite, Microsoft Teams and Microsoft One Drive. The programmes were well received by parents and recent surveys showed high satisfaction levels amongst parents.

The governing body considered summer term fees carefully. Although we were advised that we were contractually entitled to charge full fees, we recognised that we would not be delivering all of the services pupils and parents were used to and the Trustees wanted to support its parents. To this end, the Trustees took the unprecedented step of offering a one-off optional discount of 20% off summer term fees for any parents who requested it.

The discount offered was reflective of our position as a registered charity and a School with competitive fees and carefully run finances. The Trustees offered the maximum discount that finances allowed without threatening the viability of the schools to continue.

For those parents who were willing and able to pay 100% of their fees, the schools allocated 20% of this towards the Hardship Fund which was created to help parents from the schools who are in financial difficulty. This has been extremely well supported.

# **The Independent Educational Association Limited**

## **Strategic Report For the year ended 31 August 2020 (continued)**

Fee collection has been very proactive. The majority of our parents paid on time and for those parents who are struggling, the schools have engaged fully and assisted them by agreeing payment plans, payment holidays or by providing mean-tested hardship funding. Whilst we are likely to see an increase in bad debt this term, this will be within manageable parameters.

### **PUPIL RETENTION**

Recognising the economic impact on parents of the pandemic, the Trustees announced that there will be no increase in fees for the next academic year of 2020-21, which began September 2020. We believe this will reassure parents in these uncertain times and help with our pupil retention. The Trustees have agreed a 3% increase in fees for 2021-22.

We have seen no loss of pupils this term. The schools have provided 'worse-case scenario' pupil number forecasts for next year. These show a potential loss of 40 pupils (-4.6%) across all three schools.

### **UPDATED FORECAST**

In May 2020 we produced a forecast for 2020/2021 which predicted a significant drop in student numbers for the summer term, due to Covid-19, and allowed for an increase in bad debt. This has since been revised as the actual figures were more positive. Following the offer of a 20% discount for Summer Term fees, student numbers remained stable.

Based on these actual numbers we have revised our 2020/21 and 2021/22 forecast. We did this for two scenarios;

Scenario 1 - Without considering a further lockdown and in line with current government guidelines that schools will continue to operate as normal from September 2021.

Scenario 2 - A worst case scenario where we are predicting a another wave of Covid-19 to impact two further terms for St James Schools. The impact of this being a drop-in student numbers, therefore a drop in income and short term pressure on the schools' cash flow. This has enabled us to prepare measures should such a scenario evolve. The contingency we have built in will ensure that St James remains liquid and a genuine going concern both now and in the future.

To fund the very worst-case scenario would mean that we would need to sell two properties, not required for continuous operation, and therefore not having a future impact on being able to deliver the excellent schooling that we offer, but enabling us to cover the drop-in fees from a second wave.

### **SUMMARY**

In summary, the revised financial budget and forecast for the three years 2020/21, 2021/22 and 2022/23, is cautious and prudent. We openly visited challenging scenarios and have action plans in place should the need arise. We are pleased that it shows that we will continue to return a cash surplus each year over the next three years. We will be able to operate without selling any part of our extensive property portfolio and will be able to meet all our financial liabilities showing that we remain a strong going concern.

### **FUTURE PLANS**

We are pleased with the quality of the young men and women coming out of our schools to play their part in society. We are delighted that so many later wish to educate their own children at a St James school and quite a number have come back to teach in the schools. We wish to grow so that more can share in what we have to offer.

The Board's current plans include the following:

- To achieve an overall pupil/teacher ratio of around 10:1. This should allow pupils to receive the necessary time and attention to make the most of their educational opportunity. At the same time the ratio should give teachers the time and scope for preparation, marking and ancillary duties.
- To increase the school roll especially by optimising the intake at Reception at the Prep School, retaining pupils in the Sixth Form and utilising the increased space capacity at the Senior Boys to continue offering three-form entry at Year 7 and four-form entry at Year 9.

# **The Independent Educational Association Limited**

## **Strategic Report For the year ended 31 August 2020 (continued)**

- The steady expansion of the prep and senior schools to their optimum sizes will require careful planning and ingenuity to make the maximum use of our existing available space. The first phase of development of the Senior Boys School, as outlined in this report, is now complete. The Trustee Directors are conscious of the need to consider the requirements of the Prep School and the Senior Girls' School based at the Earsby Street site, and the acquisition of the adjoining youth centre site and other nearby properties will allow space to be re-assigned to accommodate growth.

### **RISK MANAGEMENT**

The Board of Governors is responsible for identifying the key risks faced by the School and for ensuring these risks are managed. Each term the Board of Governors identify and assess risks and implement controls to mitigate against these. The major risks include; impact of political regime change on independent schools. This is largely out of the school's control. However, associations such as AGBIS, ISIS, ASA, ISBA, will seek to support the sector. There are constant changes in legislation which affect schools. These are managed through routine monitoring of the legislative environment by SMT. Increased competition from other schools remains a risk. The schools' academic and pastoral reputation is high and fees remain competitive. SMT continue to review the situation.

Risks are managed and monitored by the risk register which are grouped into the following categories:

- Mission and objectives
- Law and regulation
- Governance and management
- External factors
- Operational
- Human resources
- Environmental
- Technological
- Academic
- Financial

The key controls implemented by the School are as follows:

- Formal agendas for all Committee and Board activity;
- Annual budgeting and termly management accounting;
- Formal written Financial Regulations and Financial Procedures;
- Established organisational structure and lines of reporting;
- Formal written policies;
- Clear financial authorisation and approval levels; and
- Vetting procedures required by law for the protection of the vulnerable.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2020**

The Board of Trustees present their annual report for the year ended 31<sup>st</sup> August 2020.

### **STRUCTURE, GOVERNANCE AND MANAGEMENT**

#### **Structure and Governing Document**

The Association, as well as being a registered charity, is a company limited by guarantee: it does not have any subscription capital. In the event of liquidation, the guarantors who are the members and governors of the company will be liable to contribute £1 each as set out in the governing document of the Association which is its Articles of Association adopted by the members of the Association on 27 November 2014. This guarantee totals £10.

#### **Governing Bodies**

The structure of the Charity consists of a governing body for the St James Schools. The Trustees are assisted by various committees and the Heads and the Chief Operating Officer.

#### **Trustees**

Details of Trustees are given on page 1. The Trustees are also the Company Directors.

The founder of the Association directed the Trustees to raise funds for launching schools, endowing them and otherwise providing for them. Individual schools should have their own managers appointed by the Trustees who are free to manage the schools subject only to their conforming to the aims of the Association and to any financial control necessary to preserve its funds. We delegate the administration and co-ordination of financial and operational matters of the Schools to the Chief Operating Officer.

#### **Recruitment and Training of Governors**

New Governors are invited to serve by the existing Board of Governors. New Governors are inducted into the workings of the Charity and its schools, including any Board Policy and Procedures. All Governors receive New Governors Training provided by AGBIS and regular Safeguarding training.

#### **Organisational Management**

The Governors, as the trustees of the Charity, are legally responsible for the overall management and control of the St James Schools and associated activities and meet at least once a term including an annual "Away Day". Overall financial and operational control of the schools is delegated to a number of committees which, under the general supervision of the Governors, exercise such powers and perform such duties in relation to the affairs of the Association as are vested in or given to them by the Governors. The principal committees are the Finance and Estates Committee, the individual school committees, the Governance Committee, the Safeguarding Committee and the Health & Safety Committee which all meet each term.

The day-to-day running of the schools is delegated to the respective Head teachers (supported by their Senior Management Teams) and the Bursar. The Heads and the Bursar attend meetings of the Finance and Estates Committee and School Committees and together this group are the key management personnel.

The appropriateness and relevance of the remuneration policy is reviewed annually, including reference to comparisons with other independent schools to ensure that the Association remains sensitive to the broader issues of pay and employment conditions elsewhere.

Delivery of the Association's charitable vision and purpose is primarily dependent on our key management personnel and staff costs are the largest single element of our charitable expenditure.

#### **Relationships**

The Association actively supports the attainment of the highest standards in the Independent Schools sector, partly through senior staff participating in the inspection of schools, and through promoting links and networking with other schools by attendance at Seminars and events. We also endeavour to widen public access to the schooling we can provide, the facilities and to awaken in our pupils an awareness of the social context of the all-round education they receive.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2020 (continued)**

### **Reserves Policy**

At 31 August 2020 the Association had consolidated reserves of £22,442,995 (2019: £21,207,045) of which £1,894,733 represents restricted funds (2019: £1,818,084) and £20,548,262 represents unrestricted funds (2019: £19,388,961). There are no Free Reserves comprising Undesignated and Unrestricted Funds net of Fixed Assets (2019: £Nil). As shown in Note 12 the ISPS Pension deficit reserve and the IEAL Pension reserve have been shown separately within unrestricted funds. There are no other designated funds as at 31 August 2020. Accounting for the Defined Benefit Pension liability in accordance with FRS102 has resulted in a negative Pension Reserve of £3,772,500 (2019: £3,672,900). As a result of the Trustees having taken advice from the scheme actuary in respect of the funding of the negative Pension Reserve shown in the Balance Sheet the annual deficit contribution payment for the year ended 31 August 2020 was £400,000 (2019: £250,000). The ISPS pension reserve accounted for under FRS102 has resulted in a negative reserve of £229,000 (2019: £246,000). Under the current funding schedule, the annual deficit contribution payment for 2020 has been agreed at approximately £22,600, thereafter rising at 3% per annum until 2030. The amounts of restrictive and unrestrictive funds that can only be realised by the disposing of tangible fixed assets or programme related investments are shown in Note 12(b) Analysis of Net Assets between Funds.

Our policy is to accumulate sufficient reserves to acquire and maintain high quality premises for all our schools with scope for further development. Major property moves and developments have necessarily depleted our reserves. Our policy is to rebuild them by further improving our cost controls and generating the operating surpluses outlined above.

### **Investment Powers & Policy**

As its objective the Board aims to maximise the total investment return. The Association is not restricted as to its investment policy. The Trustees have instructed the Association's Investment Advisors to invest in medium risk securities having regard to the differing requirements of the respective restricted or designated fund involved. The Board considers the performance of the investments in the year to be satisfactory.

### **PUBLIC BENEFIT**

In setting the School's objectives and planning its activities the Governors have given careful consideration to the Charity Commission's general guidance on public benefit and in particular to its supplementary public benefit guidance on advancing education. The directors believe that the principal public benefit provided is in setting up and operating schools with the object of producing well rounded pupils with a comprehensive education aimed at developing the young men and women in our care physically, mentally, and spiritually, leaving them capable of entering fully and usefully into society at large. As a relatively recent foundation, the Association has not yet accumulated reserves sufficient to make significant numbers of free places available, as much of the funds given to it have been required to obtain and equip suitable buildings. During 2020 we continued to utilise the General Fund to support bursaries.

Bursary and other funding, including this year a special hardship fund (for people directly impacted due to Covid-19) assists pupils of parents who find themselves in difficulty meeting fee payments during their children's time at school. Numbers assisted are 81 (2019: 92) at a total cost of £1,073,289 (2019: £1,097,935). Reasons for awards have included insufficient funds due to divorce, sudden loss of income, ill health, parent fatalities, redundancies, Covid-19 and many others. There is new access each year as bursaries have one year's duration. All bursaries are means tested.

The Association has assisted in the foundation and development of a number of overseas schools, forming a world-wide family of schools, based on the same essential educational approach, offering guidance and teaching placements.

The senior schools have an active community service programme in which the pupils engage with the local community including state schools. At the very heart of the St James approach is the spirit of unity which naturally encourages the pupils to have regard to the needs of others, which necessarily includes those in less fortunate circumstances.

Our Art of Hospitality facilities (self-contained kitchen and dining room at our Earsby Street premises) are made available free of charge throughout the year for cookery lessons for pupils of local maintained schools.

# **The Independent Educational Association Limited**

## **Annual Report of the Trustees For the year ended 31 August 2020 (continued)**

In 2011 the Association launched Sanskrit @ St James, an initiative supported by the Indian High Commissioner to promote, sustain and develop the teaching of Sanskrit in schools throughout the world. A separate restricted fund was set up with the benefit of a legacy received during 2011 and we have continued to receive support from subscribers throughout the year to fund specific Sanskrit activities.

### **ACCOUNTING AND REPORTING RESPONSIBILITIES**

The Trustees (who are also directors of The Independent Educational Association Limited for the purposes of company law) are responsible for preparing the Annual Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards).

Company law requires the Trustees to prepare financial statements for each financial year. Under company law the Trustees 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 Trustees are required to:

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

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

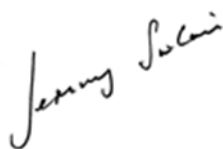
### **STATEMENT AS TO DISCLOSURE OF INFORMATION TO AUDITORS**

So far as the directors are aware, there is no relevant audit information of which the company's auditors are unaware, and each director has taken all the steps that he ought to have taken as a director in order to make himself or herself aware of any relevant audit information and to establish that the company's auditors are aware of that information.

### **AUDITOR**

Crowe U.K. LLP, Chartered Accountants, was re-appointed as auditor at the meeting to approve the prior year accounts. Crowe U.K. LLP has expressed its willingness to continue as auditor for the next financial year.

