

**SHREWSBURY HOUSE SCHOOL TRUST LIMITED**

**TRUSTEES' REPORT AND ACCOUNTS**

**FOR THE YEAR ENDED 31 AUGUST 2020**

Registered Company Number: 01411417

Registered Charity Number: 277324

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

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The Trustees, who are also the Directors of the Company for the purposes of company law, present their annual report, incorporating the strategic report and financial statements for the year ended 31 August 2020. The Trustees confirm that the financial statements comply with current statutory requirements, those of the governing documents and the requirements of the Statement of Recommended Practice "Accounting and Reporting by Charities" 2015.

**REFERENCE AND ADMINISTRATIVE INFORMATION**

Shrewsbury House School Trust Limited (The Trust) is a registered charity (number 277324). The legal status of the charity is a company limited by guarantee, without share capital, company number 01411417. The liability of each of the members of the company is limited to an amount not exceeding £5.

The Registered Office and principal address of the Company is 107 Ditton Road, Surbiton, Surrey, KT6 6RL, United Kingdom.

**Trustees**

The Trustees, who are also all members, have held office from 1 September 2019 to the date of this report, unless otherwise stated are as shown below:

D Johns	Chairman
A L Lee	Deputy Chairman
M A K Claeys	Appointed 15 January 2020
S Clarke	
P D Gibbon	Appointed 10 December 2019
V Laville	
J Le Grice	
C Linney	Resigned 16 March 2020
M Millard	Resigned 4 May 2020
I S Muir	Appointed 10 December 2019
D Sanders	
C Thorneycroft	
J Whittingham	Resigned 22 September 2020

**Key Management Personnel**

Executive Headmaster of Shrewsbury House School Trust,	Mr K. A. Doble
Headmaster of Shrewsbury House School	Mr J Akhurst
Head of Shrewsbury House Pre-Prep School	Ms J Hubbard
Head of The Rowans School	Mr P Dart
Director of Finance and Resources	Mr C Francis
Second Master	Mrs L Macallister
Deputy Head Academic	Mrs J Hand
Director of Communications and Compliance	

**Professional Advisors**

**Bankers**

National Westminster Bank plc	Lloyds TSB Bank Plc
5 Market Place	83 High Street
Kingston-upon-Thames	Walton-on-Thames
Surrey KT1 1JX	Surrey KT12 1DU

**Auditors**

Haysmacintyre LLP  
10 Queen Street Place, London, EC4R 1AG

**Lawyers**

Veale Wasbrough Vizards  
Orchard Court, Orchard Lane,  
Bristol, BS1 5WS

## STRATEGIC REPORT

### AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The main object of the charity, as set out in its Articles, is to promote and provide for the advancement of education including the provision of financial support to those who cannot afford to pay tuition fees, the use of the facilities of the schools to develop education and recreation for the local community and support for other educational charities and local state schools.

To achieve this, the Trust runs three independent fee paying day schools which seek to provide the best possible learning environment at Shrewsbury House Pre-Preparatory School (SHPPS) and The Rowans School (TR) for boys and girls aged between 3 and 7 and at Shrewsbury House School (SHS) for boys aged between 7 and 13, who have the potential for above average educational development. For every child the Trust aims to provide both an academic and broad education. This is intended to draw out pupils' abilities and academic potential, awaken and develop wider interests in life and motivate them for a successful and happy future. In particular, we aim to foster and encourage seven personal values and characteristics – namely happiness; compassion; resilience; determination; integrity; respect; and leadership.

The main objective of the Trustees is to ensure that all pupils are educated to the consistently high standard, which is a key element of the schools' ethos and historic traditions. This is achieved by maintaining a low pupil-to-teacher ratio and employing high quality, committed teachers and relevant support staff to facilitate the teaching and learning experience. The use of technology is a key enabler in delivering these results.

The principal activity of the Trust continues to be the provision of day schools for children aged between 3 and 13 years. In determining the Trust's objectives and planning its activities, careful consideration continues to be given to the Charity Commission's general guidance on public benefit. The Trust clearly aims to:

- Offer financial support through bursaries to those pupils who would thrive from the broad education offered by the Trust but whose parents are unable to afford the fees. In addition, we look for senior schools who would be prepared to continue financial support;
- Support local and overseas charities through fundraising activities;
- Play a part in supporting and assisting the local state schools in providing a broad education for their students;
- Play a part in the local community, be aware of the needs of our neighbours and to offer facilities and support where appropriate.

The Trust remains committed to working with the community and seeks to increase pupil numbers travelling to school by minibus or coach to minimise the impact on local traffic. Travel by bicycle is also encouraged as evidenced by the bicycle-financing scheme available to all staff and the busy cycle rack erected some years ago. SHS holds a Gold Star Award from Transport for London (TfL) for a comprehensive travel plan that demonstrates this commitment to minimising impact on local traffic. SHS is among the top 10% London schools which hold Gold Level awards. There are 90 schools and colleges in the borough and only five others have achieved Gold Level. Likewise, the sports facility at Almshouse Lane and also the swimming pool, sports hall, music rooms and theatre at Ditton Road continue to be available to the local community, with usage rising in the first quarter of the year only to be dampened by the more recent constraints brought about by COVID-19.

### REVIEW OF ACTIVITIES AND PERFORMANCE FOR THE YEAR

#### Shrewsbury House School (SHS)

Whilst we will reflect on 2019-20 as being another very successful year for SHS, in line with other schools throughout the UK, we closed shortly before the end of the spring term to comply with Government directives relating to COVID-19, remaining open for only critical worker and vulnerable children.

At that point, 2019-20 was clearly shaping up to be another impressive year, with already a total of 11 scholarships achieved across academic, music, sport, drama and art to highly prestigious boarding and day schools. The academic year concluded for the class of 2020 without the boys completing their Common Entrance Examinations, although we have no doubt that had these examinations taken place, they too would have delivered a commendable set of results, including individual subject awards. Leavers' destinations remained an impressive list of the UK's leading day and boarding schools.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2020

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We have reworked our curriculum to be able to bring in an additional Year 3 class in the timetable, recalibrate English and Maths in Years 7 and 8, affording them more time in the timetable, redistribute lessons among staff, and introduce Problem Based Learning (PBL). PBL is project which presents a carousel of options for pupils in Years 3-6, enabling departments to 'bid' for the lesson for the term, in which they will be able to engage in cross-curricular work, or problem-solving, or use it for rehearsal time during plays, or English Speaking Board interview skills, Mindfulness and Mandarin.

Boys engaged in local inter-prep school competitions across many disciplines acquitting themselves consistently well against their peers. The enthusiasm to engage in voluntary internal competitions abounded, including magnificent pyramid, Greek Temple and river basin models, as well as house writing contributions. Very good performances were evident in the Townsend Warner History Competition and the UK Mathematics Challenge.

The establishment of the School's first Eco Committee was greeted with much enthusiasm with many pupils applying to represent their Year Group on the Committee. Some superb ideas followed, the majority of which are still developing to full fruition, with much focus on reducing plastic usage and increasing recycling opportunities. The whole School engaged in the 'Switch and Save' campaign encouraging all lights and other equipment to be turned off at the end of the day whilst excellent plans were formed to maximise the biodiversity in green spaces around the school grounds. The School Council continued to provide pupil voice on various important aspects of school life.

