

SHREWSBURY HOUSE SCHOOL TRUST LIMITED

TRUSTEES' REPORT AND ACCOUNTS

FOR THE YEAR ENDED 31 AUGUST 2021

Registered Company Number: 01411417
Registered Charity Number: 277324

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REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

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 2021. 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" 2019 – Second edition.

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 2020 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	
S Clarke	
P D Gibbon	
V Laville	
J Le Grice	
H A Lowe	Appointed 15 March 2021
I S Muir	
D Sanders	
C Thorneycroft	
J Whittingham	Resigned 22 September 2020

Key Management Personnel

Executive Head of Shrewsbury House School Trust,
Head of Shrewsbury House School

Head of Shrewsbury House Pre-Prep School
Head of The Rowans School
Director of Finance and Resources
Senior Deputy Head

Director of Communications and Compliance
Deputy Head Academic

Mrs J M Hubbard (Appointed 13 February 2021); Mr K A Doble (Resigned 13 February 2021)
Mr J Akhurst
MS E Spratt (Appointed 13 February 2021);
Mr P Dart
Mr J Albert (Appointed 1 September 2021); Mr C Francis (Second Master – Resigned 31 August 2021)
Mrs J Hand
Mrs L Macallister (Resigned 31 August 2021)

Professional Advisors

Bankers

National Westminster Bank plc
5 Market Place
Kingston-upon-Thames
Surrey KT1 1JX

Lloyds TSB Bank Plc
83 High Street
Walton-on-Thames
Surrey KT12 1DU

Auditors

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

Lawyers

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

Websites: www.shrewsburyhouse.net www.shrewsburyhousepreprep.net www.rowans.org.uk

STRATEGIC REPORT

AIMS, OBJECTIVES AND PRINCIPAL ACTIVITIES

The main object of the charity, as set out in its Articles of Association, 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. It also provides for and promotes 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. 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 live our school values and develop positive learning behaviour.

The main objective of the Trustees is to ensure that all pupils are educated to a 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 the year under review, the Trust had an average of 548 pupils. 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% of London schools, which hold the Gold Level award. There are 90 schools and colleges in the borough and only five others have achieved Gold Level. 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

The three schools of SHST showed strong performances through the year across the curriculum. Pupils received a full curriculum throughout lockdown and through the return to school transition, resulting in good progress being made in and out of the classroom.

Shrewsbury House School (SHS)

During the second period of national lockdown, SHS remained open for children of critical workers and vulnerable children and parents were very appreciative of the opportunity to send their children to school if needed. We launched a full live timetable online, which enabled pupils to follow a full curriculum each day. Regular tutor meetings took place to monitor pupil well-being, and parents' evenings and reports continued as usual so that parents were kept well informed of their child's development through this period.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

As we commence the new academic year, we have adjusted our Covid-19 Risk Assessment again to reflect the current government guidance, which recommends that schools operate as usual with enhanced cleaning measures and good ventilation in buildings. We also have a Covid-19 Outbreak Management Plan which details arrangements for stepping up and down as required. Our online provision is ready to launch for individual pupils who may require it or in the event of a further national lockdown.

A robust and dynamic curriculum has enabled pupils to experience a wide range of subjects and opportunities throughout the year. In the core subjects of English and Maths, pupils have performed strongly with standardised data showing that Years 7 and 8 achieving 100% Reading age of 14+ and in excess of 83% achieving Reading age of 17 or above. This year's Year 8 cohort achieved 126 offers from 35 schools with 15 scholarships across academics, art, design and technology, music and sports. They move on to a wide range of highly prestigious boarding and day schools, well prepared for the next stage of their education.

We have also entered national competitions, for example on World Maths Day boys competed in the 'Mathletics Live' contest achieving world class results:

Year group	National ranking	World ranking
3	4 th	90th
4	8 th	104th
5	8 th	81st
6	4 th	32nd
7	6 th	65th
8	2 nd	11th

In the Townsend Warner History Competition, from over 1,000 entrants, SHS had 5 boys in the top 100 with one finishing in 8th place nationally.

We have continued to develop and enhance our IT provision, gaining accreditation as a National Online Safety School and providing a full 'live' curriculum during remote learning.