This report, including the Strategic report, was approved by the Board of Governors of the Independent Educational Association Limited on 28 September 2021 and signed on its behalf by,



Jeremy Sinclair  
Chairman

# **The Independent Educational Association Limited**

## **Independent Auditor's Report to the members of The Independent Educational Association Limited**

### **Opinion**

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

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the 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 UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

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

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

### **Other information**

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

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

We have nothing to report in this regard.

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

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

- the information given in the trustees' report, which includes the directors' report and the strategic report prepared for the purposes of company law, for the financial year for which the financial statements are prepared is consistent with the financial statements; and

# **The Independent Educational Association Limited**

## **Independent Auditor's Report to the members of The Independent Educational Association Limited (continued)**

- the strategic report and the directors' report included within the trustees' report have been prepared in accordance with applicable legal requirements.

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

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

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

- the parent charitable company has not kept adequate 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 trustees' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

### **Responsibilities of trustees**

As explained more fully in the trustees' responsibilities statement set out on page 9, the trustees (who are also the directors of the charitable company for the purposes of company law) are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the group's or 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 trustees either intend to liquidate the charitable company or to cease operations, or have no realistic alternative but to do so.

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

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

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

### **Use of our report**

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



Tina Allison  
Senior Statutory Auditor  
For and on behalf of  
Crowe U.K. LLP  
Statutory Auditor  
London  
Date: 29 September 2021

**The Independent Educational Association Limited**  
**Consolidated Statement of Financial Activities**  
**(Including Income and Expenditure Account)**  
**For the year ended 31 August 2020**

|                                                                        | Note | Unrestricted Funds | Restricted Funds | Total Funds 2020  | Total Funds 2019  |
|------------------------------------------------------------------------|------|--------------------|------------------|-------------------|-------------------|
| <b>Income from:</b>                                                    |      | £                  | £                | £                 | £                 |
| <b>Charitable Activities</b>                                           |      |                    |                  |                   |                   |
| School fees                                                            | 2    | 15,882,939         | -                | 15,882,939        | 15,595,364        |
| Other income                                                           | 3    | 332,817            | -                | 332,817           | 989,821           |
| <b>Other Trading activities</b>                                        |      |                    |                  |                   |                   |
| Trading income                                                         | 3    | 12,335             | -                | 12,335            | 69,274            |
| Other activities                                                       | 3    | 14,161             | -                | 14,161            | 24,809            |
| <b>Investments</b>                                                     |      |                    |                  |                   |                   |
| Investment income                                                      | 3    | 9,304              | 34,395           | 43,699            | 42,575            |
| <b>Voluntary sources</b>                                               |      |                    |                  |                   |                   |
| Donations and legacies                                                 | 3    | 42,923             | -                | 42,923            | 108,836           |
| <b>Other Income</b>                                                    |      |                    |                  |                   |                   |
| Sundry income                                                          | 3    | 166,249            | 132,156          | 298,405           | 10,153            |
| <b>Total Incoming Resources</b>                                        |      | <u>16,460,728</u>  | <u>166,551</u>   | <u>16,627,279</u> | <u>16,840,832</u> |
| <b>Expenditure on:</b>                                                 |      |                    |                  |                   |                   |
| <b>Raising funds</b>                                                   |      |                    |                  |                   |                   |
| Fundraising costs                                                      | 4    | 73,806             | -                | 73,806            | 55,215            |
| Investment management                                                  | 4    | 18,401             | -                | 18,401            | 17,711            |
| Trading & lettings costs                                               | 4    | 95,934             | -                | 95,934            | 66,355            |
|                                                                        |      | <u>188,141</u>     | <u>-</u>         | <u>188,141</u>    | <u>139,281</u>    |
| <b>Charitable activities</b>                                           |      |                    |                  |                   |                   |
| Schools and Grant making                                               | 4    | 14,727,020         | 153,965          | 14,880,985        | 15,790,769        |
|                                                                        |      | <u>14,915,161</u>  | <u>153,965</u>   | <u>15,069,126</u> | <u>15,877,112</u> |
| <b>Total Resources Expended</b>                                        |      |                    |                  |                   |                   |
| <b>Net Incoming Resources before Transfers and gains</b>               |      | 1,545,567          | 12,586           | 1,558,153         | 910,782           |
| Gains on investments                                                   |      | -                  | 64,063           | 64,063            | 2,890             |
| Transfers between funds                                                | 12   | -                  | -                | -                 | -                 |
| <b>Net Incoming Resources before other recognised gains and losses</b> |      | 1,545,567          | 76,649           | 1,622,216         | 913,672           |
| Actuarial (loss) - IEAL                                                | 13   | (402,600)          | -                | (402,600)         | (1,711,700)       |
| Actuarial gain / (loss) - ISPS                                         | 13   | 16,334             | -                | 16,334            | (5,000)           |
| <b>Net (deficit)/income for the year</b>                               |      | <u>1,159,301</u>   | <u>76,649</u>    | <u>1,235,950</u>  | <u>(803,028)</u>  |
| Fund balances brought forward                                          |      | <u>19,388,961</u>  | <u>1,818,084</u> | <u>21,207,045</u> | <u>22,010,073</u> |
| <b>Fund Balances Carried Forward</b>                                   | 12   | <u>20,548,262</u>  | <u>1,894,733</u> | <u>22,442,995</u> | <u>21,207,045</u> |

All amounts derive from continuing activities

All gains or losses recognised in the year are included in the Statement of Financial Activities

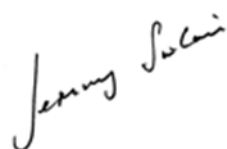
The notes on pages 18 to 44 form part of these financial statements

# The Independent Educational Association Limited

## Consolidated Balance Sheet as at 31 August 2020

|                                                       | Note  | 2020               | 2020               | 2019               | 2019               |
|-------------------------------------------------------|-------|--------------------|--------------------|--------------------|--------------------|
|                                                       |       | £                  | £                  | £                  | £                  |
| <b>Fixed Assets</b>                                   |       |                    |                    |                    |                    |
| <i>Tangible Assets</i>                                |       |                    |                    |                    |                    |
| Freehold property                                     | 6     | 25,030,175         |                    | 24,172,850         |                    |
| Motor vehicles                                        | 6     | 23,440             |                    | 31,253             |                    |
| Laboratories and equipment                            | 6     | 1,325,884          |                    | 1,797,157          |                    |
|                                                       |       | <u>26,379,499</u>  |                    | <u>26,001,260</u>  |                    |
| Investments                                           | 7     | <u>1,768,863</u>   |                    | <u>1,692,214</u>   |                    |
|                                                       |       |                    | 28,148,362         |                    | 27,693,474         |
| <b>Current Assets</b>                                 |       |                    |                    |                    |                    |
| Stocks                                                | 8     | 1,247              |                    | 1,411              |                    |
| Debtors                                               | 9     | 1,043,499          |                    | 659,299            |                    |
| Cash at bank and in hand                              |       | <u>2,603,652</u>   |                    | <u>2,160,118</u>   |                    |
|                                                       |       | 3,648,398          |                    | 2,820,828          |                    |
| <b>Creditors: Amounts falling due within one year</b> | 10(a) | <u>4,793,106</u>   |                    | <u>4,590,164</u>   |                    |
| <b>Net Current Liabilities</b>                        |       |                    | <u>(1,144,708)</u> |                    | <u>(1,769,336)</u> |
| <b>Total Assets less Current Liabilities</b>          |       |                    | 27,003,654         |                    | 25,924,138         |
| <b>Long-term liabilities</b>                          |       |                    |                    |                    |                    |
| Creditors payable after one year                      | 10(b) |                    | (558,493)          |                    | (798,193)          |
| ISPS Pension deficit liability                        | 13    |                    | (229,666)          |                    | (246,000)          |
| IEAL Defined Benefit Pension Liability                | 13    |                    | (3,772,500)        |                    | (3,672,900)        |
|                                                       |       |                    | <u></u>            |                    | <u></u>            |
| <b>Net Assets</b>                                     |       |                    | <u>22,442,995</u>  |                    | <u>21,207,045</u>  |
| <b>The Funds of the Group:</b>                        |       |                    |                    |                    |                    |
| <b>Permanent Endowment</b>                            | 12    |                    | 400                |                    | 400                |
| <b>Restricted funds</b>                               | 12    |                    | 1,894,333          |                    | 1,817,684          |
| <b>Unrestricted funds</b>                             |       |                    |                    |                    |                    |
| General reserve                                       | 12    | 24,550,428         |                    | 23,307,861         |                    |
| ISPS Pension deficit reserve                          | 12    | (229,666)          |                    | (246,000)          |                    |
| IEAL Pension reserve                                  | 12    | <u>(3,772,500)</u> |                    | <u>(3,672,900)</u> |                    |
| <b>Total unrestricted funds</b>                       |       |                    | <u>20,548,262</u>  |                    | <u>19,388,961</u>  |
| <b>Total group funds</b>                              | 12    |                    | <u>22,442,995</u>  |                    | <u>21,207,045</u>  |

Approved by the Board and signed on its behalf on 28 September 2021



Jeremy Sinclair  
Chairman

Registered Company Number: 1222329

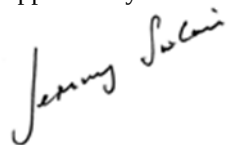
The notes on pages 18 to 44 form part of these financial statements

# The Independent Educational Association Limited

## Company Balance Sheet as at 31 August 2020

|                                                       | Note  | 2020               | 2020               | 2019               | 2019               |
|-------------------------------------------------------|-------|--------------------|--------------------|--------------------|--------------------|
|                                                       |       | £                  | £                  | £                  | £                  |
| <b>Fixed Assets</b>                                   |       |                    |                    |                    |                    |
| <i>Tangible Assets</i>                                |       |                    |                    |                    |                    |
| Freehold property                                     | 6     | 26,070,053         |                    | 25,212,728         |                    |
| Motor vehicles                                        | 6     | 23,440             |                    | 31,253             |                    |
| Laboratories and equipment                            | 6     | <u>1,321,308</u>   |                    | <u>1,792,581</u>   |                    |
|                                                       |       | 27,414,801         |                    | 27,036,562         |                    |
| Investments                                           | 7     | <u>1,768,863</u>   |                    | <u>1,692,215</u>   |                    |
|                                                       |       |                    | 29,183,664         |                    | 28,728,777         |
| <b>Current Assets</b>                                 |       |                    |                    |                    |                    |
| Stocks                                                | 8     | -                  |                    | -                  |                    |
| Debtors                                               | 9     | 1,111,524          |                    | 719,032            |                    |
| Cash at bank and in hand                              |       | <u>2,401,119</u>   |                    | <u>1,946,048</u>   |                    |
|                                                       |       | 3,512,643          |                    | 2,665,080          |                    |
| <b>Creditors: Amounts falling due within one year</b> | 10(a) | <u>4,823,864</u>   |                    | <u>4,593,064</u>   |                    |
| <b>Net Current Liabilities</b>                        |       |                    | <u>(1,311,221)</u> |                    | <u>(1,927,984)</u> |
| <b>Total Assets less Current Liabilities</b>          |       |                    | 27,827,443         |                    | 26,800,793         |
| <b>Long-term liabilities</b>                          |       |                    |                    |                    |                    |
| Creditors payable after one year                      | 10(b) |                    | (558,493)          |                    | (798,193)          |
| ISPS Pension deficit liability                        | 13    |                    | (229,666)          |                    | (246,000)          |
| IEAL Defined Benefit Pension liability                | 13    |                    | <u>(3,772,500)</u> |                    | <u>(3,672,900)</u> |
| <b>Net Assets</b>                                     |       |                    | <u>23,311,784</u>  |                    | <u>22,083,700</u>  |
| <b>The Funds of the Charity:</b>                      |       |                    |                    |                    |                    |
| <b>Restricted funds</b>                               | 12    |                    | 1,894,333          |                    | 1,817,684          |
| <b>Unrestricted funds</b>                             |       |                    |                    |                    |                    |
| General reserve                                       | 12    | 25,249,295         |                    | 24,184,916         |                    |
| ISPS Pension deficit reserve                          | 12    | (229,666)          |                    | (246,000)          |                    |
| IEAL Pension reserve                                  | 12    | <u>(3,772,500)</u> |                    | <u>(3,672,900)</u> |                    |
| <b>Total unrestricted funds</b>                       |       |                    | <u>21,417,451</u>  |                    | <u>20,266,016</u>  |
| <b>Total charity funds</b>                            | 12    |                    | <u>23,311,784</u>  |                    | <u>22,083,700</u>  |