It has been another memorable year for music at SHS, recording very successful AB results across a wide range of instruments. The Music department continues to go from strength-to-strength in the breadth and range of events that are available to the boys. Events such as the annual House Music Competition, Year group concerts and the Spring Concert continue to be extremely successful occasions, at which the impressive musical capabilities of pupils are well displayed. The introduction of the Autumn Term Cecilia Concert provided our talented groups with an additional opportunity to perform. We were delighted to welcome four infant and Pre-Prep Schools to the Year One Music Festival: Long Ditton Infant and Nursery School, The Merlin, The Rowans School and Shrewsbury House Pre-Preparatory School. Despite the impact of COVID-19 on School events in the last week of the spring term and the summer term, the autumn and spring terms brought drama and music opportunities for all year groups to perform, including at the very engaging all-school events of the autumn term, the Harvest Festival and the Carol Service. The extensive music provision at SHS also led to two Music Scholarships for Year 8 boys. External performances included the Barnardo's Charity Concert at the Royal Albert Hall and the Surrey Schools Concert, in aid of the Children's Trust. Much joy was shared as the SHS singers performed Christmas Carols in three local care homes. Exceptional LAMDA (London Academy of Music and Dramatic Arts) and ESB (English Speaking Board) results also developed the boys' performing arts skills across the board.

In terms of sport, the number of festivals and tournaments in the spring term were reduced as each host school made their own COVID-19 risk management decisions. Nevertheless hundreds of fixtures were played across the first two terms of the year. SHS hosted a successful football tournament right at the beginning of the academic year, along with two rugby tournament at the start of the Spring Term. The football teams acquitted themselves well in the autumn term gaining silverware, as well as narrowly missing victory in other finals. Success abounded in the first rugby tournament of the term, but certainly, in the latter stages of the term, many opportunities for further engagement were paused as COVID-19 risk assessments by host schools led to the inevitable cancellation of inter-school. 2019-20 remains a year when we are superbly proud of the breadth and opportunity offered by the Sports department, including successes in hockey tournaments, shooting tournaments, rowing regattas, our Swim Squad and the re-introduction of Ski Racing as a further opportunity.

Curricular enriching day trips were enjoyed, including outings to the Houses of Parliament, Tate Modern, the Mary Rose, RHS Wisley Gardens and Butser Ancient Farm. A pre-term football tour to Valencia was a most fulfilling experience, whilst an unforgettable and spectacular Geography trip to Iceland was enjoyed by a large group of senior boys and the February half term Ski Trip continued to be a firm favourite amongst SHS families.

Years 5-8 thoroughly enjoyed Conn Iggulden's visit to promote his latest offering of 'The Double Dangerous Book for Boys'. Two history talks were also enjoyed by a large audience including pupils, siblings, parents, old boys and members of the local community, from Linda Parker 'Airborne Chaplains of the Second World War' and Squadron Leader Bob Tuxford, AFC, TP, RAF (retired) on Operation 'Black Buck One' in the Falklands War.

The School responded robustly to the need to develop a comprehensive distance-learning curriculum for all boys throughout the summer term, whilst Critical Worker and Vulnerable children attended school, also participating in the same distance learning lessons. From June 3<sup>rd</sup>, the School welcomed back Year 6 and from 22<sup>nd</sup> June, each year group

was given the opportunity to return on a rotational basis. Year 8 enjoyed a full and rich Leavers' Programme and we were delighted to extend them a socially distanced prize giving to mark their exit from the world of Prep School education.

The impact of COVID-19 was sudden and dramatic, and required swift and deep changes to the running of the Trust and, especially, the educational delivery for pupils as we approached lock-down. In a matter of days, staff and pupils were trained in using Seesaw (in SHPPS and TR), Google Meets, Google Classroom, Google Docs and Google Drive (in SHS), as well as in employing IT to engage with pupils, colleagues and parents, upload work, understand how to assess and grade it effectively, as well as communicate with each other by video conferencing. Online video conference meetings became the norm, as did videoed assemblies and recorded sports, music, art and cultural sessions. Parents, staff and pupils were surveyed on the online provision and gradual shifts and changes to the schools' delivery were implemented as a consequence. The building of 'living' risk assessments and significant changes to the sites and regimes of the day allowed all three schools to welcome pupils back on sites, albeit on rota systems. Senior staff worked throughout the Easter holidays, the summer half term break and the summer holidays to prepare for the new 2020 academic year.

Over the course of the year, the School has also supported a number of charities including the Institute for Music and Indigenous Arts Development (IMAD) in South Africa, CONVERSION; a charity recycling children's sports shoes in the UK to Laos, Kingston Churches Action on Homelessness, the Kingston Foodbank, Macmillan Cancer Support, Momentum Children's Charity and SPEAR, a local charity which works for the homeless, the RNLI, the British Red Cross and the Marine Conservation Society. A group of staff and parents from the SHS community completed an Alpine Challenge, raising an amazing £35k and the money raised was presented to Child Bereavement UK. SHS donated a considerable number of textbooks and reading books Nightingale Community Academy.

The SHS Old Boys' Society (SHOBS) continues to maintain connections between the School and its former pupils. Various SHOBS-related visits to the School have taken place and SHOBS are invited to talk to Year 8 boys about their transition from Prep to senior schools to help allay any anxieties that boys might have about moving on. In addition, this year, older SHOBS returned to share university experiences.

The Shrewsbury House Association (SHA), constituted by a committee of parents, representing the parent body, continues to support the School in a variety of ways, providing a valuable social network for SHS parents. The annual SHA Quiz Night and Sportsman's dinner were very well attended and thoroughly enjoyed by parents. Pupils have particularly enjoyed the generous donation of the Adventure Playground from the SHA at the beginning of this academic year.

#### **The Rowans School (TR)**

TR has enjoyed a very successful year, gaining an ArtsMark Award in recognition of our emphasis on Arts and Culture in our curriculum. LAMDA results were exceptionally strong with 100% pass rate of merit or above and 60% at distinction level. We retained our Gold Travel Award from TfL and our Junior Travel Ambassadors have worked with parents and the local community to promote safe and sustainable travel. We have become a National Online Safety accredited school and work with parents, staff and children to educate our community about internet safety. This was a strong feature of our successful distance learning provision where we launched a comprehensive online learning platform for each age group during lockdown. Sport has continued to be an area of strength with fixtures played in each year group and inter-house competitions being keenly contested for the House Cup. Sporting activities and challenges also continued during lockdown alongside a focus on mental health and well-being.

We are planning improvements to the infrastructure at TR having very recently secured planning approval from the London Borough of Merton for two single storey extensions.

#### **Shrewsbury House Pre-Prep School (SHPPS)**

Despite the challenges of COVID-19 with the School site closed for a period during the year, and reopening in June with restricted provision, SHPPS enjoyed a successful year, building on its reputation as a school that goes the extra mile for each individual child. Each child is encouraged to reach their own potential, with tailored learning and individual intervention significant features of education at SHPPS. Our online learning system introduced across the School during lockdown was extremely successful, being innovative, thorough and engaging. A new School Values system was introduced, with Teamwork, Resilience, Aspiration, Care and Kindness forming our now well-embedded TRACK Values. The School provides a caring, nurturing environment, where children feel loved, allowing them to express themselves without fear of failure and to thrive by being appropriately challenged, encouraging them to aspire to achieve their very best. SHPPS' provision goes beyond the daily curriculum, with a wide array of clubs and activities, covering many different areas of interest, encouraging the children to engage in a broad range of pursuits. Our wraparound care programme has been significantly extended over the year and we launched our first, very successful Holiday Club scheme.