Relationships and Sex Education (RSE) has been fully incorporated into the curriculum with staff training supporting the delivery of a wide area of age appropriate learning from anti-bullying week to knife crime awareness. Parents have also been invited to sessions to support their sons, for example through Child Net presentations and Gambling Awareness.

A return to inter-school fixtures saw every year group represent the school and the extensive extra-curricular programme offers over 20 activities each week for the boys to develop new skills and enhance existing talents.

Arts subjects continue to thrive with over 200 boys learning an instrument and every year group taking part in concerts and ensembles during the year. The Art and DT exhibition was online this year and showcases the excellent work and projects undertaken.

Pupil voice remains key and we have established leadership positions throughout the school as well as developing the Year 8 positions of responsibility, School Council and the Eco Committee.

As lockdown eased, boys and parents were delighted that trips could resume and each year group enjoyed events in Activities week, with Year 7 & 8 taking part in a 5 day residential in Dorset.

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.

The Rowans School (TR)

TR has enjoyed a very successful year. LAMDA results were exceptionally strong with 100% pass rate of merit or above and 60% at distinction level. We renewed 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 are a National Online Safety accredited school and work with parents, staff and children to educate our community about internet safety. This has been a strong feature of our successful distance learning provision for each age group during lockdown. Sport has continued to be an area of strength with 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.

This year the School supported Great Ormond Street Hospital for Children and Underdog charities through various whole-school fundraising initiatives. A rolling programme of replacement of playground equipment is ongoing.

Shrewsbury House Pre-Prep School (SHPPS)

Despite the challenges of this last year with lockdown, SHPPS has enjoyed a successful year and continued to engage well with school families and the local community. Children's Mental Health has been a strong focus through the year, with specific support of NSPCC and Mental Health Day activities through fundraisers and activities. Online safety has been an important aspect of this year, including Child Net training for children and parents. Creativity of children, staff and parents has been seen through virtual charity events, family challenges, and support of community initiatives. Our specific support of the local charity CHEER has been maintained, with contact through lockdown. Sport and Music continued to set high standards, despite restrictions, with online activities and challenges through lockdown, and physical events when able, including inter-school challenges, competitions and concerts. The School's House Competition has been keenly fought with initiatives including termly Challenge Mornings.

FUNDRAISING

All fundraising activity across the Trust continues to be 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 continued to donate towards the hardship fund set up 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

The restructuring plan implemented at the end of the last academic year at SHPPS allowed the school to generate positive cash surpluses in the current year. This is the result of reduced staff costs as well as a higher intake of children in Nursery. We continue to invest in ways to make the school financially sustainable. Despite a relatively higher level of withdrawals caused by the pandemic, SHS and TR continue to see strong pupil numbers.

Net income of the Trust for the year amounting to £782,123 (2020: £126,698) has been added to the accumulated reserves. As a result of the lockdown during the spring term, the Trust discounted its fees by an average of 4.5% except for Early Years resulting in a £130,176 (2020: £498,040) reduction in income and ancillary income reduced by £117,100 (2020: £285,401) caused by the reduced number of clubs and trips. These were offset by the grant received from HMRC of £33,412 (2020: £265,018) due to the claim under the Coronavirus Job Retention Scheme (CJRS) and increased lettings income by £42,123 compared to the prior year. The savings made because of the spring term lockdown in areas such as ancillary activities, catering, premises and cleaning are significantly lower than the prior year. This is due to the full lockdown experienced in the summer of 2020.

In addition, the Trust took an impairment charge of £588,163 in the prior year following changes to the design of the building programme at SHS. This had an impact on the declared surplus.

The impact of the pandemic resulted in the Trust applying and securing a Coronavirus Business Interruption Loan (CBIL) of £1,450,000.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

The Board continues to plan for surplus 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 £11,060,369 (2020: £10,278,246) which included £11,055,669 of unrestricted funds (2020: £10,265,133) and £4,700 of restricted funds (2020: £13,113). These include an infrastructure & equipment fund relating to the Trust's development programme to upgrade its facilities.

The Board continues to monitor the financial risks affecting 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 but recognise we continue to need bank loans to fund our existing facilities and servicing the obligations as a result of the acquisition of The Rowans School and its site in Wimbledon.