Approved by the Board and signed on its behalf on 28 September 2021



Jeremy Sinclair  
Chairman

Registered Company Number: 1222329

The notes on pages 18 to 44 form part of these financial statements

**The Independent Educational Association Limited**

**Consolidated Statement of Cash Flow  
For the year ended 31 August 2020**

|                                                                              | 2020<br>£   | 2020<br>£   | 2019<br>£   | 2019<br>£   |
|------------------------------------------------------------------------------|-------------|-------------|-------------|-------------|
| <b>Cash flows from Operating Activities (Note 1)</b>                         |             |             |             |             |
| Net cash provided by operating activities                                    |             | 1,886,055   |             | 1,032,290   |
| <b>Cash flows from investing activities:</b>                                 |             |             |             |             |
| Interest received                                                            | 9,304       |             | 6,764       |             |
| Dividends received                                                           | 34,395      |             | 35,811      |             |
| Payments to acquire fixed assets                                             | (1,195,123) |             | (1,636,336) |             |
| Payments to acquire investments                                              | (166,550)   |             | (137,060)   |             |
| Receipts from disposals of fixed assets                                      | -           |             | 8,550       |             |
| Receipts from sales of investments                                           | 153,965     |             | 106,756     |             |
|                                                                              | <hr/>       |             | <hr/>       |             |
|                                                                              |             | (1,164,009) |             |             |
| <b>Net cash used in investing activities</b>                                 |             |             |             | (1,615,515) |
| <b>Cash flows from financing activities:</b>                                 |             |             |             |             |
| Loan received                                                                | -           |             | 1,200,000   |             |
| Loan interest paid                                                           | (22,944)    |             | (25,003)    |             |
| Loans repaid                                                                 | (255,568)   |             | (169,963)   |             |
|                                                                              | <hr/>       |             | <hr/>       |             |
| <b>Net cash used in financing activities</b>                                 |             | (278,512)   |             | 1,005,034   |
|                                                                              |             | <hr/>       |             | <hr/>       |
| Change in cash and cash equivalents in the reporting period                  |             | 443,534     |             | 421,809     |
| Cash and cash equivalents at the beginning of the period                     |             | 2,160,118   |             | 1,738,309   |
|                                                                              |             | <hr/>       |             | <hr/>       |
| <b>Cash and cash equivalents at the end of the reporting period (Note 2)</b> |             | 2,603,652   |             | 2,160,118   |
|                                                                              |             | <hr/>       |             | <hr/>       |

# The Independent Educational Association Limited

## Notes to the Consolidated Statement of Cash Flow For the year ended 31 August 2020

| <b>1 Reconciliation of net income to net cash flow from operating activities</b>            | <b>2020</b>             | <b>2019</b>             |
|---------------------------------------------------------------------------------------------|-------------------------|-------------------------|
|                                                                                             | <b>£</b>                | <b>£</b>                |
| Net income for the reporting period                                                         | 1,558,153               | 910,782                 |
| <b>Adjustments for:</b>                                                                     |                         |                         |
| Depreciation charges                                                                        | 816,884                 | 844,948                 |
| Profit on disposal of fixed assets                                                          | -                       | (4,496)                 |
| Pension contributions less current service and interest costs and other charges / (credits) | (303,000)               | (371,800)               |
| Pension deficit provision movement                                                          | -                       | (17,000)                |
| (Increase) / decrease in stocks                                                             | 164                     | (1,025)                 |
| (Increase) / decrease in debtors                                                            | (384,200)               | (43,057)                |
| Increase / (Decrease) in creditors                                                          | 218,809                 | (268,490)               |
| Interest received                                                                           | (9,304)                 | (6,764)                 |
| Dividends received                                                                          | (34,395)                | (35,811)                |
| Loan interest paid                                                                          | 22,944                  | 25,003                  |
| <b>Net cash provided by operating activities</b>                                            | <b><u>1,886,055</u></b> | <b><u>1,032,290</u></b> |
| <br><b>2 Analysis of Cash and Cash Equivalents</b>                                          | <br><b>2020</b>         | <br><b>2019</b>         |
|                                                                                             | <b>£</b>                | <b>£</b>                |
| Cash at bank and in hand                                                                    | <u>2,603,652</u>        | <u>2,160,118</u>        |

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2020**

### **1. Accounting Policies**

#### **Company information**

The Independent Educational Association Limited ("the Association") was incorporated on the 8<sup>th</sup> August 1975 as a company limited by guarantee and not having a share capital, with registration number 1222329 and is considered a public benefit entity. On 8<sup>th</sup> December 1975 it was also registered as a charity under the Charities Act 1960 with the charity number 270156. The Charity's principal address and registered office is at Earsby Street, London, W14 8SH. The Association has prepared consolidated financial statements to include the activities of The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St. David's School (St. David's) and its trading subsidiary St David's Enterprises Limited on the basis that the Association and St. David's are being managed on a unified basis with common trustees. The consolidated financial statements also include the Association's subsidiary, St James Enterprises Limited, although that company has remained dormant in the period to 31 August 2019.

#### **Basis of preparation and assessment of going concern**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102), the Companies Act 2006 and the 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 2015 – (Charities SORP (FRS102)).

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

The financial statements are drawn up on the historical cost basis of accounting, as modified by the inclusion of fixed asset investments at market value.

The charity has taken advantage of the exemption available to a qualifying entity in FRS 102 from the requirement to present a charity only Cash Flow Statement with the consolidated financial statements.

Having reviewed the funding facilities available to the Association together with the expected ongoing demand for places and the Association's future projected cash flows, the Trustees have a reasonable expectation that the Association has adequate resources to continue its activities for the foreseeable future and consider that there were no material uncertainties over the Association's financial viability. Accordingly, they also continue to adopt the going concern basis in preparing the financial statements as outlined in the Statement of Accounting and Reporting Responsibilities on page 9.

#### **Consideration of COVID-19**

As part of the review and in light of COVID-19, the Trustees have carried out a Post Balance Sheet Review of the going concern (See Note 17 for details).

Due to the global pandemic caused by Covid-19 and the impact the virus has had on the local, national and global economy, St James Schools has had to consider very thoroughly the nature of its operations and its going concern status. We have been required to consider a worst case scenario to really stress test the going concern basis.

The Trustees have sought to minimise the financial impact of Covid-19 on the charity. The key areas of risk are bad debt, cash flow and pupil retention. The schools needed to reduce their costs, maximise the collection of summer term fees and help minimise the financial impact on our parents. The Trustees are fully confident that St James is a going concern.

#### **Cost savings**

The schools have 'furloughed' 45 members of staff representing 23.8% of the total workforce. These include teachers, teaching assistants, sports staff, and administration staff. In addition to this, the schools identified other costs savings including, materials, supplies, food, transport, clubs and trips and has temporarily suspended the catering and cleaning contracts (whose employees have also been furloughed).

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2020**

### **Summer Term fees**

It was imperative for the schools to offer a strong programme of remote education to justify charging fees while the school buildings were closed during the summer term. Notwithstanding the building's temporary closure, the schools provided a full time education and pastoral care to all children remotely including its programmes of learning which were delivered by virtual platforms including, FireFly VLE, Zoom, Planet e-Stream video platform and Office 365 which includes the Microsoft Office Suite, Microsoft Teams and Microsoft One Drive. The programmes have been well received by parents and recent surveys showed high satisfaction levels amongst parents.

The governing body considered summer term fees carefully. Although we were advised that we were contractually entitled to charge full fees, we recognised that we would not be delivering all of the services pupils and parents were used to and the Trustees wanted to support its parents. To this end, the Trustees took the unprecedented step of offering a one-off optional discount of 20% off summer term fees for any parents who requested it.

The level of discount was reached with reference to the schools' particular financial position. The government's Job Retention Scheme and other savings previously mentioned only represented a relatively small proportion of the cost of funding the 20% summer term fees discount. The charity reviewed its portfolio of projects, managed our commitments and utilised reserves to be able to afford this.

The discount offered is reflective of our position as a registered charity and a School with competitive fees and carefully run finances. The Trustees offered the maximum discount that finances allowed without threatening the viability of the schools to continue.

For those parents who were willing and able to pay 100% of their fees, the schools allocated 20% of this towards the Hardship Fund which was created to help parents from the schools who are in financial difficulty. This has been extremely well supported.

Fee collection has been very proactive. The majority of our parents paid on time and for those parents who are struggling, the schools have engaged fully and assisted them by agreeing payment plans, payment holidays or by providing mean-tested hardship funding. Whilst we are likely to see an increase in bad debt this term, this will be within manageable parameters.

### **Pupil retention**

Recognising the economic impact on parents of the pandemic, the Trustees announced that there will be no increase in fees for the next academic year of 2020-21, commencing this September. We believe this will reassure parents in these uncertain times and help with our pupil retention.

We have seen no loss of pupils this term. The schools have provided 'worse-case scenario' pupil number forecasts for next year. These show a potential loss of 40 pupils (-4.6%) across all three schools.

### **Updated Forecast**

In May we produced a forecast for 2020/2021 which predicted a significant drop in student numbers for the summer term, due to Covid-19, and allowed for an increase in bad debt. This has since been revised as the actual figures were more positive. Following the offer of a 20% discount for Summer Term fees, student numbers remained stable.

Based on these actual numbers we have revised our 2019/20 and 2020/21 forecast. We did this for two scenarios;

Scenario 1 - Without considering a further lockdown and in line with current government guidelines that schools will continue to operate as normal from September 2021.

Scenario 2 - A worst case scenario where we are predicting a second wave of Covid-19 to impact two further terms for St James Schools. The impact of this being a drop-in student numbers, therefore a drop-in income and short term pressure on the schools' cash flow. This has enabled us to prepare measures should such a scenario evolve. The contingency we have built in will ensure that St James remains liquid and a genuine going concern both now and in the future.

To fund the very worst case scenario would mean that we would need to sell two properties, not required for continuous operation, and therefore not having a future impact on being able to deliver the excellent schooling that we offer, but enabling us to cover the drop in fees from a second wave.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2020**

### **Summary**

In summary, the revised financial budget and forecast for the three years 2019/20, 2020/21 and 2021/22, is cautious and prudent. We openly visited challenging scenarios and have action plans in place would the need arise. We are pleased that it shows that we will continue to return a cash surplus each year over the next three years. We will be able to operate without selling any part of our extensive property portfolio and will be able to meet all our financial liabilities showing that we remain a strong going concern.

### **Basis of Consolidation**

The financial statements present the consolidated statement of financial activities (SOFA), the consolidated statement of cash flow and the consolidated and Charity balance sheets comprising the consolidation of the Independent Educational Association Limited (“the school”), and its subsidiaries St David’s School (“St David’s”), St David’s School Enterprises Limited and St James Enterprises Limited. No separate SOFA has been presented for the School alone, as permitted by s408 of the Companies Act 2006. The results of the Charity are disclosed in Note 18.

### **Critical accounting judgements and key sources of estimation uncertainty**

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

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

In the view of the trustees, no assumptions concerning the future or estimation uncertainty affecting assets or liabilities at the balance sheet date are likely to result in a material adjustment to their carrying amounts in the next financial year other than those noted below:

The pension scheme liabilities shown on the balance sheet are based on the annual FRS102 actuarial update at 31 August 2020 in which the actuary uses a variety of assumptions concerning the future pension scheme assets and liabilities. The assumptions used in determining the net cost /(income) for pensions include the discount rate.

Any changes in these assumptions, which are disclosed in Note 13, will impact the carrying amount of the pension liability. Furthermore, a roll forward approach which projects results from the latest full actuarial valuation performed at 1 September 2017 has been used by the actuary in valuing the pensions liability at 31 August 2020. Any differences between the figures derived from the roll forward approach and a full actuarial valuation would impact on the carrying amount of the pension liability.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the School’s financial statements.

### **Fee income**

Fees receivable less any allowances, scholarships, bursaries and other grants made by the School against those fees, but including contributions received from restricted funds, are accounted for in the period in which the service is provided.

### **Other income**

Income is accounted for in the year to which it relates. Rental income for operating leases on non-investment property is recognised as income on a straight-line basis over the lease term.

### **Investment income**

Investment income from dividends, bank balances and fixed interest securities is accounted for on an accrual’s basis.

### **Donations, grants and other voluntary incoming resources**

Voluntary income resources are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable. Voluntary income for the School’s general purposes is accounted for as unrestricted and is credited to the General Reserve. Where the donor or an appeal has imposed trust law restrictions, voluntary income is credited to the relevant restricted fund and incoming endowments are accounted for as permanent trust capital or expendable trust capital, according to whether the donor intends retention is to be permanent or not.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)**

### **1. Accounting Policies (continued)**

#### **Legacy income**

Pecuniary legacies are recognised when there is entitlement, which is deemed to be when probate has been granted, the legacy can be measured reliably, and there is probability of receipt. For residual legacies, entitlement is deemed to be the earlier of settled estate accounts and notification of a pending payment or actual payment being received.

#### **Expenditure**

Expenditure is accrued as soon as a liability is considered probable. Overhead and other costs not directly attributable to particular functional activity categories are apportioned over the relevant categories on the basis of management estimates of the amount attributable to that activity in the year by reference to site or the ratio of pupils in the individual schools. The irrecoverable element of VAT is included with the item of expense to which it relates.

Grants awarded are expensed as soon as they become legal or operational commitments.

Governance costs comprise the costs of running the Charity, including strategic planning for its future development, also external audit, legal advice for the Association's Trustees, and all costs of complying with constitutional and statutory requirements.

Intra-group sales and charges between the School and its subsidiaries are excluded from trading income and expenditure.

#### **Operating Leases**

Rentals payable under operating leases are charged in the SOFA on a straight line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight line basis over the lease term.

#### **Tangible Fixed Assets**

Items of equipment and furniture and fittings are capitalised if over £2,500 in cost and carried in the balance sheet at historic cost. Other expenditure on equipment incurred in the normal day-to-day running of the School is charged to the Statement of Financial Activities as incurred.

#### **Depreciation**

Depreciation is provided to write off the cost of all tangible fixed assets, other than freehold land, less estimated residual value based on current market prices, in equal annual instalments over their expected useful lives as follows:

|                                                      |                           |
|------------------------------------------------------|---------------------------|
| Freehold buildings and major improvements            | 1% - 2% on cost           |
| Computers                                            | 33 1/3% on cost           |
| Plant                                                | 10% on cost               |
| IT infrastructure                                    | 20% on cost               |
| Motor vehicles                                       | 25% on written down value |
| Schools – other equipment and furniture and fittings | 20% on written down value |
| Laboratories                                         | 10% on written down value |

#### **Investments**

The Association's listed investments are valued at market value at the balance sheet date. Gains and losses arising on the sale or revaluation of investments are credited or charged to the Statement of Financial Activities and are allocated to the appropriate Fund according to the "ownership" of the underlying assets.