A brand new playground was installed in the summer of 2020, featuring a safe all-weather surface and new play equipment, with our active Parents' Association' pledge to contribute a significant funding to the project. Engagement with the local community continues to grow, including through support of the chosen charity for the year, CHEER, and involvement in the Claygate Arts Festival and Village Association.

## **FUNDRAISING**

All fundraising activity across the Trust is managed in an open and transparent fashion with the clear objective of being respectful, responsible and accountable so that potential and existing supporters of our work have complete confidence in their giving to the Trust. There were no complaints received by the Trust during the reporting period about its fundraising practices.

We are grateful to the generosity of a number of parents who donated towards the hardship fund set up during the summer term to support other parents who were facing hardships as a result of the pandemic. We are equally grateful to a number of other parents who have donated towards the infrastructure of the schools.

## **FINANCIAL RESULTS AND RESERVES POLICY**

SHS and TR continue to see strong pupil numbers. At SHPPS, we are beginning to see less of a decline in pupil numbers. The Board and Senior Management considered a number of options to improve the financial position of SHPPS and a restructuring plan was implemented during the summer. This impacted on a number of staff at SHPPS as we sought to ensure that the teaching team was streamlined. The plan will allow the school to be financially sustainable in the longer term.

Net income of the Trust for the year amounting to £126,698 (2019: £776,706) has been added to the accumulated reserves. As a result of the pandemic, the Trust's income was severely impacted. It discounted its schools' fees by an average of 16% for the summer term resulting in a £498,040 reduction in income; ancillary income reduced by £285,401 caused by loss of minibuses charges, clubs and trips' income; rental income reduced by £14,242 compared to the prior year. These were offset by the grant received from HMRC of £265,018 as a result of the claim under the Coronavirus Job Retention Scheme (CJRS). However, there were savings against the prior year in areas such as ancillary activities, catering, premises and cleaning. When compared to the performance in the autumn and spring terms, the Trust lost circa £138,000 in net income during the summer term. In addition, the fall in net income is due to an impairment charge as a result of the write off of design fees following changes to the design of the building programme at SHS. This has clearly had an impact on the declared surplus, although no cash impact in the current financial year.

The Board continues to plan to create net income every year, which is added to reserves to enable reinvestment in the future to meet the objectives of the Trust's capital development plans. The funds at the year-end totalled £10,278,246 (2019: £10,151,548) which included £10,265,133 of unrestricted funds (2019: £10,131,548) and £13,113 of restricted funds (2019: £20,000). The restricted fund represents the hardship fund and an infrastructure & equipment fund, which relates to the Trust's development programme to upgrade its facilities.

The Board continues to monitor the financial risks impacting on the Trust to ensure that it continues to meet its charitable objectives, remains financially sustainable and a going concern. Its long term cash flow is being stress-tested and reviewed periodically. The Board does not see any indication that the Trust is unable to meet its future obligations as they fall due.

## **PUBLIC BENEFIT**

The Trust has adopted a multi-faceted approach to Public Benefit as is reflected in its Articles. The Trust is committed to providing bursaries to those families whose children, whilst being of the ability and personality to thrive at the School, may not have the means to be able to afford to send their children here. Fundamental to the Bursary policy, enshrined in the School's ethos, is that the child is placed first and the parents' means second. The approach to bursaries covers new and existing pupils and has been used to provide financial assistance in the event of unforeseen financial difficulties which have been faced by existing parents. Bursaries are normally awarded each academic year, but can, in exceptional circumstances, be granted during the course of the year. These bursaries are means-tested and as a maximum can amount up to full fees together with additional extras.

Further details are included in the "About us" section of the School's website and interested parents should contact the School for additional information. Currently 4 pupils hold means tested bursaries, varying in value from 25% to 100% of

annual fees. In total terms, concessions inclusive of staff fee discounts, have been accorded to 19 pupils at a cost to the Trust of £144,553 (2019: £139,215).

The Trust aims to use school facilities to conduct education and recreation for the local community. SHS enjoys a long standing partnership with St. Matthew's Church of England Primary School, which enables pupils from St. Matthew's to benefit from use of the SHS swimming pool and coaching on a weekly basis for which no charge for the use of the facility is made. Another local primary school have also been regular visitors to our swimming pool facility this year, with Tolworth Junior School coming to site for swimming lessons for which the facility is offered free of charge. Interest in this facility remains high with other local schools waiting for available slots.

Nearly one hundred and twenty children from St Mary's Long Ditton Junior School, St Matthew's Church of England School and Malden Manor School joined us for our annual Primary Festival of Sport in September 2019, which enabled children to take part in a wide range of sports at SHS under the direction of our Games Department. We have offered this programme because we believe that sport sessions offer easily recognisable and tangible outcomes for all pupils. Sessions can be easily adapted and coaching differentiated by task and outcome. In particular, the programme focuses upon sports that pupils might not ordinarily get to try at their school such as cricket and rugby. SHS has also been happy to arrange sport fixtures against local schools or clubs.

Furthermore, local Performing Arts School, Dance Shack, moved all their Surbiton based classes to SHS on Saturday mornings and their Summer School to our Ditton Road site. Two groups continue to make use of the music facilities, including Kingston Music and Arts Service; four groups enjoy use of the Sports Hall or Sports facilities, including AFC Wimbledon Ladies, Chessington Cricket Club, Fontana Soccer who run elite football programmes and a local 'Pickle Ball' group. In November we were pleased to welcome St. Matthew's Church who chose our venue for their annual away day; this took place in the Library and we hope will become an annual booking. There was continued usage of the pitches at Almshouse Lane, with Esher Cricket Club making use of the facilities. Neighbours are encouraged to use our on-site parking facilities when parking in the Lane is limited. Minibus transport was also provided locally to Scout and church groups. The overwhelming majority of these uses were provided free of charge. The Trust welcomes, subject to availability, enquiries from interested groups and organisations. The interest in the use of our facilities has grown significantly, with much interest from local clubs for pitch hire for the upcoming cricket season in summer 2021. Premier League side Fulham Football Club, who hired Almshouse in 2018, have approached SHS to explore the potential of a longer-term partnership. The development of the Almshouse Lane site would include the implementation of a Community Use Agreement that is likely to encourage further interest.

Dance Shack will also be starting up new classes on Wednesday evenings based at SHPPS; this is for not only the boys and girls of SHPPS, but also the wider community of Esher/Claygate. Esher Tennis club (ETC) made use of the sports field and Pavilion during the summer for their own holiday courses. ETC are keen to make this a more regular booking going forward and are potentially looking into a partnership with the School.

The Trust supports, endorses and facilitates several public policy engagements of the Executive Headmaster, Kevin Doble. Mr Doble regularly represents the Trust and the Independent Sector as a whole in various capacities (currently serving as Chairman of the Independent Schools Council (ISC) Cross Association Sports Committee), thus ensuring that the Trust is fully briefed on current topical developments in the education sector.

## **PLANS FOR THE FUTURE**

As indicated previously, we have secured planning consent for the master plans submitted on all three sites from both the Royal Borough of Kingston (RBK) and the Elmbridge Borough Council. However, given the continuing uncertain economic landscape, exacerbated by the COVID-19 pandemic, the Trustees have continued to pause the development options at 107 Ditton Road for the time being. The value engineering changes with minor design modifications are with RBK relative to approve the planning consent amendments required. The Board will continue to review the precise timing of the commencement of works, given the not inconsiderable lack of certainty on the way forward economically as well as progress made to arrest the pandemic.