PUBLIC BENEFIT

The Trust has adopted a multi-faceted approach to Public Benefit as is reflected in its Articles of Association. 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 faced by existing parents. Bursaries are normally awarded each academic year and are means-tested.

Further details are included in the "About us" section of the School's website and interested parents should contact SHS for additional information. Currently 10 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 24 pupils at a cost to the Trust of £137,522 (2020: £125,218).

The Trust aims to use school facilities to conduct education and recreation for the local community. The use of school facilities slowed this year due to Covid-19 restrictions but the Trust continued to support its wide range of community and commercial clients as and when guidance allowed. The Trust has maintained its relationship with two local state schools and use of the swimming pool facility free of charge recommenced in the summer term, supporting around 90 children per week, whilst our transport service provides minibuses and coach use to local scout groups, supporting over 25 children.

A variety of commercial clients use the Sports facilities at each site and one local dance school is now based at several of the schools within the Trust, supporting over 100 children per week. New business remains a focus to the lettings team, who continue to forge local links with state schools and community groups.

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), Royal Borough of Merton 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 some design modifications were approved by RBK in November 2020. The Board will continue to review the precise timing of the commencement of works, given the lack of certainty on the way forward economically as well as progress made to arrest the pandemic.

The three Science laboratories have been refurbished along with the Junior Classroom Block this year and a continued programme of upgrades includes new interactive whiteboards across the Trust. 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 2021 has allowed the Trust to have a robust platform in the event of future lockdowns or individual pupils needed to isolate.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

The land exchange with Merlin Enterprises is now complete and the work on the improved access to our sports facility at Almshouse Lane in Chessington has started. We are in the 'enabling' phase of building the pavilion at Almshouse Lane, which will significantly improve our sports facility. This major capital project is scheduled to be completed towards the end of 2022.

As mentioned earlier, permission for the capital development plan at TR which includes the enhancement of teaching and assembly accommodation, has been granted by the local authority in Merton but no set date has yet been agreed.

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 offers great facilities and provides an outstanding education. SHPPS has benefitted from increased marketing to ensure that the local and wider community are aware of its excellent facilities and educational offering. This has resulted in a stabilising of pupil numbers and increased uptake in Early Years.

PRINCIPAL RISKS AND UNCERTAINTIES

The Board of Governors is responsible for the management of all risks faced by the Trust. Governors are supported 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 key responsibilities of the sub committees are set out under the section 'Organisation and Management'. 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.

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. 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 Board of Governors, Legal & Estates Committee and the Trust Executive Committee are closely monitoring the potential impact of these risks. 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 is 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 pupil numbers may not be sufficient to maintain the Trust's long term 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 10 years.

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

Another key risk is the expected increase in employer 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 and 2020-21 performances. There is a very strong likelihood of a further material increase in employer contributions once the actuarial valuation has been completed. This is likely to be implemented as from April 2024. Measures to mitigate the financial impact of this increase are constantly under review 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 for staff 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 fully 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 suitably managed.

STRUCTURE, GOVERNANCE AND MANAGEMENT

Governing Document

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

Governing Body

A Board of Governors whose members are also Directors of the Company (herein referred to as "Trustees") governs the Trust. The Trustees meet regularly in the manner prescribed in the Articles of Association and meet as a full board at least once a term. The sub-committees, Strategy, 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 extraordinary Trustee meetings to discuss and manage the various risks facing the Trust to ensure it continues to provide the best education and also to support parents facing financial hardship, where possible. In consultation with the

REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 AUGUST 2021

Executive, the Governors had frozen the fees for the academic year 2020-21 and implemented discounts to the school fees during the lockdown period for the spring term except for the Early Years.

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. 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 Head, 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 Independent School Inspectorate, Association of Governing Bodies of Independent Schools, the Independent Association of Prep School, the Independent School Bursars Association, the Independent Schools Council 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 including 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 Head and the Director of Finance and Resources, who are supported by the Trust Executive Committee and the Governors; together this group are the key management personnel, as set out on page 1 of this document.

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 Head'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 Head, who is also the Head of SHS in Surbiton and two other Heads, one at SHPPS in Esher and another 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

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 07 December 2021 and signed on their behalf by:


.....

D. Johns


.....

A. L. Lee

Opinion

We have audited the financial statements of Shrewsbury House School Trust Limited for the year ended 31 August 2021 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 2021 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.