#### **Stock**

Stock represents goods for resale and is valued at the lower of the cost and net realisable value.

#### **Fund Accounting**

The charitable trust funds of the Association and its subsidiaries are accounted for as unrestricted or restricted income, or as endowment capital, in accordance with the terms of trust imposed by the donors or any appeal to which they may have responded. Endowment funds are further sub-divided into permanent and expendable.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)**

### **1. Accounting Policies (continued)**

#### **Restricted Funds**

Restricted funds are funds which have been raised for, and their use restricted to, a specific purpose, or donations or legacies subject to donor-imposed conditions against which relevant expenditure is charged. There is no capital retention obligation or power but only a trust law restriction.

#### **Unrestricted Funds**

Unrestricted funds consist of those funds which the Association may use in furtherance of its charitable objectives at the discretion of the directors. Where the directors decide to set aside any part of these funds to be used in future for some specific purpose, this is accounted for by the transfer to the appropriate designated fund.

#### **Permanent endowment**

Permanent endowment arises where a donor intends the gift to be retained permanently for use by the Association.

#### **Taxation**

The Association is a registered charity and, therefore, is not liable for income tax or corporation tax on income derived from its charitable activities, as it falls within the various exemptions available to registered charities.

#### **Pension Costs**

Retirement benefits to employees of the Association are provided through a number of different schemes, two defined benefit schemes and a number of defined contribution schemes.

##### **IEAL Pension Scheme**

This is an occupational defined benefit scheme where the pension liabilities and assets are recorded in line with FRS 102 with a valuation undertaken by an independent actuary. The defined benefit pension scheme current service costs are charged to the Statement of Financial Activities within staff costs. The net interest on the defined net liability and the administration costs of the scheme are charged within support costs. Remeasurement effects, comprising actuarial gains and losses and the return on plan assets greater than the discount rate are recognised within other gains and losses.

##### **The Independent Schools Pension Scheme ("ISPS" Scheme)**

This scheme is a multi-employer pension scheme. It is not possible to identify the Association's share of the underlying assets and liabilities of the ISPS scheme on a consistent and reasonable basis and therefore, as required by FRS102, the Association accounts for the scheme as if it were a defined contribution scheme. The Association's contributions, which are in accordance with the recommendations of the actuary, are charged in the period in which the salaries to which they relate are payable. Where a deficit funding arrangement has been agreed by the Trustees of the Scheme, FRS102 requires a liability to be established based on the net present value of those funding obligations at the balance sheet date.

##### **Defined contribution schemes**

Employer's pension costs are charged in the period in which the salaries to which they relate are payable.

Further details of the pension schemes can be found in note 13.

#### **Financial instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost with the exception of investments which are held at fair value, where fair value is measured by the quoted market price in an active market. Financial assets held at amortised cost comprise cash at bank and in hand, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and in hand is defined as all cash held in instant access bank accounts and used as working capital. Financial liabilities held at amortised cost comprise all creditors except social security and other taxes, provisions and accruals and deferred income. Assets and liabilities held in foreign currency are translated to GBP at the balance sheet date at an appropriate year end exchange rate.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 2. Charitable Activities - School Fees

|                                                                   | 2020              | 2019              |
|-------------------------------------------------------------------|-------------------|-------------------|
| <b>School fees receivable consist of:</b>                         | <b>£</b>          | <b>£</b>          |
| Gross fees                                                        | 16,928,208        | 16,861,622        |
| Less: Total bursaries, scholarships and allowances                | (1,131,354)       | (1,347,612)       |
| Add back: Bursaries and other awards paid for by restricted funds | 86,085.00         | 81,354            |
|                                                                   | <u>15,882,939</u> | <u>15,595,364</u> |

All amounts received were in respect of general funds

### 3. Other Income

|                                             | 2020<br>£      | 2019<br>£      |
|---------------------------------------------|----------------|----------------|
| <b>Charitable activities – other income</b> |                |                |
| Entrance and registration fees              | 72,054         | 67,258         |
| Activities and coach income                 | 187,091        | 846,994        |
| Letting income of non-investment properties | <u>73,672</u>  | <u>75,569</u>  |
|                                             | <u>332,817</u> | <u>989,821</u> |

All amounts received were in respect of general funds

#### Other trading activities

##### Trading income

|                                |        |        |
|--------------------------------|--------|--------|
| St David's Enterprises Limited |        | 69,274 |
| St James Enterprises Limited   | 12,335 | -      |

##### Other activities

|                    |               |               |
|--------------------|---------------|---------------|
| Fundraising income | 14,161        | 24,809        |
|                    | <u>26,496</u> | <u>94,083</u> |

All amounts received were in respect of general funds

##### Investment income

|                                              |               |               |
|----------------------------------------------|---------------|---------------|
| Dividend income                              | 34,395        | 35,811        |
| Bank deposit and short term deposit interest | 9,304         | 6,764         |
|                                              | <u>43,699</u> | <u>42,575</u> |

Amounts received in respect of restricted funds were £34,395 (2019: £35,902) and general funds £9,304 (2019: £6,673).

#### Donations & legacies

|                            |               |                |
|----------------------------|---------------|----------------|
| Legacies received          | -             | -              |
| Bursary donations          | -             | 5,955          |
| Development donations      | -             | 840            |
| Grants towards school fees | 40,133        | 71,355         |
| Sanskrit donations         | 2,790         | 26,362         |
| Other donations            | <u>-</u>      | <u>4,324</u>   |
|                            | <u>42,923</u> | <u>108,836</u> |

Amounts received in respect of restricted funds were £2,790 (2019: £108,836) and general funds £2,790 (2019: £Nil).

##### Other income

|               |                |               |
|---------------|----------------|---------------|
| Sundry income | 298,405        | 10,153        |
|               | <u>298,405</u> | <u>10,153</u> |

All amounts received in respect of restricted funds were £132,156 (2019: £Nil) and general funds £56,243 (2019: £10,153)

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 4. Analysis of expenditure

#### (a) Total expenditure

|                                      | Staff costs      | Other costs      | Depreciation   | Total 2020        | Total 2019        |
|--------------------------------------|------------------|------------------|----------------|-------------------|-------------------|
|                                      | £                | £                | £              | £                 | £                 |
| <b>Expenditure on raising funds:</b> |                  |                  |                |                   |                   |
| Fundraising                          |                  | 73,806           |                | 73,806            | 55,215            |
| Investment management                |                  | 18,401           |                | 18,401            | 17,711            |
| Trading and lettings costs           | 81,281           | 10,184           |                | 91,465            | 66,355            |
|                                      | <u>81,281</u>    | <u>102,391</u>   | <u>-</u>       | <u>183,672</u>    | <u>139,281</u>    |
| <b>Charitable activities</b>         |                  |                  |                |                   |                   |
| Teaching                             | 6,784,694        | 936,731          |                | 7,721,425         | 8,610,607         |
| Welfare                              | 113,895          | 67,504           |                | 181,399           | 1,220,645         |
| Premises                             | 394,881          | 1,492,461        |                | 1,887,342         | 2,191,953         |
| Support and governance               | 1,659,636        | 2,448,286        | 817,065        | 4,924,987         | 3,682,947         |
| School's operating costs             | <u>8,953,106</u> | <u>4,944,982</u> | <u>817,065</u> | <u>14,715,153</u> | <u>15,706,152</u> |
| Grants, awards and prizes            |                  | 97,832           |                | 97,832            | 84,617            |
|                                      | <u>8,953,106</u> | <u>5,042,814</u> | <u>817,065</u> | <u>14,812,985</u> | <u>15,790,769</u> |
| <b>Total expended</b>                | <u>9,034,387</u> | <u>5,145,205</u> | <u>817,065</u> | <u>14,996,657</u> | <u>15,930,050</u> |

#### (b) Grants, awards and prizes

|                                       | 2020<br>£     | 2019<br>£     |
|---------------------------------------|---------------|---------------|
| <b>From Restricted Funds:</b>         |               |               |
| Bursaries and other grants and awards | <u>97,832</u> | <u>84,617</u> |
|                                       | <u>97,832</u> | <u>84,617</u> |

#### (c) Governance expenditure included in support costs:

|                                                | 2020<br>£     | 2019<br>£     |
|------------------------------------------------|---------------|---------------|
| Auditor's remuneration:                        |               |               |
| Audit services (including VAT) – current year  | 51,164        | 27,500        |
| Audit services (including VAT) – previous year | -             | 3,960         |
| <b>Other governance costs:</b>                 |               |               |
| Governors' meeting costs                       | <u>-</u>      | <u>-</u>      |
|                                                | <u>51,164</u> | <u>31,460</u> |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 4. Analysis of expenditure (continued)

#### (d) Analysis of support and governance costs:

|                                                 | 2020<br>£ | 2019<br>£ |
|-------------------------------------------------|-----------|-----------|
| Staff costs                                     | 1,659,636 | 1,585,858 |
| Depreciation                                    | 817,065   | 177,888   |
| Information technology                          | 582,644   | 490,543   |
| FRS102 Pension finance and administration costs | 592,630   | 120,300   |
| Legal and professional                          | 630,923   | 625,982   |
| Advertising, marketing and publications         | 361,429   | 348,129   |
| Finance and other                               | 351,052   | 437,219   |
| Governance                                      | 51,164    | 47,828    |
| FRS102 Pension Scheme change / curtailment      | -         | (150,800) |
|                                                 | 5,046,543 | 3,682,947 |

Support and governance costs all relate to charitable activities

### 5. Staff costs

|                                                         | 2020<br>£ | 2019<br>£ |
|---------------------------------------------------------|-----------|-----------|
| <b>Total staff costs comprised:</b>                     |           |           |
| Salaries                                                | 7,081,578 | 7,222,260 |
| Social security costs                                   | 697,485   | 716,233   |
| Pension fund costs –normal employer’s contributions     | 1,235,344 | 1,255,108 |
| Pension fund costs –additional employer’s contributions | 10,729    | 7,638     |
| Pension levy                                            | 9,251     | 12,536    |
|                                                         | 9,034,387 | 9,213,775 |

None of the Trustees received any remuneration or other benefits from the Association or a related entity.

The key management of the Association are the trustees, the three head teachers and the bursar as listed on page 1.

|                                                                                      | 2020<br>£ | 2019<br>£ |
|--------------------------------------------------------------------------------------|-----------|-----------|
| The aggregate employee-benefits, including employers NI, of key management personnel | 524,475   | 464,305   |
| The average number of employees during the year was                                  | 185       | 191       |

|                                                            |                      |   |   |
|------------------------------------------------------------|----------------------|---|---|
| Number of employees receiving gross salaries in the range: | £60,000 to £70,000   | 5 | 4 |
|                                                            | £70,001 to £80,000   | 0 | 0 |
|                                                            | £80,001 to £90,000   | 1 | 3 |
|                                                            | £90,001 to £100,000  | 2 | 0 |
|                                                            | £101,001 to £110,000 | 1 | 1 |

The number accruing retirement benefits in: Defined Benefit Schemes was 5 (2019: 8)

Redundancy or termination payments in the year amounted to £33,270 (2019: £40,500).

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 6. Fixed Assets

| Group                             | Freehold<br>Property         | Freehold<br>Improve-<br>ments | Motor<br>Vehicles          | Other<br>Equipm-<br>ent | Total             |
|-----------------------------------|------------------------------|-------------------------------|----------------------------|-------------------------|-------------------|
| <b>Cost</b>                       | £                            | £                             | £                          | £                       | £                 |
| At 1 <sup>st</sup> September 2019 | 23,011,035                   | 4,641,952                     | 153,087                    | 4,142,642               | 31,948,716        |
| Additions in year                 | 1,192,254                    |                               |                            | 2,869                   | 1,195,123         |
| Disposals                         |                              |                               |                            |                         |                   |
| At 31 August 2020                 | <u>24,203,289</u>            | <u>4,641,952</u>              | <u>153,087</u>             | <u>4,145,511</u>        | <u>33,143,839</u> |
| <b>Depreciation</b>               |                              |                               |                            |                         |                   |
| At 1 <sup>st</sup> September 2019 | 2,472,188                    | 1,007,949                     | 121,834                    | 2,345,485               | 5,947,456         |
| Charge for the year               | 334,929                      |                               | 7,813                      | 474,142                 | 816,884           |
| Disposals                         |                              |                               |                            |                         |                   |
| At 31 <sup>st</sup> August 2020   | <u>2,807,117</u>             | <u>1,007,949</u>              | <u>129,647</u>             | <u>2,819,627</u>        | <u>6,764,340</u>  |
| <b>Written Down Value</b>         |                              |                               |                            |                         |                   |
| At 31 <sup>st</sup> August 2020   | <u>21,396,172</u>            | <u>3,634,003</u>              | <u>23,440</u>              | <u>1,325,884</u>        | <u>26,379,499</u> |
| At 31 <sup>st</sup> August 2019   | <u>20,538,847</u>            | <u>3,634,003</u>              | <u>31,253</u>              | <u>1,797,157</u>        | <u>26,001,260</u> |
| <b>Company</b>                    | <b>Freehold<br/>Property</b> | <b>Motor<br/>Vehicles</b>     | <b>Other<br/>Equipment</b> | <b>Total</b>            |                   |
| <b>Cost</b>                       | £                            | £                             | £                          | £                       |                   |
| At 1 <sup>st</sup> September 2019 | 27,657,910                   | 153,087                       | 4,029,480                  | 31,840,477              |                   |
| Additions in year                 | 1,192,254                    |                               | 2,869                      | 1,195,123               |                   |
| Disposals                         |                              |                               |                            |                         |                   |
| At 31 August 2020                 | <u>28,850,164</u>            | <u>153,087</u>                | <u>4,032,349</u>           | <u>33,035,600</u>       |                   |
| <b>Depreciation</b>               |                              |                               |                            |                         |                   |
| At 1 <sup>st</sup> September 2019 | 2,445,182                    | 121,834                       | 2,236,899                  | 4,803,915               |                   |
| Charge for the year               | 334,929                      | 7,813                         | 474,142                    | 816,884                 |                   |
| Disposals                         |                              |                               |                            |                         |                   |
| At 31 <sup>st</sup> August 2020   | <u>2,780,111</u>             | <u>129,647</u>                | <u>2,711,041</u>           | <u>5,620,799</u>        |                   |
| <b>Written Down Value</b>         |                              |                               |                            |                         |                   |
| At 31 <sup>st</sup> August 2020   | <u>26,070,053</u>            | <u>23,440</u>                 | <u>1,321,308</u>           | <u>27,414,801</u>       |                   |
| At 31 <sup>st</sup> August 2019   | <u>25,212,728</u>            | <u>31,253</u>                 | <u>1,792,581</u>           | <u>27,036,562</u>       |                   |

All tangible fixed assets are held for use on charitable activities.