Discussions with Merlin Enterprises regarding improved access to our sports facility at Almshouse Lane in Chessington continue, but understandably have been hampered by the impact that the pandemic has brought in terms of their own business, both nationally and internationally.



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The Trust continues to invest significantly in ensuring that the IT infrastructure and hardware in all our schools are fit for purpose and create the enabling learning environment needed to equip our pupils in a fast changing technological world. The delivery of the distance-learning curriculum during the summer of 2020 has allowed the Trust to have a robust platform in the event of another lockdown.

Further to the established Building Better Programme, capital development plans at TR include the enhancement of teaching and assembly accommodation. As mentioned earlier permission for the scheme has now been granted by the local authority in Merton, but no definitive commencement date has yet been set.

The significant increase of 43.7% in the cost of employer contributions to the Teachers' Pension Scheme (TPS) with effect from September 2019 has been the subject of widespread debate having resulted in a number of independent schools terminating their membership of the TPS. The Board continues to gather information and is working closely with a number of professional advisers to ensure that all options are carefully considered before a final decision is made, which will involve further close consultation with all teaching staff.

Efforts to increase pupil numbers at SHPPS continue with both senior management and the Board looking for ways to work with prospective parents to encourage them in sending their children to SHPPS, which has great facilities. There are early signs of increasing levels of interest, but this continues to be challenging given the impact of COVID-19.

### PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Governors is responsible for the management of all risks faced by the Trust. Governors are assisted in this by the Trust Executive Committee. Risks are identified, assessed and controls established to mitigate the risks identified. The Trust's Risk Register is reviewed by the Legal & Estates Committee on a termly basis and a summary tabled to the Board.

The principal risks identified by the Governors are categorised under the following headings:

- External factors including political, environmental, legal and regulatory and economic;
- Financial;
- Operational;
- Compliance;
- Human Resources;
- Governance.

#### External factors

The Trust is constantly assessing the effects of the changes in political and economic factors that may affect the operation of the schools and delivery of its offering in the short, medium and longer term. The Legal & Estates Committee is tasked with identifying and assessing any potential risks. The Finance Committee, in conjunction with the Director of Finance & Resources, is responsible for developing financial models that will be put in place should circumstances dictate. These models are tested on a regular basis. The Strategy Committee is responsible for setting the strategic direction of the Trust.

There are, however, factors, which are outside the control of the Trust, current examples of which are the impact of Brexit and the Covid-19 pandemic. We are monitoring the final details of the Brexit agreement and considering the potential impact on visa requirements and other key matters such as data processing when the agreement is finally published. The Trust continues to follow government guidance with regards to restrictions and preventative measures as a result of the pandemic. Parents and staff continue to receive timely communications on the processes to follow in the event of a positive test or Covid-19 related symptoms. In addition, comprehensive risk assessments have been developed and published on each of the schools' websites, all of which evidence a robust consultation process. The potential impact of these are being closely monitored by the Board of Governors, Legal & Estates Committee and the Trust Executive Committee. These range from the stress-testing of the Trust's IT systems to sensitivity analysis of the finances including pupil numbers. Parents' ability to continue paying the schools' fees are being monitored as part of the fee collection process and the Trust continues to look for indicators of financial hardship and offer assistance where possible.

#### Financial

There is a risk that the lack of growth in pupil numbers may not be sufficient to maintain the Trust's Development Plan. To mitigate this risk, the Trust produces a 10-year cash flow projection which is reviewed at least termly. This is supported by bank borrowing which the Trust has contracted to repay over 12 years.

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Another key risk is the expected increase in employer's contributions to the Teachers' Pension Scheme. Employer contribution rates increased from 16.48% to 23.68% from 1 September 2019, an increase of 43.7%. This has had a significant impact on the 2019-20 performance. There is a very strong likelihood that employer contributions will further increase by another 25% to 30% from September 2023. Measures to mitigate the financial impact of this increase are constantly being reviewed by the Board of Governors.

Operational

Educational success across the curriculum demands employing committed staff with current, up-to-date teaching and learning facilities to ensure that pupils are able to progress in a learning-friendly environment. This risk is managed by partnering with parents, encouraging regular communication as the child progresses, combining attractive salaries and on-going investment in the estate and infrastructure.

Compliance

The Trust's success has been built upon its reputation for the education and wellbeing of its pupils and this risk is managed through the regular monitoring of safeguarding policies, staff recruitment policies, pastoral support for both pupils and staff and active identification and resolution of health and safety related issues.

The Trust also takes its compliance with General Data Protection Regulations (GDPR) and UK Data Protection Regulations very seriously. All staff are briefed in how to minimise the risk of losses or accidental release of personal data.

Human Resources

Recruitment of high quality staff is a top priority for the Trust Executive Committee. The terms and conditions for teaching staff are reviewed regularly to ensure that these are in line with those of similar independent schools. A full programme of staff development is in place to ensure that staff are kept abreast of the best possible practice and they have scope to develop their experience whilst at the Trust.

Governance

Details of the recruitment, training, skills and structure of the Board of Governors and its sub-Committees are provided under the 'Structure, Governance and Management' section.

Key controls used by the School to manage risk include:

- Formal agendas for all Committee and Board activity;
- Detailed Terms of Reference for all Committees;
- Comprehensive strategic planning, budgeting and management accounting information;
- Established organisational structure and lines of reporting;
- Formal written policies on all aspects of activity;
- Vetting procedures as required by law for the protection of the vulnerable.

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

**STRUCTURE, GOVERNANCE AND MANAGEMENT**

**Governing Document**

The governing document of the Trust is its Articles of Association.

**Governing Body**

The Trust is administered by a Board of Governors whose members are also Directors of the Company (herein referred to as "Trustees"). The Trustees meet regularly in the manner prescribed in the Articles of Association and meet as a full board once a term. The sub-committees, Strategy, which sets the strategic direction of the Trust, Education and Legal & Estates meet at least once a term and the Finance Committee meets more frequently in line with the financial planning and results cycle. During the pandemic, there were extra-ordinary Trustee meetings to discuss and manage the various

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risks facing the Trust to ensure it continues to provide the best education and support parents facing financial hardship where possible. Over lockdown, several Extraordinary Governors Meetings were held to discuss and agree on a plan to provide support for parents who were suffering hardship as a consequence of the pandemic. In consultation with the Executive, the Governors also implemented a 15% discount to the school fees for the summer term, as well as announced that fees would be frozen into the following academic year. One third of the members of the Board retire every year and are eligible for re-election. The Trustees are authorised to appoint new members provided they do not exceed the maximum of 15 prescribed by the Articles of Association. The Board aims to recruit Trustees who have a range of specialist skills, in order to maintain a strong balance of expertise. Current members include experts in education, financial management, law, banking, property and estates, risk and insurance. Trustees are recruited from contacts of the Board and the Executive Headmaster. No Trustee has any beneficial interest in the company.

### **Trustee Induction and Training**

All new Trustees receive an induction pack, which explains their role, the role of the Board, and details of Charity Commission and Companies House requirements. They are also given background information on previous Board decisions, Board papers and general information about the schools. The new Governors' Induction Programme includes meeting with the Executive Headmaster, the Designated Safeguarding Leads, and the Clerk to the Governors to ensure that there is a thorough understanding of how the schools fulfil their regulatory obligations. All Governors are informed of relevant courses available to them throughout the year, including courses and conferences run by the ISI, AGBIS, IAPS, the ISBA, the ISC and our auditors.