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 charitable company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The 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.

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 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.

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 charitable company and the environment in which it operates, we identified that the principal risks of non-compliance with laws and regulations 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 and Charities Act 2011, and considered other factors such as payroll tax and sales tax.

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 to income and management bias in accounting estimates. 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;
- Identifying and testing journals, in particular journal entries posted with unusual account combinations, postings with unusual amounts or descriptions, and postings with unusual date characteristics; and
- Challenging assumptions and judgements made by management in their critical accounting estimates

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SHREWSBURY HOUSE SCHOOL TRUST LIMITED

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

Use of our report

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

Date: 07 December 2021

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 AUGUST 2021
(incorporating income and expenditure account)

	Notes	Unrestricted General Fund £	Restricted Fund £	Total 2021 £	Total 2020 £
INCOME FROM:					
Income from charitable activity					
School fees	3	9,051,987	-	9,051,987	8,655,328
Ancillary trading income	4	590,928	-	590,928	708,028
Other trading activities					
Rental and lettings income		91,419	-	91,419	49,296
Investment income					
Bank and other interest		1,910	-	1,910	14,886
Voluntary sources					
Grants and donations	5	23,780	21,013	44,793	41,957
Coronavirus Job Retention Scheme		33,412	-	33,412	265,018
Other income					
Other income		4,501	-	4,501	13,506
Total Income		<u>9,797,937</u>	<u>21,013</u>	<u>9,818,950</u>	<u>9,748,019</u>
EXPENDITURE:					
Costs of raising funds:					
Financing costs		198,199	-	198,199	206,537
Charitable activity:					
Education		8,835,155	3,473	8,838,628	9,414,784
Total Expenditure	6	<u>9,033,354</u>	<u>3,473</u>	<u>9,036,827</u>	<u>9,621,321</u>
NET INCOME		764,583	17,540	782,123	126,698
Transfers between funds		25,953	(25,953)	-	-
NET MOVEMENT IN FUNDS		790,536	(8,413)	782,123	126,698
Fund balance brought forward 1 September		10,265,133	13,113	10,278,246	10,151,548
Fund balances carried forward at 31 August	14	<u>11,055,669</u>	<u>4,700</u>	<u>11,060,369</u>	<u>10,278,246</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	2021 £	2020 £
Fixed assets			
Tangible assets	9	15,365,915	15,130,128
Current assets			
Debtors	10	221,252	235,101
Cash at bank		4,614,619	2,853,529
		<u>4,835,871</u>	<u>3,088,630</u>
Current liabilities			
Creditors – due within one year	11	<u>(2,670,855)</u>	<u>(1,908,032)</u>
Net current assets		2,165,016	1,180,598
Total assets less current liabilities		17,530,931	16,310,726
Creditors – due after more than one year	12	<u>(6,470,562)</u>	<u>(6,032,480)</u>
Net assets		<u>11,060,369</u>	<u>10,278,246</u>
Represented by:			
Unrestricted funds	14	11,055,669	10,265,133
Restricted funds	14	4,700	13,113
		<u>11,060,369</u>	<u>10,278,246</u>

The financial statements were approved and authorised for issue by the Board of Trustees on **7 December 2021** and were signed below on its behalf by:

)	
.....)	
D. Johns)	
)	
.....)	Trustees
A.L. Lee)	

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

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 AUGUST 2021

		2021 £	2020 £
Cash flows from operating activities:			
Net cash provided by operating activities	16.A	1,731,996	1,035,009
Cash flows from investing activities:			
Bank interest		1,910	14,886
Purchase of tangible fixed assets		(1,002,527)	(456,909)
Net cash (used in) investing activities		(1,000,617)	(442,023)
Cash flows from financing activities:			
New borrowing		1,450,000	-
Repayments of borrowing		(420,289)	(445,651)
Net cash provided by / (used in) financing activities		1,029,711	(445,651)
Change in cash and cash equivalents in the reporting period		1,761,090	147,335
Cash and cash equivalents at the beginning of the reporting period		2,853,529	2,706,194
Cash and cash equivalents at the end of the reporting period	16.B	4,614,619	2,853,529

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 £1,696,923 (2020: £1,127,867). 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.