IEAL holds a number of heritage assets relating to the history of the school, which includes pictures, sculptures and other artefacts. All these items have been donated to IEAL some time ago and so information on their cost or valuation is not available and cannot be obtained at a cost commensurate with the benefit to the users of the accounts and the charity.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 7. Investments (i) Group

|                                                 |                                   | Listed<br>UK<br>£ | Listed<br>Other<br>£ | Total<br>£ |
|-------------------------------------------------|-----------------------------------|-------------------|----------------------|------------|
| Market value                                    | At 1 <sup>st</sup> September 2019 | 1,312,999         | 379,216              | 1,692,215  |
|                                                 | Additions at cost                 | 157,680           | 8,870                | 166,550    |
|                                                 | Proceeds                          | (148,211)         | (5,753)              | (153,964)  |
|                                                 | Net (losses) / gains              | 50,434            | 13,628               | 64,062     |
| Market value                                    | At 31 <sup>st</sup> August 2020   | 1,372,902         | 395,961              | 1,768,863  |
| Historical cost at 31 <sup>st</sup> August 2020 |                                   | 1,019,436         | 108,306              | 1,127,742  |
| Market value                                    | At 1 <sup>st</sup> September 2018 | 1,334,413         | 324,607              | 1,659,020  |
|                                                 | Additions                         | 88,629            | 48,431               | 137,060    |
|                                                 | Proceeds                          | (100,619)         | (6,137)              | (106,756)  |
|                                                 | Net gains                         | (9,425)           | 12,315               | 2,890      |
| Market value                                    | At 31 <sup>st</sup> August 2019   | 1,312,998         | 379,216              | 1,692,214  |
| Historical cost at 31 <sup>st</sup> August 2019 |                                   | 1,004,413         | 184,822              | 1,189,235  |

### (ii) Material Investments (More than 5% of portfolio)

|                                | Holding | 2020<br>Market<br>Value<br>£ | 2020<br>Cost<br>£ |
|--------------------------------|---------|------------------------------|-------------------|
| Berkshire Hathaway – Com US \$ | 1       | 243,710                      | 80,000            |

All investments are held primarily to generate an investment return.

### (iii) Company

|                                                       | 2020<br>£ | 2019<br>£ |
|-------------------------------------------------------|-----------|-----------|
| Investments held at market value (as for Group above) | 1,768,863 | 1,692,214 |
| Investment in group undertaking                       | 1         | 1         |
|                                                       | 1,768,864 | 1,692,215 |

The investment in group undertaking relates to St James Enterprises Limited which was incorporated on 16 January 2018. The company is owned 100% by the Association.

### 8. Stocks

|               | Group     |           | Company   |           |
|---------------|-----------|-----------|-----------|-----------|
|               | 2020<br>£ | 2019<br>£ | 2020<br>£ | 2019<br>£ |
| Sundry stocks | 1,247     | 1,411     | -         | -         |
|               | 1,247     | 1,411     | -         | -         |

### 9. Debtors

|                                          | Group     |           | Company   |           |
|------------------------------------------|-----------|-----------|-----------|-----------|
|                                          | 2020<br>£ | 2019<br>£ | 2020<br>£ | 2019<br>£ |
| Fees outstanding less bad debt provision | 535,370   | 50,684    | 530,830   | 40,648    |
| Tax recoverable on covenants etc.        | 3,948     | 3,948     | 3,948     | 3,948     |
| Other debtors                            | 176,299   | 17,004    | 175,875   | 17,004    |
| Amounts due from subsidiary entities     | -         | -         | 73,514    | 71,088    |
| Prepayments and accrued income           | 327,882   | 587,663   | 327,357   | 586,344   |
|                                          | 1,043,499 | 659,299   | 1,111,524 | 719,032   |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 10(a). Creditors: Amounts falling due within one year

|                                          | Group            |                       | Company          |                       |
|------------------------------------------|------------------|-----------------------|------------------|-----------------------|
|                                          | 2020             | 2019                  | 2020             | 2019                  |
|                                          | £                | £                     | £                | £                     |
| Trade creditors                          | 587,790          | 695,437               | 587,771          | 676,656               |
| Fees in advance                          | 257,450          | 454,747               | 257,450          | 454,747               |
| Bank loan (See Note 10(b))               | 238,920          | 231,844               | 238,920          | 231,844               |
| Fee deposits                             | 2,773,370        | 2,624,322             | 2,770,837        | 2,624,322             |
| Other creditors                          | 32,446           | 56,341                | 32,445           | 54,608                |
| Amounts due to subsidiary entities       | -                | -                     | 37,311           | 37,311                |
| Employee taxes and social security costs | 303,000          | 123,362               | 303,000          | 118,989               |
| Accruals and deferred income             | 600,130          | 404,111               | 596,130          | 394,587               |
|                                          | <u>4,793,106</u> | <u>4,590,164</u>      | <u>4,823,864</u> | <u>4,593,064</u>      |
|                                          | <b>Group</b>     | <b>Group</b>          | <b>Company</b>   | <b>Company</b>        |
|                                          | <b>2020</b>      | <b>2020</b>           | <b>2019</b>      | <b>2019</b>           |
|                                          | Fees in advance  | Other deferred income | Fees in advance  | Other deferred income |
| <b>Deferred income</b>                   |                  |                       |                  |                       |
| Brought forward                          | 454,747          | 43,616                | 432,463          | 76,817                |
| Released                                 | (454,747)        | (43,616)              | (432,463)        | (76,817)              |
| Deferred in the year                     | <u>257,450</u>   | <u>-</u>              | <u>454,747</u>   | <u>43,616</u>         |
| Carried forward                          | <u>257,450</u>   | <u>-</u>              | <u>454,747</u>   | <u>43,616</u>         |

Fees in advance in 2020 and 2019 represent payments against invoices raised in respect of subsequent terms where revenue will be recognised in the following financial year. Other deferred income relates to income received in respect of trips or events in the following financial year. Fee deposits are received in advance of a pupil commencing education at St James and are repayable upon completion of the pupil's education which may be up to 14 years later. The liability is disclosed as due within one year as pupils may leave at any time, but with relatively stable pupil numbers, the probability of the liability becoming repayable in the short term is highly unlikely.

### 10(b). Creditors: amounts falling due after more than one year

|                                        | Group          |                  | Company        |                  |
|----------------------------------------|----------------|------------------|----------------|------------------|
|                                        | 2020           | 2019             | 2020           | 2019             |
|                                        | £              | £                | £              | £                |
| Bank loans                             | <u>558,493</u> | <u>798,193</u>   | <u>558,493</u> | <u>798,193</u>   |
|                                        | <u>558,493</u> | <u>798,193</u>   | <u>558,493</u> | <u>798,193</u>   |
| Bank loans - maturity:                 |                |                  |                |                  |
| Payable within 1 year (See Note 10(a)) | 238,920        | 231,844          | 238,920        | 231,844          |
| Payable between 1 – 2 years            | 253,200        | 238,182          | 253,200        | 238,182          |
| Payable between 2 – 5 years            | 305,293        | 560,011          | 305,293        | 560,011          |
| Payable after more than 5 years        | <u>-</u>       | <u>-</u>         | <u>-</u>       | <u>-</u>         |
|                                        | <u>797,413</u> | <u>1,030,037</u> | <u>797,413</u> | <u>1,030,037</u> |

At 31 August 2020 the Association had a secured liability of £797,413 (2019 - £1,030,037). The liability is secured by a first legal charge over the freehold land and buildings of one of the Association's Earsby Street properties. The loan is repayable in instalments over a period of 60 months commencing 31 October 2019.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 11. Financial instruments

#### Group:

|                                                      | 2020<br>£        | 2019<br>£        |
|------------------------------------------------------|------------------|------------------|
| Financial assets measure at amortised cost (a)       | 3,400,951        | 2,227,806        |
| Financial assets measured at fair value (b)          | 243,710          | 1,692,214        |
| Financial liabilities measured at amortised cost (c) | (3,688,366)      | (3,830,847)      |
| Loan commitments at amortised cost                   | (797,413)        | (1,030,037)      |
| Net financial liabilities measured at amortised cost | <u>(841,118)</u> | <u>(940,864)</u> |

#### Company:

|                                                      | 2020<br>£          | 2019<br>£          |
|------------------------------------------------------|--------------------|--------------------|
| Financial assets measure at amortised cost (a)       | 3,181,338          | 2,074,788          |
| Financial assets measured at fair value (b)          | 243,710            | 1,692,214          |
| Financial liabilities measured at amortised cost (c) | (3,685,814)        | (3,847,644)        |
|                                                      | (797,413)          | (1,030,037)        |
| Net financial liabilities measured at amortised cost | <u>(1,058,179)</u> | <u>(1,110,679)</u> |

- (a) Financial assets include cash, trade and fee debtors, staff loans, other debtors and amounts due from subsidiaries
- (b) Financial assets held at fair value include assets held as investments
- (c) Financial liabilities include deposits, fees in advance, trade creditors and other creditors and amounts due to subsidiaries

The net impairment loss in respect of financial assets measured at amortised cost in the year amounted to £19,943 (2019: net impairment loss reversal £ (46,975)).

### 12(a) Analysis of Funds

The Association's funds and the movements in the year are as follows:

|                                | Balance<br>1<br>September<br>2019<br>£ | Incoming<br>Resources<br>£ | Resources<br>Expended<br>£ | Transfers<br>£ | Gains /<br>Losses<br>£ | Balance<br>31 March<br>20<br>£ |
|--------------------------------|----------------------------------------|----------------------------|----------------------------|----------------|------------------------|--------------------------------|
| <b>Group:</b>                  |                                        |                            |                            |                |                        |                                |
| <b>Restricted Funds</b>        |                                        |                            |                            |                |                        |                                |
| Permanent Endowment            | 400                                    | -                          | -                          | -              | -                      | 400                            |
| Bursary                        | 821,944                                | 44,636                     | (48,159)                   | -              | 8,886                  | 827,307                        |
| Founders scholarship           | 66,823                                 | 22,217                     | (20,737)                   | -              | (327)                  | 67,976                         |
| Valerie Cullen                 | 219,577                                | 20,535                     | (17,305)                   | -              | 15,358                 | 238,165                        |
| Sanskrit fund                  |                                        |                            |                            |                |                        |                                |
| D A Nott                       | 709,340                                | 79,163                     | (67,764)                   | -              | 40,146                 | 760,885                        |
| John Lyons grant               | -                                      | -                          | -                          | -              | -                      | -                              |
| Other donations                | -                                      | -                          | -                          | -              | -                      | -                              |
| Building fund                  | -                                      | -                          | -                          | -              | -                      | -                              |
|                                | <u>1,818,084</u>                       | <u>166,551</u>             | <u>(153,965)</u>           | <u>-</u>       | <u>64,063</u>          | <u>1,894,733</u>               |
| <b>Unrestricted Funds</b>      |                                        |                            |                            |                |                        |                                |
| General Fund                   | 23,307,861                             | 16,460,728                 | (15,218,161)               | -              | -                      | 24,550,428                     |
| ISPS Pension deficit provision | (246,000)                              | -                          | -                          | -              | 16,334                 | (229,666)                      |
| IEAL Pension reserve           | (3,672,900)                            | -                          | 303,000                    | -              | (402,600)              | (3,772,500)                    |
|                                | <u>21,207,045</u>                      | <u>16,627,279</u>          | <u>(15,069,126)</u>        | <u>-</u>       | <u>(322,203)</u>       | <u>22,442,995</u>              |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 12 (a) Analysis of Funds (continued)

The permanent endowment related to the former St. David's property at Ashford.

The Bursary fund is for disbursement of bursaries.

The Founders scholarship fund is for a pupil who would not otherwise be able to attend.

The Valerie Cullen Music Prize is for a musically talented pupil in the Senior Boys School.