### **Organisation and Management**

The Trustees determine the general policy of the Trust, meeting each term to receive reports from the Heads of each school and the Chairs of the sub-committees.

The Education Committee reviews all matters relating to the delivery of the curricula within each school and policies which are entirely pupil centred. The Legal & Estates Committee reviews a wide range of topics which include estates development, health, safety and welfare, supplier and staff contractual matters, general regulatory matters, complaints and the single central register of appointments. The Finance Committee reviews the Trust's on-going financial position, approves recommendations from the other Committees for development projects, prior to seeking main board approval and manages at an executive level the budgets of the Trust, including remuneration policy and fee levels which are also approved by the main Board.

### **Key Management Personnel**

The day-to-day running of the Trust is delegated to the Executive Headmaster and the Director of Finance and Resources. They are supported by the Trust Executive Committee (TEC) and the Governors; together this group are the key management personnel, as set out on page 1 to the accounts.

The Governors give of their time freely and the remuneration of the senior staff is set by the Finance Committee and kept under annual review. The Executive Headmaster's remuneration is also reviewed annually, but by the Chairman and Deputy Chairman who submit their proposals for consideration to the full Board of Governors. A number of criteria are used in reviewing and setting pay:

- The nature of the role and breadth of responsibilities;
- Participation in salary surveys providing a range of relevant comparable data;
- Competitor salaries in the region where this is available;
- Overall trends in pay.

### **Group Structure and Relationships**

The Trust is the corporate structure through which the schools are organised and managed. There is an Executive Headmaster, who is also the Headmaster of SHS in Surbiton, a Head who manages the affairs of SHPPS in Esher and a Head who manages the affairs of TR in Wimbledon.

SHS benefits from the support of the Shrewsbury House Association (SHA), SHPPS from the support of Shrewsbury Pre-Preparatory Association (SPPA) and TR from the support of Friends of The Rowans. These bodies are organised by representatives of the parents, which raise funds to provide additional benefits to the pupils.

STATEMENT OF TRUSTEES' RESPONSIBILITIES

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The Trustees (who are also directors of Shrewsbury House School Trust Limited for the purpose of Company Law) are responsible for preparing the Trustees' Report and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Company law requires the Trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charitable company and of the incoming resources and application of resources, including the income and expenditure, of the charitable company 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 judgements and estimates that are reasonable and prudent;
- state whether applicable UK accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in business.

The Trustees are responsible for keeping proper accounting records that 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. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as we are aware:

- There is no relevant audit information of which the charitable company's auditor is unaware; and
- The Trustees have taken all steps that they ought to have taken to make them aware of any relevant audit information and to establish that the auditor is aware of that information.

**ON BEHALF OF THE BOARD**

The Trustees' Report incorporating the Strategic Report was approved and authorised for issue by the Board of Trustees on 08 December 2020 and signed on their behalf by:

*Darren Johns*

.....

D. Johns

*A L Lee*

.....

A. L. Lee

### Opinion

We have audited the financial statements of Shrewsbury House School Trust Limited for the year ended 31 August 2020 which comprise Statement of Financial Activities, Balance Sheet, 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 charitable company's affairs as at 31 August 2020 and of the 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 charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of 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 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.

### Conclusions relating to going concern

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

- the trustees' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the trustees have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the 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 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.

### 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 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 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 charitable company and its environment obtained in the course of the audit, we have not identified material misstatements in the 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 charitable company; or
- the 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.

### 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 Auditors

10 Queen Street Place  
London  
EC4R 1AG

09/12/2020

Date: .....

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2020**  
**(incorporating income and expenditure account)**

	Notes	Unrestricted General Fund £	Restricted Fund £	Total 2020 £	Total 2019 £
<b>INCOME FROM:</b>					
<b>Income from charitable activity</b>					
School fees	3	8,655,328	-	8,655,328	8,967,387
Ancillary trading income	4	708,028	-	708,028	993,429
<b>Other trading activities</b>					
Rental income		49,296	-	49,296	63,538
<b>Investment income</b>					
Bank and other interest		14,886	-	14,886	13,029
<b>Voluntary sources</b>					
Grants and donations	5	26,816	15,141	41,957	52,490
Coronavirus Job Retention Scheme		265,018	-	265,018	-
<b>Other Income</b>					
Surplus on sale of assets		-	-	-	12,167
Other Income		13,506	-	13,506	-
<b>Total Income</b>		<u>9,732,878</u>	<u>15,141</u>	<u>9,748,019</u>	<u>10,102,040</u>
<b>EXPENDITURE:</b>					
<b>Costs of raising funds:</b>					
Financing costs		206,537	-	206,537	188,794
<b>Charitable activity:</b>					
Education		9,414,784	-	9,414,784	9,136,540
<b>Total Expenditure</b>	6	<u>9,621,321</u>	<u>-</u>	<u>9,621,321</u>	<u>9,325,334</u>
<b>NET INCOME</b>		111,557	15,141	126,698	776,706
Transfers between funds		<u>22,028</u>	<u>(22,028)</u>	<u>-</u>	<u>-</u>
<b>NET MOVEMENT IN FUNDS</b>		133,585	(6,887)	126,698	776,706
Fund balance brought forward 1 September		10,131,548	20,000	10,151,548	9,374,842
Fund balances carried forward at 31 August	14	<u>10,265,133</u>	<u>13,113</u>	<u>10,278,246</u>	<u>10,151,548</u>

The results for the year and the prior year are derived from continuing activities.

The comparative statement of financial activities is note 21.

The notes on pages 16 to 27 form part of these financial statements.

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	9	15,130,128	15,937,035
<b>Current assets</b>			
Debtors	10	235,101	359,891
Cash at bank		2,853,529	2,706,194
		<u>3,088,630</u>	<u>3,066,085</u>
<b>Current liabilities</b>			
Creditors – due within one year	11	<u>(1,908,032)</u>	<u>(2,312,547)</u>
<b>Net current assets</b>		1,180,598	753,538
<b>Total assets less current liabilities</b>		16,310,726	16,690,573
Creditors – due after more than one year	12	<u>(6,032,480)</u>	<u>(6,539,025)</u>
<b>Net assets</b>		<u>10,278,246</u>	<u>10,151,548</u>
<b>Represented by:</b>			
Unrestricted funds	14	10,265,133	10,131,548
Restricted funds	14	13,113	20,000
		<u>10,278,246</u>	<u>10,151,548</u>

The financial statements were approved and authorised for issue by the Board of Trustees on **8 December 2020** and were signed below on its behalf by:

*Darren Johns*

.....  
D. Johns

*A.L. Lee*

.....  
A.L. Lee

)  
)  
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) Trustees  
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The notes on pages 16 to 27 form part of these financial statements.



## STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 AUGUST 2020

		2020 £	2019 £
<b>Cash flows from operating activities:</b>			
<b><i>Net cash provided by operating activities</i></b>	16.A	1,035,009	1,621,833
<b>Cash flows from investing activities:</b>			
Bank interest		14,886	13,029
Proceeds from sale of property, plant and equipment		-	12,167
Purchase of tangible fixed assets		(456,909)	(416,701)
<b><i>Net cash (used in) investing activities</i></b>		(442,023)	(391,505)
<b>Cash flows from financing activities:</b>			
Repayments of borrowing		(445,651)	(261,076)
<b><i>Net cash (used in) financing activities</i></b>		(445,651)	(261,076)
<b><i>Change in cash and cash equivalents in the reporting period</i></b>		147,335	969,252
Cash and cash equivalents at the beginning of the reporting period		2,706,194	1,736,942
<b>Cash and cash equivalents at the end of the reporting period</b>	16.B	2,853,529	2,706,194

The notes on pages 16 to 27 form part of these financial statements.