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

	2021 £	2020 £
Gross school fees	9,339,020	9,297,921
Less: Covid-19 summer term discounts	(130,176)	(498,040)
	<hr/>	<hr/>
	9,208,844	8,799,881
Less: Total bursaries, grants and allowances	(156,857)	(144,553)
	<hr/>	<hr/>
	9,051,987	8,655,328
	<hr/> <hr/>	<hr/> <hr/>

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

4.	ANCILLARY INCOME				2021 £	2020 £
	Registration fees				42,900	42,598
	School fees insurance				17,454	19,047
	School fees draw				19,964	21,049
	Extras				326,121	450,683
	Minibus charges				184,489	174,651
					<u>590,928</u>	<u>708,028</u>
5.	INCOME FROM VOLUNTARY SOURCES				2021 £	2020 £
	Donations and grants				59,444	58,778
	Less: Hardship discounts offered to parents				(14,651)	(16,821)
					<u>44,793</u>	<u>41,957</u>
6.	ANALYSIS OF TOTAL EXPENDITURE	Staff Costs £	Other £	Depreciation £	Total 2021 £	Total 2020 £
	Costs of raising funds:					
	Financing costs	-	198,199	-	198,199	206,537
	Charitable activity:					
	Teaching	4,497,923	555,099	214,142	5,267,164	5,562,376
	Premises	359,386	1,019,799	514,098	1,893,283	2,176,452
	Welfare	-	382,653	-	382,653	340,378
	Support costs – other	1,047,643	232,482	-	1,280,125	1,320,343
	Support costs – governance	-	15,403	-	15,403	15,235
	Total	<u>5,904,952</u>	<u>2,403,635</u>	<u>728,240</u>	<u>9,036,827</u>	<u>9,621,321</u>
	2020 COMPARATIVES					
	ANALYSIS OF TOTAL EXPENDITURE	Staff Costs £	Other £	Depreciation £	Total 2020 £	
	Costs of raising funds:					
	Financing costs	-	206,537	-	206,537	
	Charity 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	
	Total	<u>6,095,685</u>	<u>2,263,304</u>	<u>1,262,332</u>	<u>9,621,321</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.

6. ANALYSIS OF TOTAL EXPENDITURE (Continued)

GOVERNANCE COSTS	2021 £	2020 £
Audit fees	15,050	15,050
Trustee expenses	353	185
	<u>15,403</u>	<u>15,235</u>

7. NET INCOME FOR THE YEAR

	2021 £	2020 £
This is stated after charging:		
- Auditors' remuneration - Audit (excluding VAT)	15,050	15,050
- Other fees (excluding VAT)	1,500	5,970
Operating leases (excluding VAT)	<u>134,956</u>	<u>132,111</u>

8. STAFF COSTS

	2021 £	2020 £
Wages and salaries	4,620,320	4,745,800
Social security costs	472,964	485,408
Other pension costs	778,520	806,180
Other staff costs	22,665	24,589
Redundancy and termination payments	10,483	33,708
	<u>5,904,952</u>	<u>6,095,685</u>

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

	2021 Number	2020 Number
Teaching staff and teaching assistants	88	91
Support and other staff and gap students	38	38
Minibus drivers – part-time	14	15
	<u>140</u>	<u>144</u>

The number of employees who received emoluments and benefits in the following ranges were:

£60,001 - £70,000	10	9
£70,001 - £80,000	1	2
£80,001 - £90,000	2	1
£90,001 - £100,000	1	-
£100,001 - £110,000	-	1
£120,001 - £130,000	1	-
£160,001- £170,000	-	1
	<u></u>	<u></u>

The school made employer's pension contributions totalling £219,107 (2020: £209,223) on behalf of the higher paid employees.