The Sanskrit fund is used to support the teaching of Sanskrit worldwide.

The D A Nott fund is for a bursary for specified subjects up to a maximum of £10,000 per annum

The John Lyons grant is for the funding of bursaries

The Building fund is used to support future building development projects across the St James schools.

|                                | Balance<br>1 Sep 2019 | Incoming<br>Resources | Resources<br>Expended | Transfers | Gains /<br>Losses | Balance<br>31 Aug 20 |
|--------------------------------|-----------------------|-----------------------|-----------------------|-----------|-------------------|----------------------|
|                                | £                     | £                     | £                     | £         | £                 | £                    |
| <b>Company:</b>                |                       |                       |                       |           |                   |                      |
| <b>Restricted Funds</b>        |                       |                       |                       |           |                   |                      |
| Bursary                        | 821,944               | 44,636                | (48,159)              | -         | 8,886             | 827,307              |
| Founders scholarship           | 66,823                | 22,217                | (20,737)              | -         | (327)             | 67,976               |
| Valerie Cullen                 | 219,577               | 20,535                | (17,305)              | -         | 15,358            | 238,165              |
| Sanskrit fund                  | -                     | -                     | -                     | -         | -                 | -                    |
| D A Nott                       | 709,340               | 79,163                | (67,764)              | -         | 40,416            | 760,885              |
| John Lyons grant               | -                     | -                     | -                     | -         | -                 | -                    |
| Other donations                | -                     | -                     | -                     | -         | -                 | -                    |
| Building fund                  | -                     | -                     | -                     | -         | -                 | -                    |
|                                | 1,817,684             | 166,551               | (153,965)             | -         | 64,063            | 1,894,333            |
| <b>Unrestricted Funds</b>      |                       |                       |                       |           |                   |                      |
| General Fund                   | 24,184,916            | 16,448,393            | (15,213,692)          | -         | -                 | 25,419,617           |
| ISPS Pension deficit provision | (246,000)             | -                     | -                     | -         | 16,334            | (229,666)            |
| IEAL Pension reserve           | (3,672,900)           | -                     | 303,000               | -         | (402,600)         | (3,772,500)          |
|                                | 22,083,700            | 16,614,944            | (15,064,657)          | -         | (322,203)         | 23,311,784           |

The Bursary fund is for disbursement of bursaries.

The Founders scholarship fund is for a pupil who would not otherwise be able to attend.

The Valerie Cullen Music Prize is for a musically talented pupil in the Senior Boys School.

The Sanskrit fund is used to support the teaching of Sanskrit worldwide.

The D A Nott fund is for a bursary for specified subjects up to a maximum of £10,000 per annum

The John Lyons grant is for the funding of bursaries

The Building fund is used to support future building development projects across the St James schools.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 12 (b) Analysis of Net Assets between Funds

|                                       | <b>Tangible<br/>Fixed<br/>Assets</b> | <b>Investments</b> | <b>Other<br/>Assets/<br/>(Borrowings)</b> | <b>Total<br/>2020</b> |
|---------------------------------------|--------------------------------------|--------------------|-------------------------------------------|-----------------------|
| <b>Group:</b>                         |                                      |                    |                                           |                       |
| <b>Restricted Funds</b>               | <b>£</b>                             | <b>£</b>           | <b>£</b>                                  | <b>£</b>              |
| Permanent Endowment                   |                                      |                    | 400                                       | 400                   |
| Bursary                               | -                                    | 694,235            | 133,072                                   | 827,307               |
| Founders scholarship                  | -                                    | 84,799             | (16,824)                                  | 67,975                |
| Valerie Cullen Music Prize            | -                                    | 217,339            | 20,826                                    | 238,165               |
| D A Nott                              | -                                    | 772,490            | (11,604)                                  | 760,886               |
|                                       | -                                    | 1,768,863          | 125,870                                   | 1,894,733             |
| <b>General Fund</b>                   | 25,821,006                           | -                  | (1,270,578)                               | 24,550,428            |
| <b>ISPS Pension deficit provision</b> | -                                    | -                  | (229,666)                                 | (229,666)             |
| <b>IEAL Pension reserve</b>           | -                                    | -                  | (3,772,500)                               | (3,772,500)           |
|                                       | 25,821,006                           | 1,768,863          | (5,146,874)                               | 22,442,995            |

The group has no free reserves as at 31 August 2020

|                                       | <b>Tangible<br/>Fixed<br/>Assets</b> | <b>Investments</b> | <b>Other<br/>Assets/<br/>(Borrowings)</b> | <b>Total<br/>2020</b> |
|---------------------------------------|--------------------------------------|--------------------|-------------------------------------------|-----------------------|
| <b>Company:</b>                       |                                      |                    |                                           |                       |
| <b>Restricted Funds</b>               | <b>£</b>                             | <b>£</b>           | <b>£</b>                                  | <b>£</b>              |
| Bursary                               | -                                    | 694,235            | 133,072                                   | 827,307               |
| Founders scholarship                  | -                                    | 84,799             | (16,824)                                  | 67,975                |
| Valerie Cullen Music Prize            | -                                    | 217,339            | 20,826                                    | 238,165               |
| D A Nott                              | -                                    | 772,490            | (11,604)                                  | 760,886               |
|                                       | -                                    | 1,768,863          | 125,470                                   | 1,894,333             |
| <b>General Fund</b>                   | 26,856,308                           | -                  | (1,436,691)                               | 25,419,617            |
| <b>ISPS Pension deficit provision</b> | -                                    | -                  | (229,666)                                 | (229,666)             |
| <b>IEAL Pension reserve</b>           | -                                    | -                  | (3,772,500)                               | (3,772,500)           |
|                                       | 26,856,308                           | 1,768,863          | (5,313,387)                               | 23,311,784            |

The company has no free reserves as at 31 August 2020

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 13. Pension Schemes

#### IEAL Defined Benefit Scheme

The Association operates a pension scheme providing benefits based on final pensionable pay. With effect from 31 August 2017 the scheme was closed to all new members and to accrual for teaching staff. The scheme continues to operate for a number of non-teaching staff.

The assets of the scheme are held separately from those of the Association, being invested with insurance companies. Contributions to the scheme are charged to the income and expenditure account so as to spread the cost of pensions over employees' working lives with the Association. The contributions are determined by a qualified actuary on the basis of triennial valuations using the projected unit method. The most recent valuation was at 1<sup>st</sup> September 2017. The assumptions which have the most significant effect on the results of the valuation are those relating to the rate of return on investments, the rates of increase in salaries and pensions and the discount rate.

The most recent triennial valuation as at 1 September 2017 showed that the market value of the scheme's assets was approximately £22,360,000 with the Scheme Specific Funding Requirement standing at 82% whereas at the previous valuation it was 87%. As set out in the current Schedule of Contributions, dated 8 November 2018, regular contributions of 25.1% of pensionable salaries were payable from 1 September 2018, previously 16.1% from 1 September 2015. Deficit payments totalling £250,000 were payable over the year to 31 August 2019, £400,000 per annum in each year commencing 1 September 2019 to 1 September 2023, and monthly payments of £33,333.33 are due over the period from 1 September 2024 to 31 December 2024. Employee's contributions for support staff were set at £Nil.

The financial assumptions underlying the valuation as at 1 September 2017 were as follows:

|                               | <b>% p.a.</b> |
|-------------------------------|---------------|
| Pre-retirement discount rate  | 3.6           |
| Post retirement discount rate | 2.7           |
| RPI inflation                 | 3.6           |
| CPI inflation                 | 2.6           |
| Rate of salary increase       | 2.6           |

| <b>Pension Increases</b>                                     | <b>% p.a.</b> |
|--------------------------------------------------------------|---------------|
| <b>Pension increases in payment</b>                          |               |
| RPI max 5% (Post 1996 pension, and other increasing pension) | 3.25          |
| CPI (Post 2012 pension for teaching staff)                   | 2.6           |
| <b>Pension increases in deferment</b>                        |               |
| Pre 09 (CPI capped at 5%)                                    | 2.6           |
| Post 09 (CPI capped at 2.5%)                                 | 2.5           |

The 2017 valuation was carried out using the mortality base tables SAPS 2 (Self-Administered Pension Schemes) "Normal health retirees" and for future improvements in longevity the CMI 2017 central improvements table with a 1.5% long term trend.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 13. Pension Schemes (continued)

#### Basis of calculation

The last full actuarial valuation upon which the FRS102 figures have been based was as at 1 September 2017.

#### Disclosed Expense

|                                                                   | 2020<br>£000's | 2019<br>£000's |
|-------------------------------------------------------------------|----------------|----------------|
| <b>A – Disclosed Expense</b>                                      |                |                |
| Effect of employer service in the current period                  | 87.3           | 74.2           |
| Net interest on net defined liability                             | 62.9           | 53.0           |
| Scheme introductions, changes, curtailments and settlements       | 0.0            | (150.8)        |
| Defined benefit cost recognised in the P & L                      | 150.2          | (23.6)         |
| Administration costs incurred in the period                       | 3.2            | 62.3           |
| Cost of termination benefits                                      | 0.0            | 0.0            |
| Disclosed expense                                                 | 153.4          | 38.7           |
| <b>B – Amounts recognised in Other Comprehensive Income (OCI)</b> |                |                |
| Actuarial loss/(gain) arising during period                       | 179.7          | 2,971.1        |
| Return on plan assets (greater) / less than discount rate         | 222.9          | (1,259.4)      |
| Remeasurement effects recognised in OCI                           | 402.6          | 1,711.7        |
| <b>C – Total Defined Benefit Cost</b>                             |                |                |
| Cost recognised in the P & L                                      | 153.4          | 38.7           |
| Remeasurement effects recognised in the OCI                       | 402.6          | 1,711.7        |
| Defined benefit cost                                              | 556.0          | 1,750.4        |
| <b>D – Assumptions Used to Determine Expense <sup>1</sup></b>     |                |                |
| Discount rate                                                     | 1.8%           | 2.5%           |
| Price inflation (RPI)                                             | 3.2%           | 3.2%           |
| Price inflation (CPI)                                             | 2.2%           | 2.2%           |
| Rate of salary increase                                           | 2.2%           | 2.2%           |
| Pension increases for in-payment benefits (Pre 2012 accrual)      | 3.0%           | 3.0%           |
| Pension increases for in-payment benefits (Post 2012 accrual)     | 2.25           | 2.2%           |
| Pension increases in deferment for deferred benefits              | 2.2%           | 2.2%           |

<sup>1</sup> These assumptions were used to calculate Net Benefit Expense as of the beginning of the year. Rates are expressed on an annual basis where applicable.

#### Net Balance Sheet Position

|                                                             | 2020<br>£000's | 2019<br>£000's |
|-------------------------------------------------------------|----------------|----------------|
| <b>A – Development of Net Balance Sheet Position</b>        |                |                |
| Defined benefit obligation (DBO)                            | (20,864.9)     | (20,768.2)     |
| Fair value of assets (FVA)                                  | 17,092.4       | 17,095.3       |
| Deficit in the plan                                         | (3,772.5)      | (3,672.9)      |
| Irrecoverable surplus (effect of asset ceiling)             | 0.0            | 0.0            |
| Net defined benefit liability                               | (3,772.5)      | (3,672.9)      |
| <b>B – Reconciliation to Balance Sheet</b>                  |                |                |
| Net defined benefit liability at end of prior period        | (3,672.9)      | (2,333.0)      |
| Effect of employer service in the current period            | (87.3)         | (74.2)         |
| Net interest on net defined benefit liability               | (62.9)         | (53.0)         |
| Remeasurement effects recognised in OCI                     | (402.6)        | (1,711.7)      |
| Scheme introductions, changes, curtailments and settlements | 0.00           | 150.8          |
| Employer contributions                                      | 456.4          | 410.5          |
| Administration costs incurred in the period                 | (3.2)          | (62.3)         |
| Net defined benefit liability at end of current period      | (3,772.5)      | (3,672.9)      |

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 13. Pension Schemes (continued)

#### C – Assumptions and Dates Used at Disclosure <sup>1</sup>

|                                                               |            |            |
|---------------------------------------------------------------|------------|------------|
| Discount rate                                                 | 1.7%       | 1.8%       |
| Price inflation (RPI)                                         | 3.1%       | 3.2%       |
| Price inflation (CPI)                                         | 2.4%       | 2.5%       |
| Rate of salary increase                                       | 2.4%       | 2.5%       |
| Pension increases for in-payment benefits (pre 2012 accrual)  | 3%         | 3.0%       |
| Pension increases for in-payment benefits (post 2012 accrual) | 2.4%       | 2.5%       |
| Pension increases for deferred benefits                       | 2.4%       | 2.5%       |
| Plan membership census date                                   | 31/08/2017 | 31/08/2017 |

<sup>1</sup> Rates are expressed on an annual basis where applicable

#### Additional Disclosure Information

|                                                                                         | £000's  |
|-----------------------------------------------------------------------------------------|---------|
| <b>A – Expected Future Benefit Payments for period ending 31 August 2020</b>            | 554.7   |
| <b>B – Expected Future Administration Expenses for the period ending 31 August 2020</b> | 3.2     |
| <b>C – Expected Contributions for period ending 31 August 2020</b>                      |         |
| Employer                                                                                | 456.7   |
| Scheme participants                                                                     | 0.0     |
| <b>D – Actual return on Scheme Assets during period ending 31 August 2020</b>           |         |
| Interest on assets                                                                      | 306.9   |
| Asset gain during period                                                                | (222.9) |
| Actual return on assets                                                                 | 84.0    |

#### E – Scheme Asset Information

|                           | Target Allocation<br>Range | Allocation Percentage<br>31/03/2020 | Allocation Percentage<br>31/03/2019 |
|---------------------------|----------------------------|-------------------------------------|-------------------------------------|
| Equity securities         | 0%                         | 0.0%                                | 0.0%                                |
| Gilts                     | 25%                        | 23.3%                               | 25.5%                               |
| Corporate bonds           | 25%                        | 25.1%                               | 25.2%                               |
| Real estate / property    | 0%                         | 0.0%                                | 0.0%                                |
| Other                     | 50%                        | 51.6%                               | 49.3%                               |
| Total                     | 100%                       | 100%                                | 100.0%                              |
| Fair value of plan assets |                            | 17,092.4                            | 17,095.3                            |

#### F – Description of Scheme

The IEAL Pension Scheme is a funded defined benefit scheme closed to all new members and closed to future accrual to teaching staff from 31 August 2017. As set out in the current Schedule of Contributions, dated 8 November 2019, regular contributions of 25.1% of pensionable salaries are to be paid from 1 September 2019. Deficit payments totalling £250,000 are payable over the year to 31 August 2020, £400,000 per annum in each year commencing 1 September 2020 to 1 September 2023, and monthly payments of £33,333.33 are due over the period from 1 September 2024 to 31 December 2024.