**1. CHARITABLE STATUS**

The School is a Public Benefit Entity registered as a charity in England and Wales and a company limited by guarantee and does not have any share capital. It was incorporated on 25 January 1979 (company number: 01411417) and registered as a charity on 20 February 1979 (charity number: 277324).

**2. ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS102), the Companies Act 2006 and the Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) – effective 1 January 2019. The financial statements are drawn up under the historical cost convention.

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

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

In the application of the accounting policies, Trustees are required to make judgement, 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, in particular, the carrying value of the construction in progress totalling £1,127,867 (2019: £1,628,971). Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affected current and future periods.

In the view of the Trustees, other than those identified above, no other 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.

**Going concern**

As highlighted in the Report of the Trustees, having assessed the School's financial position, the plans for the foreseeable future, the risks to which the School is exposed and the detailed cash projections, the Trustees are satisfied that it remains appropriate to prepare the financial statements on a going concern basis.

The following principal accounting policies have been applied:

**Income**

All income is recognised when the criteria of entitlement, measurement and probability of receipt have been satisfied.

***Fees and similar income***

Fees receivable and charges for services and use of the premises are accounted for in the year in which the services are provided. Fees receivable are stated after deducting bursaries, scholarships and other remissions allowed by the School.

Registration fees are non-refundable and are credited to income when received.

Deposits are included as a liability until refunded or, on ceasing to be refundable, are credited to income.

Advance fees are credited to income as and when the fees fall due.

***Rental and investment income***

Rents are stated gross and are included on an accruals basis. Interest received represents gross interest derived from cash deposits held and credit balances and is accounted for on a receivable basis.

***Donations and legacies and other voluntary income***

All donations, legacies and other voluntary income are accounted for as and when entitlement arises, the amount can be reliably quantified and the economic benefit to the School is considered probable.

Donations received for the general purposes of the School are credited to Unrestricted Funds. Donations subject to specific wishes of the donors are credited to the relevant Restricted Funds.

***Government grants***

The Coronavirus Job Retention Scheme (CJRS) results in cash payments from government to compensate employers for part of the wages, associated national insurance contributions (NICs) and employer pension contributions of employees who have been placed on furlough (i.e. placed on a temporary leave of absence from working for the employer). This is accounted for in accordance with Section 24 of FRS 102 and the performance model is used to recognise these grants.

***Expenditure***

Expenditure is accounted for on an accruals basis where there is a legal or constructive obligation to make a payment to a third party and the amount of the obligation can be measured reliably. Charitable expenditure represents the costs of running the School including salaries, catering, premises and welfare costs. Costs of raising funds include financing costs. Charitable expenditure is allocated to the appropriate headings relevant to the charitable activities on a direct basis. Support costs mainly represent office administration. Irrecoverable VAT is charged to the Statement of Financial Activities as incurred. Governance costs comprise the costs of running the School, including strategic planning for its future development, external audit, legal advice and all the costs of complying with constitutional and statutory requirements.

***Operating leases***

The annual rental for operating leases is charged to the Statement of Financial Activities on a straight line basis over the lease term.

***Staff Benefits including pension costs***

The School contributes to the following schemes:

- i. The School contributes to the Teachers' Pension Scheme. This is a multi-employer pension scheme and it is not possible to identify the School's share of the underlying assets and liabilities on a consistent and reasonable basis. Therefore, as required by FRS 102, the School accounts for the scheme as if it were a defined contribution scheme. The School's contributions, which are in accordance with the recommendations of the Government Actuary, are charged in the period in which the salaries to which they relate are payable.
- ii. The School also operates a defined contribution scheme – Aviva pension scheme. Contributions to the plan are made in accordance with the rules of the plan and are charged to expenditure when they are payable.

***Short term benefits***

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

***Employee termination benefits***

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

***Funds***

Restricted - where the purpose for which the funds may be used has been restricted by donors; and Unrestricted funds comprise accumulated surpluses and deficits on general funds. They are available for use at the discretion of the Trustees in furtherance of the general charitable objects.

**Fixed Assets**

All assets purchased are included at their purchase price. Assets with a cost below £500 are not capitalised.

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation has been provided on the straight line method by reference to the anticipated useful lives of the assets concerned at the following rates:

Land	-	Not depreciated
Freehold property buildings	-	2% per annum
Property improvements	-	Up to 15 years
Motor vehicles	-	20% per annum
Plant, equipment and computers	-	20% to 25% per annum

No depreciation is charged to assets under construction.

Assets are reviewed for impairment on an annual basis and any charges are expensed to the Statement of Financial Activities.

**Financial Instruments**

Basic financial instruments are initially recognised at transaction value and subsequently measured at amortised cost. Financial assets held at amortised cost comprise cash at bank and cash equivalents, together with trade and other debtors. A specific provision is made for debts for which recoverability is in doubt. Cash at bank and cash equivalents 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 and provisions.

**Cash and cash equivalents**

Cash and cash equivalents include cash in hand, deposits held at banks, other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts, when applicable, are shown within current liabilities.

**Debtors**

Trade and other debtors are recognised at the settlement amount due for the provision of services delivered. Prepayments are recognised at the amount prepaid or the amount paid in advance.

**Creditors**

Creditors are recognised where the School has a present obligation resulting from a past event that will probably result in the transfer of funds to a third party and the amount due to settle the obligation can be measured reliably. Amounts are recognised at their settlement amount.

**Deferred Consideration**

Shrewsbury House School Trust Limited has agreed to pay a deferred consideration to The Corporation of King's College Wimbledon following the acquisition of The Rowans School on 31 July 2017. The deferred consideration has been discounted to present value and is shown under Creditors (falling due after one year).

**Bank borrowings**

Liabilities for borrowings which are subject to a market rate of interest are measured at the value of the amount advanced, less capital repayments.

**3. CHARITABLE ACTIVITY - SCHOOL FEES RECEIVABLE**

	2020 £	2019 £
Gross school fees	9,297,921	9,106,602
Less: Covid-19 summer term discounts	(498,040)	-
	<hr/>	<hr/>
	8,799,881	9,106,602
Less: Total bursaries, grants and allowances	(144,553)	(139,215)
	<hr/>	<hr/>
	8,655,328	8,967,387
	<hr/>	<hr/>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

4. ANCILLARY INCOME				2020 £	2019 £
Registration fees				42,598	50,007
School fees insurance				19,047	21,122
School fees draw				21,049	21,705
Extras				450,683	661,015
Minibus charges				174,651	239,580
				<hr/>	<hr/>
				708,028	993,429
				<hr/>	<hr/>
5. INCOME FROM VOLUNTARY SOURCES				2020 £	2019 £
Donations and grants				58,778	52,490
Less: Hardship discounts (Restricted)				(16,821)	-
				<hr/>	<hr/>
				41,957	52,490
				<hr/>	<hr/>
6. ANALYSIS OF TOTAL		Staff	Depreciation and Impairment	Total	Total
EXPENDITURE		Costs £	Other £	2020 £	2019 £
Costs of raising funds:					
Financing costs		-	206,537	-	206,537
					188,794
Charitable activity:					
Teaching		4,673,396	679,279	209,701	5,562,376
Premises		338,732	785,089	1,052,631	2,176,452
Welfare		-	340,378	-	340,378
Support costs – other		1,083,557	236,786	-	1,320,343
Support costs – governance		-	15,235	-	15,235
		<hr/>	<hr/>	<hr/>	<hr/>
Total		6,095,685	2,263,304	1,262,332	9,621,321
					9,325,334