Aggregate employee benefits of key management personnel – Senior management team	<u>879,604</u>	<u>813,522</u>
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NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

9. TANGIBLE FIXED ASSETS

	Freehold Property	Leasehold Property	Freehold Property Improvements	Construction In Progress	Equipment Computers and Vehicles	Total
	£	£	£	£	£	£
Cost or Valuation						
At 1 September 2020	14,126,728	-	3,748,121	2,146,030	1,923,231	21,944,110
Additions	-	82,350	173,730	569,056	177,391	1,002,527
Disposal	(105,656)	-	-	-	-	(105,656)
At 31 August 2021	14,021,072	82,350	3,921,851	2,715,086	2,100,622	22,840,981
Depreciation						
At 1 September 2020	2,815,833	-	1,526,698	1,018,163	1,453,288	6,813,982
Charge for the year	221,960	-	292,138	-	214,142	728,240
Disposal	(67,156)	-	-	-	-	(67,156)
At 31 August 2021	2,970,637	-	1,818,836	1,018,163	1,667,430	7,475,066
Net Book Value						
At 31 August 2021	11,050,435	82,350	2,103,015	1,696,923	433,192	15,365,915
At 31 August 2020	11,310,895	-	2,221,423	1,127,867	469,943	15,130,128

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. Lloyds Bank plc also has a debenture dated 12 March 2021 in the form of a floating charge over all the properties of the Trust and a negative pledge.

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

	2021 £	2020 £
Due within one year:		
Trade debtors	24,784	16,787
Other debtors	34,863	82,632
Due from HMRC (VAT)	-	3,803
Prepayments	161,605	131,879
	221,252	235,101

11. CREDITORS: Amounts falling due within one year	2021 £	2020 £
Bank loan (see note 13)	513,311	420,289
Deferred consideration	463,462	-
Trade creditors	404,918	263,709
Social security costs and other taxation	140,335	130,050
Other creditors	191,008	394,365
Accruals	313,497	149,218
Pupil deposits	200,682	188,436
Fees in advance	443,642	361,965
	<u>2,670,855</u>	<u>1,908,032</u>
12. CREDITORS: Amounts falling due after one year	2021 £	2020 £
Bank loans (see note 13)	4,965,444	4,045,563
Deferred consideration	445,652	874,144
Pupil deposits	1,059,466	1,078,047
Other creditors	-	34,726
	<u>6,470,562</u>	<u>6,032,480</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%. An amount of £463,462 is shown under Creditors falling due within one year and £445,652 after one year.

13. BANK LOANS	2021 £	2020 £
The bank loans are repayable by instalments		
Due after five years	2,063,420	2,446,602
Due within two to five years	2,017,755	1,167,505
Due within one to two years	884,269	431,456
	<u>4,965,444</u>	<u>4,045,563</u>
Due within one year (note 11)	513,311	420,289
	<u>5,478,755</u>	<u>4,465,852</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.

Shrewsbury House School Trust Limited has another bank loan, the Coronavirus Business Interruption Loan (CBIL) with Lloyds Bank which was drawn down on 17 May 2021. The current rate of interest paid is Base Rate plus 1.54%. The loan is repayable in monthly instalments starting June 2022 until May 2027 when the loan will be fully repaid.

NOTES TO THE ACCOUNTS FOR THE YEAR ENDED 31 AUGUST 2021

14. FUNDS	Balance at 1 September 2020 £	Income £	Expenditure £	Transfers £	Balance at 31 August 2021 £
<i>Unrestricted fund:</i>					
General fund	10,265,133	9,797,937	9,033,354	25,953	11,055,669
<i>Restricted fund:</i>					
Infrastructure & equipment	3,700	15,775	3,473	(11,302)	4,700
Hardship fund	9,413	5,238	-	(14,651)	-
Total Restricted Fund	13,113	21,013	3,473	(25,953)	4,700
TOTAL FUNDS	10,278,246	9,818,950	9,036,827	-	11,060,369

The transfer of funds relates to donations spent on an adventure playground for children at SHPPS as well as infrastructure improvement works in line with the long term maintenance programmes across all three schools and support to parents as a result of the donations received towards the hardship fund.

2020 COMPARATIVES	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
Total Restricted Fund	20,000	15,141	-	(22,028)	13,113
TOTAL FUNDS	10,151,548	9,748,019	9,621,321	-	10,278,246

15. NET ASSETS OF THE FUNDS	Fixed Assets £	Net current Assets £	Long term Liabilities £	Total £
Unrestricted fund	15,365,915	2,160,316	(6,470,562)	11,055,669
Restricted fund	-	4,700	-	4,700
TOTAL FUNDS	15,365,915	2,165,016	(6,470,562)	11,060,369
2020 COMPARATIVES	Assets £	Assets £	Liabilities £	Total £
Unrestricted fund	15,130,128	1,167,485	(6,032,480)	10,265,133
Restricted fund	-	13,113	-	13,113
TOTAL FUNDS	15,130,128	1,180,598	(6,032,480)	10,278,246