#### G – Date of the most recent comprehensive actuarial valuation

The most recent comprehensive actuarial valuation was carried out by the trustees of the Scheme as at 1 September 2017 for funding purposes. The Association has employed an independent actuary to approximately update that actuarial valuation allowing for differences between the actuarial assumptions used by the Scheme for funding purposes and those adopted by the Association to measure the DBO, as well as adjusting for benefit accrual and benefits paid from the Scheme between 31 August 2017 and 31 August 2020.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 13. Pension Schemes (continued)

#### Changes in disclosed liabilities and assets

|                                                             | 2020<br>£000's | 2019<br>£000's |
|-------------------------------------------------------------|----------------|----------------|
| <b>A - Change in Actuarial Value of Plan Liabilities</b>    |                |                |
| DBO at end of prior period                                  | 20,768.2       | 18,271.4       |
| Effect of employee service cost in the current period       | 87.3           | 74.2           |
| Interest cost on the DBO                                    | 369.8          | 445.3          |
| Scheme participants' contributions                          | 0.00           | 3.3            |
| Remeasurement of the DBO                                    | 179.7          | 2,971.1        |
| Scheme introductions, changes, curtailments and settlements | 0.00           | (484.6)        |
| Benefits paid from plan assets                              | (540.1)        | (512.5)        |
| Plan liabilities at current period end                      | 20,864.9       | 20,768.2       |
| <b>B - Change in Scheme Assets</b>                          |                |                |
| Fair value of assets at end of prior period                 | 17,095.3       | 15,938.4       |
| Interest income on plan assets                              | 306.9          | 392.3          |
| Return on plan assets greater than discount rate            | (222.9)        | 1,259.4        |
| Scheme introductions, changes, curtailments and settlements | 0.0            | (333.8)        |
| Employer contributions                                      | 456.4          | 410.5          |
| Scheme participants' contributions                          | 0.0            | 3.3            |
| Administrative costs paid                                   | (3.2)          | (62.3)         |
| Benefits paid                                               | (540.1)        | (512.5)        |
| Fair value of assets at current period end                  | 17,092.4       | 17,095.3       |
| <b>C - Return on Scheme Assets</b>                          |                |                |
| Total return on plan assets                                 | 84.0           | 1,651.7        |

#### IEAL Scottish Widows Stakeholder Scheme

With effect from 1<sup>st</sup> September 2010 the Association introduced a stakeholder pension scheme for non-teaching staff not eligible for participation in the IEAL Defined Benefit Scheme. The stakeholder scheme is a defined contribution scheme with funds managed by Scottish Widows. Employee contributions are a minimum of 5% and the employer's contribution rate is 10%. At the balance sheet date there were 44 members of this scheme (2019: 40). During the year £109,584 (2019: £99,622) of contributions were payable by the employer. Contributions of £13,650 (2019: £12,409) were owing to the scheme at the balance sheet date.

#### NEST stakeholder scheme

This scheme is for employees who are neither in the IEAL Pension Scheme or the IEAL Scottish Widows Stakeholder Scheme and who qualify for auto-enrolment into a Pension Scheme. The stakeholder scheme is a defined contribution scheme. The employee contribution rate during the year was 2% to August 2020 and 5% thereafter and the employer's contribution rate was 3% throughout the period. At the balance sheet date there were 9 members of this scheme (2019: 13). During the year £8,148 (2019: £6,845) of contributions were payable by the employer. Contributions of £1,459 (2019: £1,040) were owed to the scheme at the balance sheet date.

## **The Independent Educational Association Limited**

### **Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)**

#### **13. Pension Schemes (continued)**

##### **Independent Schools' Pension Scheme**

For the period to the end of December 2014 St. David's School participated in The Independent Schools' Pension Scheme ('the Scheme'). Under a flexible apportionment arrangement, executed as a deed on 19 December 2014 and signed by the Trustee of The Pension Trust, St David's School and IEAL, the liabilities of St David's school to the Scheme with the exception of £1 were transferred to IEAL and St David's school ceased to be an employer under the Scheme. From this date IEAL is the employer within the Scheme.

The association participates in the scheme, a multi-employer scheme which provides benefits to some 66 non-associated employers. The scheme is a defined benefit scheme in the UK. It is not possible for the association 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 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.

The Scheme, to April 2016, was contracted-out of the State scheme.

There are three benefit structures available, namely:

- a. Final salary with a 1/60th accrual rate.
- b. Final salary with a 1/80th accrual rate.
- c. Career average re-valued earnings with a 1/80th accrual rate.

An employer can elect to operate different benefit structures for different categories of staff. IEAL has elected to operate the Final salary with a 1/60<sup>th</sup> accrual rate benefit structure for its member as at 31 August 2020.

The Trustee commissions an actuarial valuation of the Scheme every three years. The main purpose of the valuation is to determine the financial position of the Scheme in order to determine the level of future contributions required, in respect of each benefit structure, so that the Scheme can meet its pension obligations as they fall due.

The actuarial valuation assesses whether the Scheme's assets at the valuation date are likely to be sufficient to pay the pension benefits accrued by members as at the valuation date. Asset values are calculated by reference to market levels. Accrued pension benefits are valued by discounting expected future benefit payments using a discount rate calculated by reference to the expected future investment returns.

During the accounting period IEAL paid a joint contribution rate of 27.3% comprising employer contributions of 18.8% and member contributions of 8.5%. As at the balance sheet date there was 1 active member of the Scheme employed by IEAL. From 1 September 2020 IEAL is due to pay a joint contribution rate of 30.5% comprising employer contributions of 21.0% and member contributions of 9.5% IEAL continues to offer membership of the Scheme to its employees.

The last formal valuation of the Scheme was performed as at 30 September 2017 by a professionally qualified actuary. The market value of the Scheme's assets at the valuation date was £149.4 million. The valuation revealed a shortfall of assets compared with the value of liabilities of £38.2 million, equivalent to a past service funding level of 80%.

The annual valuation to 30 September 2019 showed that assets had increased to £157.6 million, liabilities have increased to £191.1million and the deficit has reduced to £33.6 million. The funding level has improved to 82%. The Scheme Actuary has not yet prepared an Actuarial Report that provides an approximate update on the funding position of the Scheme as at 30 September 2020. Such a report is required by legislation for years in which a full actuarial valuation is not carried out. Annual funding updates of the Scheme are carried out using approximate actuarial techniques rather than member by member calculations, and will therefore not produce the same results as a full actuarial valuation. However, they will provide a good indication of the financial progress of the Scheme since the last full valuation.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 13. Pension Schemes (continued)

The financial assumptions underlying the valuation as at 30 September 2017 were as follows:

|                               | % p.a.                |
|-------------------------------|-----------------------|
| Pre-retirement discount rate  | Gilt curve plus 2.4   |
| Post retirement discount rate | Gilt curve plus 0.45% |
| Rate of salary increase       | CPI                   |

| Pension Increases                   | % p.a.              |
|-------------------------------------|---------------------|
| Limited price indexation (5% cap)   | See note below      |
| Limited price indexation (3% cap)   | See note below      |
| Limited price indexation (2.5% cap) | See note below      |
| Rate of price inflation (CPI)       | RPI less 0.9        |
| Rate of price inflation (RPI)       | RPI inflation curve |

#### Limited price indexation

In line with relevant RPI / CPI inflation assumption and with relevant caps and collars, and adjusted in line with statistical distribution for increases in payment. The model used is Black-Scholes with 1.75% volatility.

#### Demographic assumptions

|                                                     |                                                                                                      |
|-----------------------------------------------------|------------------------------------------------------------------------------------------------------|
| Mortality before retirement                         | None                                                                                                 |
| Mortality after retirement – base mortality table   | 93% of S2PMA (males) and S2PFA(females) projected to the valuation date using the method shown below |
| Mortality after retirement – mortality improvements | CMI_2016 [1.50%] for males<br>CMI_2016 [1.25%] for females                                           |

At the date of the valuation the assumed life expectancy in years for a 65 year old male using these mortality assumptions was 21.25 years, and for a 65 year old female was 22.98 years.

The long-term joint contribution rates required from employers and members to meet the cost of future benefit accrual were assessed at:

| Benefit structure                                                            | Long-term joint contribution rate<br>(% of pensionable salaries) post<br>1 April 2020 | Long-term joint contribution rate<br>(% of pensionable salaries) prior<br>to 1 April 2020 |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------|
| Final salary with a 1/60th accrual rate                                      | 30.5%                                                                                 | 27.3%                                                                                     |
| Final salary with a 1/80th accrual rate                                      | 23.1%                                                                                 | 21.0%                                                                                     |
| Career average re-valued earnings with<br>a 1/80th accrual rate              | Employer: 17.9%<br>Member: Age-related (age divided<br>by 10)                         | Employer: 15.7%<br>Member: Age-related (age divided<br>by 10)                             |
| Career average re-valued earnings with<br>a 1/120 <sup>th</sup> accrual rate | 15.6%                                                                                 | 13.1%                                                                                     |

If an actuarial valuation reveals a shortfall of assets compared to liabilities the Trustee must prepare a recovery plan setting out the steps to be taken to make up the shortfall. Following consideration of the results of the actuarial valuation it was agreed that the shortfall of £38.2 million would be dealt with by the payment of deficit contributions of £2.4 million per annum from 1 September 2020 to 30 September 2030, increasing by 3% per annum with effect from 1 September each year. From 1 September 2016 to 31 August 2020, deficit contributions would continue to be £2.34 million per annum increasing by 3% per annum with effect from 1 September each year. These deficit contributions are in addition to the long-term joint average contribution rates set out in the table above.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)**

### **13. Pension Schemes (continued)**

During the year the employer and member contribution rates for IEAL were 18.8% and 8.5% of pensionable salaries respectively. Employers that participate in the Scheme on a non-contributory basis pay a joint contribution rate (i.e. a combined employer and employee rate). From 1 September 2016 the contribution rates assume that an employer is no longer offering DB membership to new joiners. If an employer is still offering membership and has enrolled at least one new member in the three years prior to 30 September 2014 an open scheme discount of 1.6% will be applied.

New employers joining the Scheme pay contributions at the joint future service contribution rate. This rate is reviewed at each valuation and applies until the second valuation after the date of joining the Scheme, at which point the standard employer contribution rate is payable. New employers also pay an additional age loading if the average age of their members is higher than the average age of the Scheme membership. This loading applies from the date the employer joins the Scheme to the date of the second actuarial valuation of the Scheme following the date of joining, or such earlier date as agreed between The Independent Schools' Pension Scheme Pensions Committee and the Scheme Actuary.

If the September 2017 valuation assumptions are borne out in practice this pattern of contributions should be sufficient to eliminate the past service deficit, on an on-going funding basis, by 30 April 2030. A copy of the recovery plan, setting out the level of deficit contributions payable and the period for which they will be payable, must be sent to The Pensions Regulator. The Regulator has the power under Part 3 of the Pensions Act 2004 to issue scheme funding directions where it believes that the actuarial valuation assumptions and / or recovery plan is inappropriate. For example, the Regulator could require that the Trustee strengthens the actuarial assumptions (which would increase the scheme liabilities and hence impact on the recovery plan) or impose a schedule of contributions on the Scheme (which would effectively amend the terms of the recovery plan).

Following a change in legislation in April 2005 there is a potential debt on the employer that could be levied by the Trustee of the Scheme. The debt is due in the event of the employer ceasing to participate in the Scheme or the Scheme winding up. The debt for the Scheme as a whole is calculated by comparing the liabilities for the Scheme (calculated on a buy-out basis i.e. the cost of securing benefits by purchasing annuity policies from an insurer, plus an allowance for expenses) with the assets of the Scheme. If the liabilities exceed assets there is a buy-out debt.

The leaving employer's share of the buy-out debt is the proportion of the Scheme's liability attributable to employment with the leaving employer compared to the total amount of the Scheme's liabilities (relating to employment with all the currently participating employers). The leaving employer's debt therefore includes a share of any 'orphan' liabilities in respect of previously participating employers. The amount of the debt therefore depends on many factors including total Scheme liabilities, Scheme investment performance, the liabilities in respect of current and former employees of the employer, financial conditions at the time of the cessation event and the insurance buy-out market. The amounts of debt can therefore be volatile over time.