## 2019 COMPARATIVES

ANALYSIS OF TOTAL  
EXPENDITURE

	£	£	£	£
<b>Costs of raising funds:</b>				
Financing costs	-	188,794	-	188,794
<b>Charitable activity:</b>				
Teaching	4,373,655	946,504	220,734	5,540,893
Premises	359,621	1,042,180	458,869	1,860,670
Welfare	-	485,293	-	485,293
Support costs – other	965,143	258,181	-	1,223,324
Support costs – governance	-	26,360	-	26,360
Total	<u>5,698,419</u>	<u>2,947,312</u>	<u>679,603</u>	<u>9,325,334</u>

Support costs include the costs borne by the Charity for the administrative functions and include Compliance, Human Resources, Facilities, Finance, Information Technology, Marketing and Minibuses.

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

<b>GOVERNANCE COSTS</b>	<b>2020 £</b>	<b>2019 £</b>
Legal and professional fees	-	13,448
Audit fees	15,050	12,725
Trustee expenses	185	187
	<u>15,235</u>	<u>26,360</u>
<b>7. NET INCOME FOR THE YEAR</b>	<b>2020 £</b>	<b>2019 £</b>
This is stated after charging:		
- Auditors' remuneration - Audit (excluding VAT)	15,050	12,725
- Other fees (excluding VAT)	5,970	1,960
Operating leases (excluding VAT)	<u>132,111</u>	<u>108,317</u>
<b>8. STAFF COSTS</b>	<b>2020 £</b>	<b>2019 £</b>
Wages and salaries	4,745,800	4,622,348
Social security costs	485,408	472,677
Other pension costs	806,180	575,506
Other staff costs	24,589	26,108
Redundancy and termination payments	33,708	1,780
	<u>6,095,685</u>	<u>5,698,419</u>
	<b>2020 Number</b>	<b>2019 Number</b>
The average number of persons employed by the school during the year was:		
Teaching staff and teaching assistants	91	93
Support and other staff and gap students	38	37
Minibus drivers – part-time	15	16
	<u>144</u>	<u>146</u>
The number of employees who received emoluments and benefits in the following ranges were:		
£60,001 - £70,000	9	6
£70,001 - £80,000	2	1
£80,001 - £90,000	1	1
£90,001 - £100,000	-	1
£100,001 - £110,000	1	-
£160,001- £170,000	1	1
	<u>14</u>	<u>10</u>
The school made employer's pension contributions totalling £209,223 (2019: £117,349) on behalf of the higher paid employees.		
Aggregate employee benefits of key management personnel – Senior management team	<u>813,522</u>	<u>762,540</u>

## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

**9. TANGIBLE FIXED ASSETS**

	<b>Freehold Property £</b>	<b>Freehold Property Improvements £</b>	<b>Construction In Progress £</b>	<b>Equipment Computers and Vehicles £</b>	<b>Total £</b>
<b>Cost or Valuation</b>					
At 1 September 2019	14,126,728	3,627,376	2,058,971	2,920,247	22,733,322
Additions	-	120,745	87,059	249,105	456,909
Write-off	-	-	-	(1,246,121)	(1,246,121)
At 31 August 2020	14,126,728	3,748,121	2,146,030	1,923,231	21,944,110
<b>Depreciation</b>					
At 1 September 2019	2,638,267	1,239,796	430,000	2,488,224	6,796,287
Charge for the year	177,566	286,902	-	209,701	674,169
Impairment charge	-	-	588,163	-	588,163
Write-off	-	-	-	(1,244,637)	(1,244,637)
At 31 August 2020	2,815,833	1,526,698	1,018,163	1,453,288	6,813,982
<b>Net Book Value</b>					
At 31 August 2020	11,310,895	2,221,423	1,127,867	469,943	15,130,128
At 31 August 2019	11,488,461	2,387,580	1,628,971	432,023	15,937,035

National Westminster Bank plc hold a first legal charge over the freehold property dated 19 July 1994 in respect of 107 Ditton Road, Surbiton, KT6 6RL.

Lloyds TSB Bank Plc hold a first legal charge over the freehold property dated September 2011 in respect of 22 Milbourne Lane, Esher, KT10 9EA.

Lloyds Bank plc hold a first legal charge over the freehold property dated 31 July 2017 in respect of 19 Drax Avenue, Wimbledon Common, London, SW20 0EG.

The Corporation of King's College School holds a first legal charge over the freehold property dated 31 July 2017 in respect of 54 Ditton Road, Surbiton, KT6 6RB.

**10. DEBTORS**

	<b>2020 £</b>	<b>2019 £</b>
Due within one year:		
Trade debtors	16,787	74,758
Other debtors	82,632	61,075
Due from HMRC (VAT)	3,803	-
Prepayments	131,879	224,058
	235,101	359,891

<b>11. CREDITORS: Amounts falling due within one year</b>	<b>2020 £</b>	<b>2019 £</b>
Bank loan (see note 13)	420,289	445,651
Trade creditors	263,709	307,254
Social security costs and other taxation	130,050	116,963
Other creditors	347,871	318,935
Accruals	149,218	259,794
Pupil deposits	188,436	181,556
Fees in advance	408,459	682,394
	<u>1,908,032</u>	<u>2,312,547</u>
<b>12. CREDITORS: Amounts falling due after one year</b>	<b>2020 £</b>	<b>2019 £</b>
Bank loans (see note 13)	4,045,563	4,465,853
Deferred consideration	874,144	840,520
Pupil deposits	1,078,047	1,163,200
Other creditors	34,726	69,452
	<u>6,032,480</u>	<u>6,539,025</u>

Pupil deposits are refundable when a pupil leaves the school.

Shrewsbury House School Trust Limited has agreed to pay a deferred consideration to The Corporation of King's College Wimbledon following the acquisition of The Rowans School on 31 July 2017. An amount of £482,000 is payable on or before 31 July 2022 and a further £482,000 is payable on or before 31 July 2023. The total deferred consideration has been discounted to present value at a discount rate of 4% and is shown under Creditors (falling due after one year) as £874,144.

<b>13. BANK LOANS</b>	<b>2020 £</b>	<b>2019 £</b>
The bank loans are repayable by instalments		
Due after five years	2,446,602	2,726,599
Due within two to five years	1,167,505	1,318,966
Due within one to two years	431,456	420,288
	<u>4,045,563</u>	<u>4,465,853</u>
Due within one year (note 11)	420,289	445,651
	<u>4,465,852</u>	<u>4,911,504</u>

Shrewsbury House School Trust Limited has a bank loan with NatWest Bank which was taken out in March 2004. The current rate of interest paid is Base Rate plus 1% and the loan is repayable in termly instalments until May 2024 when the loan will be fully repaid.

Shrewsbury House School Trust Limited has a bank loan with Lloyds Bank which was drawn down on 31 July 2017. The current rate of interest paid on the loan is fixed at 4.12%. The loan is repayable in termly instalments starting in September 2019 until July 2032 when the loan will be fully repaid.



## NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2020

14. FUNDS	Balance at 1 September 2019 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2020 £
<i>Unrestricted fund:</i>					
General fund	10,131,548	9,732,878	9,621,321	22,028	10,265,133
<i>Restricted fund:</i>					
Building Better donations	20,000	(10,000)	-	(10,000)	-
Infrastructure & equipment	-	20,728	-	(17,028)	3,700
Hardship fund	-	4,413	-	5,000	9,413
<b>Total Restricted Fund</b>	<b>20,000</b>	<b>15,141</b>	<b>-</b>	<b>(22,028)</b>	<b>13,113</b>
<b>TOTAL FUNDS</b>	<b>10,151,548</b>	<b>9,748,019</b>	<b>9,621,321</b>	<b>-</b>	<b>10,278,246</b>

The Building Better Restricted Fund relates to the Trust's development programme to upgrade facilities and is in response to the fundraising appeal to current and past students and parents launched at the end of the summer term on speech and sports day in July 2015. At the end of 2020, the remaining balance against this fund was £nil.

The transfer of funds relates to donations spent on an adventure playgrounds for pupils at SHS and TR as well as infrastructure improvement works in line with the long term maintenance programmes across all three schools.

## 2019 COMPARATIVES

	Balance at 1 September 2018 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2019 £
<i>Unrestricted fund:</i>					
General fund	9,285,712	10,056,820	9,321,484	110,500	10,131,548
<i>Restricted fund:</i>					
Building Better donations	89,130	45,220	3,850	(110,500)	20,000
<b>TOTAL FUNDS</b>	<b>9,374,842</b>	<b>10,102,040</b>	<b>9,325,334</b>	<b>-</b>	<b>10,151,548</b>

15. NET ASSETS OF THE FUNDS	Fixed Assets £	Net current Assets £	Long term Liabilities £	Total £
Unrestricted fund	15,130,128	1,167,485	(6,032,480)	10,265,133
Restricted fund	-	13,113	-	13,113
<b>TOTAL FUNDS</b>	<b>15,130,128</b>	<b>1,180,598</b>	<b>(6,032,480)</b>	<b>10,278,246</b>

2019 COMPARATIVES	Fixed Assets £	Net current Assets £	Long term Liabilities £	Total £
Unrestricted fund	15,937,035	733,538	(6,539,025)	10,131,548
Restricted fund	-	20,000	-	20,000
<b>TOTAL FUNDS</b>	<b>15,937,035</b>	<b>753,538</b>	<b>(6,539,025)</b>	<b>10,151,548</b>

## 16. NOTES TO STATEMENT OF CASH FLOW

	2020 £	2019 £	
Reconciliation of net income to net cash flow from operating activities			
A. Net income for the reporting period (as per the Statement of Financial Activities)	126,698	776,706	
Adjustments for:			
Depreciation charges	674,169	679,603	
Impairment charges	588,163	-	
Loss / (profit) on disposal of fixed assets	1,484	(12,167)	
Bank interest	(14,886)	(13,029)	
Decrease / (increase) in debtors	124,790	(163,976)	
(Decrease) / Increase in creditors	(465,409)	354,696	
Net cash provided by operating activities	1,035,009	1,621,833	
B. Analysis of cash and cash equivalents			
Cash at bank and in hand	2,853,529	2,706,194	
Total cash and cash equivalents	2,853,529	2,706,194	
C. Analysis of changes in net debt	Balance at 1 September 2019	Cash-flows	Balance at 31 August 2020
	£	£	£
Cash	2,706,194	147,335	2,853,529
Loans falling due within one year	(445,651)	25,362	(420,289)
Loans falling due after more than one year	(4,465,853)	400,290	(4,065,563)
TOTAL	(2,205,310)	572,987	(1,632,323)

**17. PENSION COMMITMENTS**

The School participates in the Teachers' Pension Scheme (England and Wales) ("the TPS") for its teaching staff. The pension charge for the year includes contributions payable to the TPS of £709,367 (2019: £484,124) and at year-end £83,311 (2019: £65,193) was accrued in respect of contributions to this scheme.

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

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

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

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

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

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

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

The Trust also contributed to a pension scheme administered by Aviva for non-teaching staff. The charge totalled £85,536 (2019: £76,074) and at year-end £12,458 (2019: £11,050) was accrued in respect of contributions to this scheme. The Trust also makes contributions towards the scheme of a private member.

**18. COMMITMENTS UNDER OPERATING LEASES & CAPITAL COMMITMENTS**

	<b>Assets other than land &amp; buildings</b>	
	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Due within one year	111,086	97,628
Due between one to five years	90,025	72,400
	<u>201,111</u>	<u>170,028</u>

Capital commitments contracted for but not provided in these accounts at 31 August 2020 were £14,446 (2019: £32,796) relating to electrical works at SHS.

**19. INDEMNITY INSURANCE**

The company purchased insurance, at a cost of £798 (2019: £672) for the Trustees during the year to indemnify them against any liabilities arising as a result of negligence on the Charity's behalf.

**20. RELATED PARTY TRANSACTIONS**

No payments were made to Trustees during the year for reimbursement of expenses (2019: £Nil). Amounts paid directly to third parties on behalf of Trustees during the year amounted to £399 (2019: £187). These expenses consisted of training and catering costs for Board and sub-committee meetings. During the year, payments made by a Trustee towards school fees amounted to £7,739 (2019: £8,042). The amount billed by SHS to the Trustee was £7,527 (2019: £8,015).

During the year, the Shrewsbury House Association (SHA) paid for the following items on behalf of the Charity; equipment for the Design & Technology department for £3,700 and a contribution towards the Year 3 Garden for £3,300. The Shrewsbury Pre-Prep Parents Association (SPPA) paid for the following on behalf of the Charity; scooters for £883; sports equipment for £573; musical instrument for £300 and a camera for £300. The Friends of the Rowans donated an amount of £7,000 towards the Adventure Playground at TR.

## 21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

	Notes	Unrestricted General Fund £	Restricted Fund £	Total 2019 £
<b>INCOME FROM:</b>				
<b>Income from charitable activity</b>				
School fees	3	8,967,387	-	8,967,387
Ancillary trading income	4	993,429	-	993,429
<b>Other trading activities</b>				
Rental income		63,538	-	63,538
<b>Investment income</b>				
Bank and other interest		13,029	-	13,029
<b>Voluntary sources</b>				
Grants and donations	5	7,270	45,220	52,490
<b>Other Income</b>				
Surplus on sale of assets		12,167	-	12,167
<b>Total Income</b>		<u>10,056,820</u>	<u>45,220</u>	<u>10,102,040</u>
<b>EXPENDITURE:</b>				
<b>Costs of raising funds:</b>				
Financing costs		188,794	-	188,794
<b>Charitable activity:</b>				
Education		9,132,690	3,850	9,136,540
<b>Total Expenditure</b>	6	<u>9,321,484</u>	<u>3,850</u>	<u>9,325,334</u>
<b>NET INCOME</b>		735,336	41,370	776,706
Transfers between funds		110,500	(110,500)	-
<b>NET MOVEMENT IN FUNDS</b>		845,836	(69,130)	776,706
Fund balance brought forward 1 September		9,285,712	89,130	9,374,842
Fund balances carried forward at 31 August	14	<u>10,131,548</u>	<u>20,000</u>	<u>10,151,548</u>