16. NOTES TO STATEMENT OF CASH FLOW

	2021 £	2020 £		
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)	782,123	126,698		
Adjustments for:				
Depreciation charges	728,240	674,169		
Impairment charges	-	588,163		
(Profit) / loss on disposal of fixed assets	(665)	1,484		
Bank interest	(1,910)	(14,886)		
Decrease in debtors	13,849	124,790		
Increase / (decrease) in creditors	210,359	(465,409)		
Net cash provided by operating activities	1,731,996	1,035,009		
B. Analysis of cash and cash equivalents				
Cash at bank and in hand	4,614,619	2,853,529		
Total cash and cash equivalents	4,614,619	2,853,529		
C. Analysis of changes in net debt	Balance at 1 September 2020	Cash-flows	Transfers	Balance at 31 August 2021
	£	£	£	£
Cash	2,853,529	1,761,090	-	4,614,619
Loans falling due within one year	(420,289)	(81,854)	(11,168)	(513,311)
Loans falling due after more than one year	(4,045,563)	(931,049)	11,168	(4,965,444)
TOTAL	(1,612,323)	748,187	-	(864,136)

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 £680,175 (2020: £709,367) and at year-end £67,510 (2020: £83,311) was accrued in respect of contributions to this scheme.

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

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

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

On 27 June 2019 the Supreme Court denied the government permission to appeal the Court of Appeal's judgment that transitional provisions introduced to the reformed pension schemes in 2015 gave rise to unlawful age discrimination. The government is respecting the Court's decision and has said it will engage fully with the Employment Tribunal as well as employer and member representatives to agree how the discriminations will be remedied. The government announced on 4 February 2021 that it intends to proceed with a deferred choice underpin under which members will be able to choose either legacy or reformed scheme benefits in respect of their service during the period between 1 April 2015 and 31 March 2022 at the point they become payable..

The TPS is subject to a cost cap mechanism which was put in place to protect taxpayers against unforeseen changes in scheme costs. The Chief Secretary to the Treasury, having in 2018 announced that there would be a review of this cost cap mechanism, in January 2019 announced a pause to the cost cap mechanism following the Court of Appeal's ruling in the McCloud/Sargeant case and until there is certainty about the value of pensions to employees from April 2015 onwards. The pause was lifted in July 2020, and a consultation was launched on 24 June 2021 on proposed changes to the cost control mechanism following a review by the Government Actuary. The consultation closed to response on 19 August 2021 and the Government is currently analysing the responses.

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

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

The Trust also contributed to a pension scheme administered by Aviva for non-teaching staff. The charge totalled £86,249 (2020: £85,536) and at year-end £12,618 (2020: £12,458) was accrued in respect of contributions to this scheme. The Trust also makes contributions towards the private scheme of a member of staff.

18. COMMITMENTS UNDER OPERATING LEASES & CAPITAL COMMITMENTS

	Assets other than land & buildings	
	2021	2020
	£	£
Due within one year	128,817	111,086
Due between one to five years	128,377	90,025
	<u>257,194</u>	<u>201,111</u>

Capital commitments contracted for but not provided in these accounts at 31 August 2021 were £680,703 (2020: £14,446) relating mainly to construction work for the access road to the sports facilities and the pavilion at Almshouse Lane in Chessington.

19. INDEMNITY INSURANCE

The company purchased insurance, at a cost of £798 (2020: £798) 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 (2020: £Nil). Amounts paid directly to third parties on behalf of Trustees during the year amounted to £353 (2020: £399). These expenses consisted of training for Trustees. During the year, payments made by a Trustee towards school fees amounted to £10,237 (2020: £7,739). The amount billed by SHS to the Trustee was £7,859 (2020: £7,527). An amount of £322 (2020: £284) was billed to a company related to a Trustee for the hire of the Sports Hall. Payments made by the company were £322 (2020: £284).

During the year, the Shrewsbury Pre-Prep Parents Association (SPPA) donated an amount of £9,000 towards the Adventure Playground at SHPPS.

21. COMPARATIVE STATEMENT OF FINANCIAL ACTIVITIES

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