IEAL has been notified by The Pensions Trust of the estimated employer debt that would have been payable if IEAL had withdrawn from The Independent School's Pension Scheme as at 30 September 2019. As of this date the estimated employer debt for IEAL was £905,879. This is the latest information available. Based on the 30 September 2014 valuation the Trustees of the scheme had decided to collect deficit contributions from participating employers over a 14 year and 11-month period commencing on 30 September 2014. Annual deficit contributions have been increasing annually from £19,606 for the period to 31 August 2015 to £25,073 for the period to 31 August 2020. This deficit funding schedule has now been revised following the 30 September 2017 valuation. The Trustees of the scheme have decided to collect future deficit contributions from participating employers over a 10 year and 8-month period commencing on 1 September 2020.

Amounts paid in respect of employer pension contributions during the year including the annual deficit contributions were £43,333 (2019: £43,647). At 31 August 2020 £4,334 (2019: £4,337) was owing to the scheme.

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 13. Pension Schemes (continued)

In accordance with FRS102 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 and included in support and governance costs in the Statement of Financial Activities, while any remeasurement effects are reflected in other recognised gains and losses.

The liability for this obligation has been calculated on the basis of the applicable schedules of deficit contributions agreed in respect of the last two actuarial valuations as shown below.

A full actuarial valuation for the scheme was carried out with an effective date of 30 September 2017. This actuarial valuation was certified on 19 December 2019 and showed assets of £149.4m, liabilities of £187.6m and a deficit of £38.2m. To eliminate this funding shortfall, the trustees and the participating employers have agreed that additional contributions will be paid, in combination from all employers, to the scheme as follows:

#### Deficit contributions

---

|                                         |                                                                                                  |
|-----------------------------------------|--------------------------------------------------------------------------------------------------|
| From 1 September 2020 to 30 April 2030: | £2,387,357 per annum<br>(payable monthly and increasing by 3% on each 1 <sup>st</sup> September) |
|-----------------------------------------|--------------------------------------------------------------------------------------------------|

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Note that the scheme's previous valuation was carried out with an effective date of 30 September 2014. This valuation showed assets of £110.0m, liabilities of £147.4m and a deficit of £37.4m. 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 September 2016 to 31 August 2029: | £2,341,000 per annum<br>(payable monthly and increasing by 3% on each 1 <sup>st</sup> September) |
|------------------------------------------|--------------------------------------------------------------------------------------------------|

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

#### Present values of provision – Group and company

---

|                            | 31 August 2020<br>(£000s) | 31 August 2019<br>(£000s) | 31 August 2018<br>(£000s) |
|----------------------------|---------------------------|---------------------------|---------------------------|
| Present value of provision | 229                       | 246                       | 258                       |

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# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 13. Pension Schemes (continued)

#### Reconciliation of opening and closing provisions: - Group and company

|                                                          | Period Ending<br>31 August 2020<br>(£000s) | Period Ending<br>31 August 2019<br>(£000s) |
|----------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Provision at start of period                             | 246                                        | 258                                        |
| Unwinding of the discount factor (interest expense)      | 3                                          | 5                                          |
| Deficit contribution paid                                | (22)                                       | (22)                                       |
| Remeasurements - impact of any change in assumptions     | 2                                          | 11                                         |
| Remeasurements - amendments to the contribution schedule | -                                          | (6)                                        |
| Provision at end of period                               | 230                                        | 246                                        |

#### Income and expenditure impact: - Group and company

|                                                          | Period Ending<br>31 August 2020<br>(£000s) | Period Ending<br>31 August 2019<br>(£000s) |
|----------------------------------------------------------|--------------------------------------------|--------------------------------------------|
| Interest expense                                         | 3                                          | 5                                          |
| Remeasurements – impact of any change in assumptions     | 2                                          | 11                                         |
| Remeasurements – amendments to the contribution schedule | 0                                          | (6)                                        |
| Contributions paid in respect of future service          | (22)                                       | 19                                         |
| Costs recognised in income and expenditure account       | 16                                         | 17                                         |

#### Assumptions

|                  | 31 August 2020<br>% per annum | 31 August 2019<br>% per annum | 31 August 2018<br>% per annum |
|------------------|-------------------------------|-------------------------------|-------------------------------|
| Rate of discount | 0.90                          | 1.10                          | 1.96                          |

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 Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

### 13. Pension Schemes (continued)

The following schedule details the deficit contributions agreed between the company and the scheme at each year end period:

#### Deficit contributions schedule:

| Year ending | 31 August 2020<br>(£000s) | 31 August 2019<br>(£000s) | 31 August 2018<br>(£000s) |
|-------------|---------------------------|---------------------------|---------------------------|
| Year 1      | 22                        | 21                        | 22                        |
| Year 2      | 22                        | 22                        | 23                        |
| Year 3      | 23                        | 22                        | 24                        |
| Year 4      | 24                        | 23                        | 25                        |
| Year 5      | 25                        | 24                        | 25                        |
| Year 6      | 25                        | 25                        | 26                        |
| Year 7      | 26                        | 25                        | 27                        |
| Year 8      | 27                        | 26                        | 28                        |
| Year 9      | 28                        | 27                        | 28                        |
| Year 10     | 19                        | 28                        | 29                        |
| Year 11     |                           | 19                        | 30                        |

The company must recognise a liability measured as the present value of the contributions payable that arise from the deficit recovery agreement and the resulting expense in the income and expenditure account i.e. the unwinding of the discount rate as a finance cost in the period in which it arises.

It is these contributions that have been used to derive the company's balance sheet liability.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)**

### **14. Transactions with Trustees and Related Parties**

No remuneration or expenses were paid to the trustees (2019: £Nil).

The aggregate employee-benefits of the key management personnel are shown in Note 5.

The Association and St David's School along with its trading subsidiary, St David's Enterprises Limited, are under common control. At the balance sheet date St David's Enterprises Limited owed £81,682 (2019: £71,088) to the Association, and the Association owed £37,310 (2019: £37,310) to St David's School. The balance sheet movement represents the total of net recharged expenses during the year between the Association and its subsidiary undertakings. St James Enterprises Limited, a subsidiary of the Association, was incorporated on 16 January 2018 but has remained dormant throughout the period. At the balance sheet date, the Association owed £1 to St James Enterprises Limited.

Certain Trustees have spouses or other relations who are employed at the school as teachers and as such receive salaries in accordance with the pay scale for all of the Association's teachers. These Trustees do not vote at Trustee meetings on any matters relating to teachers' remuneration. At 31 August 2020 there were two Trustees with spouses employed whose aggregate gross salaries for the year ending on that date were £95,560 (2019: £94,519). Certain Trustees also have children who are pupils at the school and pay fees in accordance with the normal fee rates for all pupils less any contractual discounts to which they are entitled.

Mr George Cselko, who is a Trustee, was a partner in Fletcher Day, Solicitors, a firm that has provided legal advice and services to the Association from time to time. The total value of charges for such services was £Nil (2019: £3,996). No amounts were owed to Fletcher Day at 31 August 2020 (2019: £Nil).

Mr Jerome Webb, who is a Trustee, is a partner at GIA. GIA provided services during the year to the value of £325.50 (2019 - £841). No amounts were owed to GIA at 31 August 2020 (2019 - £Nil).

### **15. Operating lease commitments**

The amount charged as expenses in respect of operating leases was £Nil (2019: £Nil)

The Association had a number of short-term leases in respect of property let during the year. The future minimum lease rentals receivable in respect of the remaining lease period or notice period amount to £41,495 at 31 August 2020 (2019 - £27,677).

### **16. Capital and other commitments**

At 31 August 2020 the Association had building works contracted for, but not accrued, amounting to approximately £1,137,531 (2019: £33,000) of which approximately £1,137,531 (2019: £Nil) related to capital commitments. The £1,137,531 includes variations to the contract and the retention which were included in works certified after the year end date.

# **The Independent Educational Association Limited**

## **Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)**

### **17. The Association Results**

The deficit for the financial year dealt with in the financial statements of the parent company was £1,041,427 (2019: surplus £804,364).

### **18. Subsidiary Undertakings**

#### **A. The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St David's School**

Incorporated by Act of Parliament in 1846 in England

Registered charity number 312091

Trustees are common to those of the Independent Educational Association Limited

Former owner and manager of the property situated at Church Road, Ashford, Middlesex that is used by the Senior Boys' School of the Independent Educational Association Limited. The property was transferred to the Independent Educational Association Limited on 24 November 2014 at which point its main activity was discontinued.

Aggregate assets - £158,936 (2019: £158,647)

Aggregate liabilities - £Nil (2019: £Nil)

Aggregate funds - £158,936 (2019: £158,647)

Turnover for the year - £410 (2019: £1,518)

Expenditure for the year - £121 (2019: £182)

Profit for the year - £289 (2019: £1,336)

#### **B. St David's Enterprises Limited**

Incorporated in England & Wales under company registration number 5154561

100% of the issued share capital is held by The Most Honourable and Loyal Society of Ancient Britons (Welsh Girls' School) now known as St David's School

Letting to the public and various sporting organisations the facilities located at St David's School, Church Road, Ashford

The Senior Boys' School of the Independent Educational Association Limited also occupy and utilise the facilities at Church Road, Ashford during school days and various times in the evenings and at weekends

Aggregate assets - £74,796 (2019: £106,945)

Aggregate liabilities - £84,979 (2019: £106,944)

Aggregate funds - (£10,183) (2019: £1)

Turnover for the year - £0 (2019: £69,274)

Expenditure for the year - £10,184 (2019: £67,756)

Profit for the year (gift aided to parent) - £0 (2019: £1,518)

#### **C. St James Enterprises Limited**

Incorporated on 16 January 2019 in England & Wales under company registration number 11153595

100% of the issued share capital is held by the Independent Educational Association Limited

Aggregate assets - £1

Aggregate funds - £1

Turnover for the year - £12,335 (2019: £Nil)

Expenditure for the year - £372 (2019: £Nil)

Profit for the year (gift aided to parent) - £Nil (2019: £Nil)

The company assumed the handling of commercial events from St David's Enterprises Limited on 1 April 2020

# The Independent Educational Association Limited

## Notes to the Consolidated Financial Statements For the year ended 31 August 2020 (continued)

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

Year ended 31 August 2019

|                                                                        | Unrestricted<br>Funds    | Restricted<br>Funds     | Total Funds<br>2019      |
|------------------------------------------------------------------------|--------------------------|-------------------------|--------------------------|
| <b>Income from:</b>                                                    | £                        | £                       | £                        |
| <b>Charitable Activities</b>                                           |                          |                         |                          |
| School fees                                                            | 15,595,364               | -                       | 15,595,364               |
| Other income                                                           | 989,821                  | -                       | 989,821                  |
| <b>Other Trading activities</b>                                        |                          |                         |                          |
| Trading income                                                         | 69,274                   | -                       | 69,274                   |
| Other activities                                                       | 24,809                   | -                       | 24,809                   |
| <b>Investments</b>                                                     |                          |                         |                          |
| Investment income                                                      | 6,673                    | 35,902                  | 42,575                   |
| <b>Voluntary sources</b>                                               |                          |                         |                          |
| Donations and legacies                                                 | -                        | 108,836                 | 108,836                  |
| <b>Other Income</b>                                                    |                          |                         |                          |
| Sundry income                                                          | 10,153                   | -                       | 10,153                   |
| <b>Total Incoming Resources</b>                                        | <u>16,696,094</u>        | <u>144,738</u>          | <u>16,840,832</u>        |
| <b>Expenditure on:</b>                                                 |                          |                         |                          |
| <b>Raising funds</b>                                                   |                          |                         |                          |
| Fundraising costs                                                      | 55,215                   | -                       | 55,215                   |
| Investment management                                                  | -                        | 17,711                  | 17,711                   |
| Trading & lettings costs                                               | 66,355                   | -                       | 66,355                   |
|                                                                        | <u>121,570</u>           | <u>17,711</u>           | <u>139,281</u>           |
| <b>Charitable activities</b>                                           |                          |                         |                          |
| Schools and Grant making                                               | 15,679,789               | 110,980                 | 15,790,769               |
| <b>Total Resources Expended</b>                                        | <u>15,801,359</u>        | <u>128,691</u>          | <u>15,930,050</u>        |
| <b>Net Incoming Resources before Transfers and gains</b>               | 894,735                  | 16,047                  | 910,782                  |
| Gains on investments                                                   | -                        | 2,890                   | 2,890                    |
| Transfers between funds                                                | 840                      | (840)                   | -                        |
| <b>Net Incoming Resources before other recognised gains and losses</b> | 895,575                  | 18,097                  | 913,672                  |
| Actuarial gain - IEAL                                                  | (1,711,700)              | -                       | (1,711,700)              |
| Actuarial gain - ISPS                                                  | (5,000)                  | -                       | (5,000)                  |
| <b>Net (deficit)/income for the Year</b>                               | <u>(821,125)</u>         | <u>18,097</u>           | <u>(803,028)</u>         |
| Fund balances brought forward                                          | <u>20,210,086</u>        | <u>1,799,987</u>        | <u>22,010,073</u>        |
| <b>Fund Balances Carried Forward</b>                                   | <u><u>19,388,961</u></u> | <u><u>1,818,084</u></u> | <u><u>21,207,045</u></u> |